

Pension Regulation

Based on Article 6 of the statutes of the Independent Pension Foundation 3a Zurich ("Foundation"), the Foundation Board enacts the following pension regulation.

Art. 1 Purpose

1. The Foundation offers tied pension provision (pillar 3a) in the sense of Article 82 of the Federal Act on Occupational Old Age, Survivors and Invalidity Pension Provision (BVG/LPP) as well as the corresponding ordinances. Its activity extends to the entire area of Switzerland.
2. The Foundation can provide insurance protection to cover the risks of disability and death and enter into insurance contracts for this purpose.

Art. 2 Contents of the regulation

This pension regulation regulates the rights and duties of the client (hereinafter client) and of the entitled parties with respect to the Foundation.

Art. 3 Pension agreement – Application to open account/deposit account

1. The Foundation and the client enter into a pension agreement which defines the details of the pension relationship. The pension relationship begins with acceptance of this pension agreement and ends with the dissolution thereof.
2. Using the appropriate forms, the client applies to the Foundation for a retirement savings account, as well as, if need be, a securities deposit account.
3. The decision as to whether the pension agreement is authorised is incumbent upon the management. The Foundation Board issues appropriate guidelines regarding this.

Art. 4 Opening the account and deposit relationships

1. The client has the option of selecting the securities solution in addition to the account solution.
2. For each client, the Foundation opens and manages a retirement savings account at a bank that is subject to the supervision of the Swiss Financial Market Supervisory Authority FINMA ("deposit bank") and, as needed, a securities deposit account, both of which are in the client's own name.

Art. 5 Contributions

1. Clients can determine how much and when to make their tax-deductible contribution payments to their retirement savings accounts, up to the maximum authorised annual tax-deductible amount defined in Article 7(1) BVV 3/OPP 3 in conjunction with Article 8 (1) BVG/LPP. Contributions must be made before the date set annually by the Foundation as the last possible deposit date of a given calendar year, in order to be credited to the retirement savings account in the same year. Contributions received after that date cannot be retroactively credited.
2. The pension institution is free to reject a payment of contributions.
3. The client is liable to the Foundation for at least the contribution of the risk insurance, where applicable. The Foundation is entitled to charge the risk premium to the retirement savings account held in the client's name. If the assets are invested in securities, the Foundation may sell securities for this purpose in the corresponding amount. If the risk insurance premium is debited to the retirement savings account, the permitted contribution according to subsection 1 is reduced by the amount of the premium.
4. As long as the client remains gainfully employed, contributions can be paid up until five years after the normal AHV/AVS retirement age is reached. In the last year, the full contribution can still be paid.

Art. 6 Retirement savings account (account solution)

1. The client is obliged to submit an application for opening a retirement savings account.
2. The following items, among others, are credited to the retirement savings account:
 - a. pension assets transferred from pillar 3a pension institutions;
 - b. contributions, up to the maximum legal amount;
 - c. interest and income from securities.
3. The following items, among others, are debited to the retirement savings account:
 - a. pension assets transferred to other pillar 3a pension institutions and for pension plan buy-in purposes;
 - b. withdrawals by the client in accordance with legal provisions;
 - c. fees in accordance with the fee schedule and pension agreement;
 - d. any risk premiums.

Art. 7 Interest rate on the retirement savings accounts

1. The interest rate on retirement savings accounts is determined by the Foundation Board for each product and product provider and continuously adjusted to market conditions. The current interest rate is published on www.uvzh.ch and www.unabhaengigevorsorge.ch or can be requested from the Foundation.
2. Interest is credited at the end of each calendar year.
3. In the event the client ends the pension relationship during the course of a year, interest will be calculated pro rata temporis until the value date of the withdrawal.

Art. 8 Securities deposit (securities solution)

1. The client is obliged to submit an application for opening a securities deposit. The client may task the Foundation with investing a part of the amount or the entire amount of his/her pension assets in securities.
2. The foundation acquires the investments for the individual account of the client. When investing pensions assets in securities, there is no entitlement to a minimum interest rate or to any value preservation. The investment risk lies solely with the client.
3. Buy and sell orders from the client to the Foundation can be issued at any time, under observance of subsection 4 below. The temporal processing of orders occurs on the basis of the holiday schedule of the canton in which the Foundation and deposit bank are situated and the trading days/hours of the corresponding stock exchange. Orders are always carried out at market.
4. Buy and sell orders are carried out at least once a week. For the time between incoming payment and investment, the interest rate according to Article 7 is applied. To be invested, funds must be received and credited to the client's account or securities deposit with good value at least three working days before the investment date. The Foundation bears no liability, except for gross negligence on its part, for any delays in the investment or disinvestment.
5. If the client has chosen an investment strategy in the pension agreement, then the Foundation is obliged to implement this using BVG/LPP-compliant investments.
6. The issue and redemption price correspond to the price calculated by the fund management company on the valuation date, whereby the Foundation can apply an issuing and/or redemption commission to cover its costs. When selling shares, proceeds are credited to the client's retirement savings account.

7. The following items, among others, are debited to the retirement savings account when buying and selling shares:
 - a. Compensation paid to the Foundation, its representatives and agents as well as brokerage fees, stamp duties and deposit charges in accordance with the Foundation's Regulations and the pension agreement;
 - b. intermediation or consultation fees with explicit, written agreement of the client
 - c. any risk premiums
8. In the event of a lack of liquidity, the Foundation can sell assets in the value of the remuneration and charge the retirement savings account accordingly.

Art. 9 Investment guideline compliance and monitoring for asset management mandates

1. The persons entrusted with asset management shall ensure compliance with the investment guidelines set forth in Art. 71 (1) BVG, Articles 49–58 BVV 2 and Art. 5 BVV3, taking into account any permissible extensions of the investment opportunity. The Foundation monitors compliance on a regular basis for asset management mandates.
2. If the investment restrictions that apply to the asset management mandate are not complied with temporarily for any reason, the persons entrusted with asset management shall, of their own accord, promptly restore due legal and contractual compliance. Moreover, the Foundation is entitled to make any necessary adjustments to the portfolio independently.

Art. 10 Obligation to inform

1. The client receives a confirmation from the Foundation after opening a retirement savings account and/or securities deposit.
2. At the beginning of each year, the Foundation issues to the client a statement of the balance of the retirement savings and/or deposit value as of 31 December as well as of the contributions paid in the past calendar year.
3. The client must inform the Foundation of any changes of address, name, or marital status. If the client is married or living in a registered partnership, then the Foundation must be informed of the date of marriage or registration. The Foundation bears no responsibility for the consequences of insufficient, delayed or incorrect registration of address and personal details.
4. Notifications to the client are considered legally delivered when they are sent to the client's most recent address known to the Foundation.
5. All of the client's correspondence is to be directed to the Foundation and/or the corresponding consultant upon request. The address of the Foundation can be found on www.uvzh.ch or www.unabhaengigevorsorge.ch.

Art. 11 Order of beneficiaries

1. In the event of survival, the client is the beneficiary.
2. After the client's death, the following persons, in descending order, are beneficiaries, irrespective of inheritance law:
 - a. the surviving spouse/registered partner; in his/her absence
 - b. the direct descendants as well as persons who were supported by the client to a significant degree, or the person with whom the client cohabited without interruption for the last five years prior to death or who must support one or more joint children; in their absence
 - c. the parents; in their absence
 - d. the siblings; in their absence
 - e. other heirs.
3. The client can determine one or more beneficiaries among those listed under subsection 2 letter b and define their entitlements more specifically. Persons whom the client supported to a significant extent (as in subsection 2, letter b) must be made known in writing to the Foundation during the client's lifetime. The person with whom the client cohabited, as in subsection 2, letter b, must, after the client's death, supply the Foundation with verification of an uninterrupted cohabitation during the last five years.
4. The client is entitled to change the order of beneficiaries as listed in subsection 2 letters c to e and define the scope of their individual entitlements more specifically.
5. Insofar as the client does not define the beneficiaries' entitlements more specifically, the Foundation shall divide the assets up equally per capital if there are several beneficiaries in the same group.
6. If beneficiaries are determined in the event of death and either their order is changed or their entitlements are defined more specifically, the form provided by the Foundation must be used. The clarifications and/or changes reported on the form will only be reflected in the distribution if the Foundation is notified accordingly no later than when the lump-sum death benefit is paid out.
7. If the client has failed to notify the Foundation of the existence of his/her partner, the Foundation will assume that no such partner exists. The Foundation is not obliged to mount a proactive search for the 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.

Art. 12 Early termination of the account and custody account by the foundation

If the retirement savings account and/or custody account is not credited within 6 months of opening at the custodian bank, the Foundation reserves the right to close the retirement savings account or custody account.

Art. 13 Payment of pension benefits and dissolution of the pension agreement

1. The pension agreement ends with the death of the client, the latest, however, when the client reaches the statutory AHV/AVS retirement age.
2. The pension benefits may be rewarded, at the earliest, five years before the client reaches the statutory AHV/AVS retirement age. The benefits become payable when the client reaches the statutory AHV/AVS retirement age. If the client submits proof that he/she pursues a gainful activity, the payment can be postponed for a maximum of five years past the statutory AHV/AVS retirement age. The client is entitled in this case to make contributions for, at the longest, five years past the statutory AHV/AVS retirement age. In the event of such an extension, the client must inform the Foundation in writing whenever he/she ceases to pursue a gainful activity.
3. Within the duration of the pension agreement, no withdrawals from the retirement savings account or deposit are possible.
4. An early payment of pension benefits requires a written request from the client and can only be allowed if the pension relationship is dissolved for one of the following reasons:
 - a. if the client is drawing a full disability pension from the Federal Invalidity Insurance (IV) and there is no insurance for disability risk with the Foundation;
 - b. if the client uses the pension assets for a buy-in into a tax-exempt pension institution or another recognised pension form;
 - c. if the client becomes self-employed and is no longer subject to the obligatory occupational pension (payment is possible within one year after the beginning of self-employment);
 - d. if the client ends previous self-employment and begins a different type of self-employment (payment is possible within one year after the change in self-employment conditions);
 - e. if the client permanently leaves Switzerland;
 - f. for purchasing and constructing a residence for their own use;
 - g. for co-ownership of a residence for their own use;
 - h. for repayment of mortgage loans.
5. If the client is married or lives in a registered partnership, the early payment of retirement benefits, as in subsection 2, letters c-h, is only allowed when the spouse or registered partner gives written consent. If this consent cannot be acquired or is refused, the insured person may turn to the court.
6. Payments for purposes of home-ownership facilitation (subsection 2, letters f-h) can be validated every five years until five years before the client reaches the statutory AHV/AVS retirement age. Assets used for residence-related purposes are paid out by the Foundation directly to the seller, builder, lender or, in case of co-ownership, to the entitled persons, upon presentation of the necessary documents and in agreement with the client.

The entitled parties shall provide to the Foundation all information required to validate the entitlement to the pension benefits and submit the requested documents and evidence. In each case, the Foundation reserves the right to make further clarifications and request documents, information and certifications, etc. from the applicant that the Foundation deems necessary to verify the entitlement. All formal requirements on the forms are considered part of this regulation. The Foundation reserves the right to amend the formal requirements for payment of the benefits.

Art. 14 Benefit payments

Benefits are exclusively provided in the form of capital and are paid out within 31 days after receipt of the completed application. The amount of the benefits corresponds to the balance of the retirement savings account and/or pension deposit.

Art. 15 Assignment, pledging and set-off

1. The pension assets can neither be assigned, pledged nor set-off before they have reached maturity. Rights reserved:
 - a. pledging in the context of home-ownership facilitation;
 - b. full or partial assignment or court-ordered transfer of the pension assets in case of a divorce or a legal annulment of the registered partnership or on the basis of other circumstances (other than death).
2. For clients who are married or living in a registered partnership, written consent of the spouse or registered partner is necessary for pledging.

Art. 16 Fees

The Foundation can apply fees in accordance with the separate fee schedule as compensation for its expenses. These are debited to the pension assets. The Foundation reserves the right to amend the fee regulations at any time. The currently valid fee regulations are available at www.uvzh.ch and www.unabhaengigevorsorge.ch or can be requested from the Foundation.

Art. 17 Obligation to notify tax authorities

1. The Foundation must declare any pension benefit payments to the tax authorities to the extent that such declarations are required by law or by official federal or cantonal ordinance.
2. If the client is a foreign resident at the time in which the benefits are paid out, the Foundation deducts the withholding tax directly from the pension assets that are to be paid out.

Art. 18 Liability and complaints

1. The Foundation holds no liability to the client for any consequences arising from the client's failure to comply with legal, contractual and regulatory obligations.
2. Complaints by the client on account of any kind of order or dispute of withdrawals from the account or deposit, as well as other notifications are to be lodged in writing, immediately, within four weeks at latest, after receiving the statement in question. If no objection is raised, the activities are considered confirmed and accepted. Consequences arising from delayed complaints are borne by the client. The client is responsible for any damages arising from a lack of capacity to act either on his/her own part or on the part of a third party, unless the Foundation is informed of this in writing.

Art. 19 Due diligence

The Foundation is obligated to perform its administrative tasks in connection with the pension agreement in good faith and with the same diligence it uses to conduct its own business affairs. Apart from this obligation to due diligence, the Foundation is only liable for gross negligence and deliberate breaches of contractual or legal obligations.

Art. 20 Authoritative Language

Should variations occur between language versions of this regulation, the German language version is considered authoritative.

Art. 21 Omissions

In the event that this regulation lacks provisions on a specific point, the Foundation Board will adopt a regulation that is appropriate to the purposes of the Foundation.

Art. 22 Amendments

The Foundation Board may amend this pension regulation at any time. The changes shall be notified to the client in writing or by electronic means. The currently valid version of the regulation is available to clients at www.uvzh.ch and www.unabhaengigevorsorge.ch or can be requested from the Foundation.

Art. 23 Electronic notifications

The Foundation and deposit bank may fulfil their notification and accountability obligations to the client by means of written communication or in electronic form. Electronic account documents are considered delivered as soon as they are retrievable by the client via the customer portal of the Foundation.

Art. 24 Reservation of legal provisions

Mandatory legal or ordinance provisions override contradictory provisions of this regulation and of the pension agreement. In particular, subsequent changes to the law or ordinances are valid, even without notifying the client.

Art. 25 Jurisdiction and applicable law

The regulation is subject to Swiss law. Jurisdiction lies at the Swiss domicile or place of residence of the defendant party; otherwise, the location of the Foundation. The client also has the possibility to file proceedings at his/her own place of residence.

Art. 26 Validity

The present pension regulation was amended by means of a Circular resolution of the Foundation Board in July 2019 and will enter into force on 1st of January 2020. It replaces the previous pension regulation.

Zurich, July 2019

Foundation Board, Independent Pension Foundation 3a Zurich