

Dätwyler Holding AG Pension Fund Regulations

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This is an English translation only; legally binding is the German version of these regulations.

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A General provisions

1 Definitions

For the sake of brevity, the following definitions are used in these regulations:

Company	Dätwyler Holding AG and its Group entities and related companies which have affiliated their personnel - or precisely defined sections thereof - to the trust by way of an affiliation agreement.
Pension fund	The pension fund operated by the pension trust of Dätwyler Holding AG in accordance with these regulations.
Employees	The male and female staff working at a Swiss company. They can also be employees seconded from abroad. If no special distinction is made below, the term "employee" always refers to both sexes.
Member	Any person affiliated to the pension fund (disabled persons and old-age pensioners are not members in this sense).
Pension recipient	The term "pension recipients" is always taken to mean recipients of benefits of both sexes.
Age	Unless otherwise defined, the age is determined by the difference between the calendar year and the year of birth.
Year of age	A year of age ends on the first of the month following the date of birth.
Retirement age	The retirement age is reached on the first day of the month in which the BVG reference age is reached.
Registered partnership	Any person living in a registered partnership in accordance with the Federal Registered Partnerships Act (PartG) has the same rights and obligations as a spouse. Terms such as "marriage", "spouse", "widow", "widower" or "married" always include the registered partnership.

Maximum age for children	The maximum age for children is reached on completion of their 18th year of age. The pension entitlement for children in education or training or who are at least 70 % disabled runs until they have completed their education or training or become eligible for work but ceases at the latest on completion of their 25th year of age.
Retirement savings balance	The accumulated savings of members.
Shortfall	A shortfall exists if the pension liabilities on the reporting date are not covered by the available pension fund assets actuarially calculated by pension actuaries in accordance with recognised principles (Section 44 of the Ordinance on Occupational Retirement, Survivors' and Disability Pension Plans [BVV2]).
BVG	The Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans.
BVV2	The Ordinance to the Federal Law on Occupational Pension Schemes.
FZG	The Federal Vested Benefits Act.
FZV	The Federal Vested Benefits Ordinance
WEFV	The Ordinance on the Encouragement of the Use of Vested Pension Accruals for Home Ownership.
ZGB	The Swiss Civil Code.
SchIT	The Commencement and Implementing Provisions of the Swiss Civil Code

2 Legal nature and purpose

2.1 A trust (foundation) within the meaning of Section 80 ff. of the Swiss Civil Code (ZGB) exists in Altdorf, Canton Uri, under the name "Dätwyler Holding AG Pension Fund". The pension fund is run by the Board of Trustees (Section 30 hereunder).

2.2 The pension fund manages the BVG workplace pension scheme on behalf of the company employees. It has been entered in the Register of Occupational Pension Schemes for this purpose. The fund shall ensure compliance with the mandatory provisions of the BVG and other legislation at all times. The pension fund logs the BVG minimum benefits, including the cost-of-living adjustments of survivor and disability benefits prescribed by the Swiss Federal Council, in a shadow account.

The pension fund calculates its benefits according to the "imputation principle", i.e. by comparing the regulatory benefits with the minimum benefits in accordance with the BVG and paying out the higher amount.

The interest rate for the shadow account corresponds to the BVG minimum interest rate. The conversion rates on retirement at the BVG reference age correspond to the BVG minimum conversion rates. Unless otherwise provided by the BVG, the following applies: in the event of early retirement, these conversion rates decrease by 0.013 % for every month of advance receipt; if the pension is taken at a later date, they increase by 0.013 % for each month of deferment.

If pension monies are paid out in advance (under WEFV or on divorce), a BVG advance withdrawal account shall be opened in the shadow account in accordance with Sections 24 and 25 of these regulations and deducted from the BVG retirement savings balance on the pension entitlement date or on departure from the fund. On opening, the BVG advance withdrawal account corresponds to that proportion of the BVG retirement savings balance in accordance with Section 18 FZG which corresponds to the ratio of the payout to the total vested benefits. The BVG advance withdrawal account attracts the same rate of interest as the BVG retirement savings balance.

On withdrawal of part of the retirement benefits in capital form or on semi-retirement, the BVG retirement benefits decrease proportionally.

If pension monies are paid back (under WEFV or on divorce), the repayment is credited to the BVG advance withdrawal account/the BVG retirement savings in the same proportion as for a payout. If the BVG retirement savings component cannot be determined on payout, federal law shall be applied.

3 Start and end of coverage

3.1 All employees over the age of 17 whose annual salary in accordance with Section 4 exceeds the minimum salary as defined by the BVG (2024: CHF 22,050) will be accepted as a member into the pension fund. The minimum wage for semi-retired persons and the partially disabled is reduced according to the pension entitlement. This is without prejudice to Section 3.2. Coverage begins on the day the contract of employment commences or the wage/salary entitlement first takes effect; in any event, however, at the time he sets off for work.

3.2 Ineligible for admission to the fund are employees:

- a) Who are full-time self-employed or non-self-employed outside of the company and, in the latter case, are already mandatorily covered by the pension system for the salary earned from such employment;
- b) Who are at least 70 % disabled;
- c) Whose contract of employment is fixed for a maximum of three months. If the employment relationship is extended for more than three months without interruption, the employee is covered by the pension fund from the time the extension was agreed. Where several consecutive periods of employment at the company total more than three months and there is no gap of more than three months between such periods, the employee's pension cover commences from the beginning of the fourth month of work in total. If, however, it is agreed before the employee first commences work that the total period of employment will exceed three months, the employee's pension cover commences on the first day of the employment relationship.
- d) Whose pension from the invalidity insurance scheme has been reduced or cancelled in accordance with the conditions set forth at Section 26a BVG, to the extent to which they resume gainful employment for this reason or increase their working hours.
- e) Who are older than the retirement age.

3.3 If the annual salary of a member no longer exceeds the minimum salary specified in Section 3.1 (e.g. due to unpaid leave) only temporarily (no more than four months), the pension cover

continues based on the unchanged pensionable salary and the unchanged obligation to pay contributions during this period.

- 3.4 If the annual salary of a member no longer exceeds the minimum salary specified in Section 3.1 on a permanent basis, they cease to be a member of the pension fund. The accumulated retirement savings balance in accordance with Section 7 is paid out in the form of vested benefits in accordance with sections 20ff.
- 3.5 Membership of the pension fund ends when the employment relationship comes to an end (without prejudice to Section 3a). Where the pension entitlement arises (due to age, disability or death), the benefits referred to in Sections 6 to 19 and Section 37 shall become payable by the fund. If the employment relationship ends before the pension becomes payable, the provisions governing departure from the fund apply (Sections 20 to 23).
- 3.6 The pension fund no longer covers members whose employment relationship is dissolved with no pension entitlement. This is without prejudice to Section 3a on the continuation of coverage from age 59.
- 3.7 Members remain covered by the fund for death and disability for one month after dissolution of the employment relationship, unless they have already entered another pension scheme.

3a Continuation of coverage from age 59

- 3a.1 Any member who leaves the pension fund on completion of their 58th year of age due to termination of the contract of employment by the employer can request the continuation of coverage from the pension fund pursuant to this section. The member has the option of increasing their retirement benefits by paying additional pension contributions during this continuation of coverage. The vested benefits remain in the fund even if no further contributions are made.

The member must request the continuation of coverage in writing within three months of the coverage ending as set forth in Section 3.5. The member shall also inform the pension fund whether he or she wishes to continue the old-age insurance.

- 3a.2 In the event of coverage continuing, the pensionable earnings applicable prior to the compulsory coverage ending shall be carried forward unchanged. If the member transfers to a new pension scheme and if any of the vested benefits are paid out, the pensionable earnings shall decrease in the same proportion as the vested benefits at the time of remittance.

- 3a.3 To cover the costs of risk insurance, administration and the losses from too high a conversion rate, the member shall pay a contribution corresponding to the relevant contribution of the company and the member. Members who continue the retirement provision shall also pay the pension contribution of the company and the member. The 4% age-related supplement on the contributions paid by the member is not added when calculating the minimum amount in accordance with Section 17 FZG. As part of the continuation of coverage, the member shall pay the relevant employee contributions under Section 26.6 in the event of a pension shortfall. No employer contributions are levied on these pensionable earnings in the event of a shortfall.
- 3a.4 If a member joins a new pension scheme, the pension fund shall remit the transfer value to the new scheme in the scope that can be used for purchasing the full regulatory benefits. If, after that, at least one third of the vested benefits remain in the pension fund, the member can continue coverage in the fund in accordance with the remaining vested benefits. If more than two thirds of the transfer value is required to purchase the full regulatory benefits of the new pension scheme, coverage in the pension fund shall end.
- 3a.5 Coverage ends on occurrence of the risk events death, disability or age, and no later than the date on which the member reaches retirement age. If the member joins a new pension scheme, it ends if more than two thirds of the transfer value are required to purchase the full regulatory benefits in the new scheme. Coverage may be terminated by the member at any time and by the pension fund if the member is late in paying contributions. In such cases, the coverage ends on the last day of the period for which contributions have been paid. Contributions are deemed to be late if they are not paid within 30 days of the date on which the reminder is sent.
- 3a.6 If the continuation of coverage ends before the earliest possible retirement age, the provisions governing leaving the pension fund shall apply. Otherwise, the retirement benefits will be paid. If the continuation of coverage lasts more than two years, the benefits must be taken in pension form; vested benefits may no longer be withdrawn in advance or pledged for the purchase of residential property.

4 Annual salary and pensionable salary

- 4.1 The annual salary corresponds to the annual AHV salary in accordance with the Federal Old Age and Survivors' Insurance Act (BVG), less salary components that arise once only or irregularly (e.g. employee anniversary gifts, special bonuses, suggestion

scheme awards, severance allowances, payment in lieu of accrued holidays on termination of the employment relationship, etc.).

Recurring salary components such as shift pay, overtime pay and bonuses are credited to the annual salary on the basis of the previous year. If the BVG mandatory pension is granted, contractually agreed bonuses are covered with a target achievement rate of 75 %.

- 4.2 The pensionable salary corresponds to the annual salary (Section 4.1), reduced by the coordination amount (Section 4.3) and limited in accordance with Section 4.4.
- 4.3 The coordination amount corresponds to 7/8 of the maximum AHV retirement pension (2024: CHF 25,725). It is adjusted to the relevant AHV retirement pension level. For part-time employees, the coordination amount is set in proportion to the hours worked. For semi-retired persons and the partially disabled, the coordination amount is reduced in accordance with the pension entitlement.
- 4.4 The minimum pensionable salary amounts to 1/8 of the maximum AHV retirement pension (2024: CHF 3,675). The maximum pensionable salary corresponds to six times the maximum AHV retirement pension, reduced by the coordination amount in accordance with Section 4.3 (2024: CHF 150,675). For semi-retired persons and the partially disabled, the maximum pensionable salary is reduced in accordance with the pension entitlement.
- 4.5 The pensionable salary is first set upon admission of an employee to the pension fund. Thereafter the pensionable salary is adjusted at the beginning of each calendar year. Salary changes during a calendar year are not taken into account for the pension fund until the following calendar year. This is without prejudice to Section 4.6.
- 4.6 If the annual salary of a member changes during a calendar year due to promotion or a change in hours worked for a period of at least six months, the annual salary is adjusted from the month of the change.
- 4.7 If the annual salary decreases temporarily due to sickness, accident, unemployment, maternity or paternity leave, adoption or for similar reasons, it retains its validity for at least as long as the employer is obliged to continue paying the member's salary pursuant to Section 324a of the Swiss Code of Obligations (OR) or a maternity leave pursuant to Section 329f OR, a paternity leave pursuant to Section 329g OR, a carer's leave pursuant to Section 329i OR, or an adoption leave pursuant to Section 329j OR is in

progress, and the employment relationship has not definitively been dissolved. The member may, however, request that his/her pensionable salary be reduced.

- 4.8 The pension fund does not provide any voluntary cover for part-time employees with respect to salary received from other employers.
- 4.9 Members whose annual salary drops by up to 50 % after their 58th birthday can voluntarily continue their coverage at the level of their previous annual salary until they reach retirement age. In this case, the member concerned must pay the employer's share of the special contributions in respect of that part of the annual salary that is voluntarily covered in addition to the employee contributions and also the missing component of the retirement savings credit. The 4 % age-related supplement in accordance with Section 17 FZG is not taken into account when calculating vested benefits in respect of these contributions.

5 Duty to provide information/processing of personal data

- 5.1 Members, pension recipients and entitled survivors shall provide complete and truthful information about all circumstances pertaining to the relationship with the pension fund (for example changes to the degree of disability) and procure the requisite supporting documents. Members, pension recipients and their survivors shall inform the fund of all circumstances of relevance for keeping the pension files up to date, such as deaths, marriages, divorces, changes of address, cessation of education or training of children eligible to receive pension benefits, etc. within three weeks.
- 5.2 Pension recipients shall submit evidence that they are alive and disabled persons a medical certificate issued by a doctor agreed with the Board of Trustees if requested to do so by the pension fund. Recipients of disability and survivor pensions must report all effective income within the meaning of Section 18.
- 5.3 The pension fund rejects all liability for any detrimental consequences resulting from a breach of the aforementioned obligations on members and pension recipients or their survivors. Should the pension fund incur loss or damage as a result of such a breach, the culpable person will be held liable.
- 5.4 The employer shall notify the pension fund of all pensionable employees, submitting the details required for maintaining the retirement savings balance and calculating the contributions and benefits. The employer shall also provide all the information

required by the Federal Vested Benefits Act (in particular changes of marital status, etc.).

- 5.5 The pension fund meets the statutory obligations to inform and report, in particular those under Section 40 BVG (Measures upon a breach of the maintenance obligation). In conjunction with a duty to report to the official agency pursuant to Section 40 BVG, payment of capital benefits (once-only lump-sum payments and cash payouts of vested benefits) in the minimum amount of CHF 1,000 and advance withdrawals for the home purchase finance scheme can be effected 30 days after submission of the report at the earliest. In the case of vested benefits, the existence of a duty to report pursuant to Section 40 BVG is communicated to the new pension fund or vested benefits institution and the official agency is notified thereof.
- 5.6 The pension fund is entitled to process personal data, either itself or through third parties, including special category data, for the performance of its responsibilities under these regulations.
- 5.7 Personal data will be forwarded to auditors, workplace pensions experts, re-insurers, where applicable, and actuaries engaged in connection with the accounting responsibilities of the associated employer to the extent required for the performance of their duties.
- 5.8 The pension fund is also entitled to engage third parties for the upholding of its responsibilities under these regulations and to disclose to them the personal data required for this purpose, including special category data.
- 5.9 Any persons involved in the delivery and the control or supervision of the delivery of the pension services shall observe confidentiality vis-à-vis third parties.

B Pension benefits

6 Pensionable benefits

Under the scope of these Regulations the pension fund covers the following benefits:

- Retirement pensions, child's benefits, bridging pensions (Section 8)
- Disability pensions, child's disability benefits (Section 9)
- Spouse's pensions, spouse's lump-sum payments (Section 10)
- Benefits to divorced spouses (Section 11)
- Temporary partner's pension (Section 12)

- Orphan's pensions (Section 13)
- Lump-sum death benefit (Section 14)

7 Retirement savings credits, retirement savings balance

7.1 The retirement account of members aged over 25 is credited with a savings credit during the period in which they pay pension contributions. The amount credited is based on the member's pensionable salary (Section 4.2) and age according to the following scale:

<i>Member's age</i>	<i>Retirement savings credit</i>
25 – 34	10.60 %
35 – 44	14.45 %
45 – 54	21.00 %
55 – max. 70	25.10 %

7.2 The retirement savings balance accumulates like a savings account and is made up of:

- annual retirement savings credits;
- transfers of vested benefits and voluntary contributions made during the year (including buybacks in accordance with Section 22 (1) FZG, insofar as they do not debit the advance withdrawal account);
- repayments of advance withdrawals in accordance with Section 30d (6) BVG (insofar as they do not debit the advance withdrawal account);
- amounts transferred and credited during pension splitting in accordance with Section 22c (2) FZG;
- any surplus credits awarded;
- interest on the retirement credit balance at the beginning of the year and interest on the vested benefit transfers/voluntary contributions/repayments since the date of payment. The interest rate is set by the Board of Trustees.

If a member leaves the pension fund during a calendar year, the retirement savings credits and the interest credits are added on a pro-rata basis.

7.3 The pension fund shall maintain the retirement savings balance of a disabled person up to retirement age to cover the eventuality of the pension being reactivated. The pensionable salary shall be deemed to be the last pensionable salary set in accordance with Section 4.

7.4 If the member is awarded a partial disability pension, the pension fund apportions the retirement savings balance accordingly. It treats

one component in accordance with Section 7.3. The other component of the retirement savings balance is equivalent to that of a fully gainfully employed member.

8 Retirement pensions, child's benefits, bridging pensions

- 8.1 Members are entitled to a retirement pension on reaching pensionable age (Section 1).
- 8.2 The accrued retirement savings balance is converted to an annual pension using the conversion rate. The conversion rate on retirement at the pensionable age is 4.8 %.
- 8.3 The retirement pension is paid until the death of the pension recipient. Payment of child's pensions (Section 8.13) ceases as soon as the children reach the maximum age for an orphan's pension, irrespective of whether the pension recipient is alive or not.

Early retirement

- 8.4 All members aged 60 and over can request to take early retirement at termination of the employment relationship. The retirement pension is calculated by converting the retirement savings balance on taking early retirement to a lifelong pension using a reduced conversion rate.

The conversion rate in accordance with Section 8.2 decreases by 0.01 percentage points for each month of early retirement.

Any children's benefits or survivor pensions are calculated on the basis of the reduced retirement pension. The retirement savings can also be paid out in the form of a once-only lump sum (Section 16.3) if early retirement is taken.

- 8.5 In addition to the reduced retirement pension, members can request the payment of a bridging pension. This is paid until the member reaches pensionable age. If the recipient dies, the entitlement to the bridging pension ceases on that date.

The full amount of the bridging pension is determined by the member but it may not exceed CHF 1,800 per month. If the member opts for semi-retirement, the maximum bridging pension amount is set on a pro-rata basis. The bridging pension is set the first time it is drawn and is no longer adjusted after that (without prejudice to semi-retirement).

Members can finance the bridging pension via a reduction of the retirement savings balance on commencement of the pension by the sum of the bridging pension to be paid until retirement age. The retirement pension decreases as a result (and thus also the benefits for dependent children and survivors).

A bridging pension can be drawn irrespective of whether the member draws a retirement pension or opts for the lump-sum option in accordance with Section 16.3.

Semi-retirement

- 8.6 Members aged 60 and over can request the payment of a partial pension if their annual salary is reduced by at least 20 % on initial semi-retirement with the agreement of the company. The 'degree of retirement' corresponds to the percentage salary reduction. The retirement savings balance is converted to a partial pension using the applicable conversion rate for the degree of retirement. The retirement savings can also be paid out in the form of a once-only lump sum (Section 16.3) if semi-retirement is taken.
- 8.7 Members can make a maximum of three semi-retirement requests; the third must result in full retirement. If the remaining annual salary falls below the amount required for pension cover according to Section 3.1, the retirement benefit must be drawn in its entirety.
- 8.8 If a member opts for semi-retirement, continued coverage of the previous pensionable salary in accordance with Section 4.9 is not possible.

Continuation of coverage on reaching retirement age

- 8.9 Members who continue to work beyond the retirement age in whole or in part with the consent of the company (but no later than their 70th birthday) may continue the pension coverage on request, with or without obligatory contributions, if and for as long as their annual salary exceeds the minimum BVG salary. In conjunction with contribution-free coverage, the retirement savings capital continues to earn interest and no retirement savings credits are effected. In conjunction with obligatory contributions, the member and the Company continue to pay contributions in accordance with Section 26. The retirement savings capital continues to earn interest and the retirement savings credits funded by the pension contributions are credited to the balance.

- 8.10 The retirement savings balance at the time the coverage is terminated is converted into a lifelong retirement pension at a higher conversion rate.

The conversion rate in accordance with Section 8.2 increases by 0.01 percentage points for each month of the deferred pension claim.

Any child's benefits or survivor pensions are calculated on the basis of the increased retirement pension. The retirement savings can also be paid out in the form of a once-only lump sum (Section 16.3).

- 8.11 If a member employed beyond the retirement age is declared permanently unfit for work, retirement takes immediate effect on expiry of the ordinary notice period set forth in the contract of employment.

- 8.12 If a member dies after retirement age, the benefits are calculated on the basis of the pension to which the member would have been entitled on death.

Child benefits

- 8.13 If the recipient of a retirement pension has children who would be eligible for an orphan's pension upon the recipient's death (Section 13), each child receives a child's benefit of 20 % of the paid retirement pension up to a maximum of 40 % for two or more children.

9 Disability pensions, child's disability benefits

- 9.1 Members who are at least 40 % disabled within the meaning of Swiss Invalidity Insurance (IV) and were covered by the pension fund on occurrence of the incapacity for work that was the cause of the disability are entitled to a disability pension.

- 9.2 The amount of the disability pension entitlement is specified as a percentage of a whole pension.

- a) Where the degree of disability within the meaning of Swiss Invalidity Insurance (IV) is 50-69 %, the percentage corresponds to the degree of disability.
- b) Where the IV degree of disability is 70 % or higher, the entitlement is that of a full pension.
- c) Where the IV degree of disability is less than 50%, the following percentages apply:

Degree of disability	Percentage
49 %	47.5 %
48 %	45 %
47 %	42.5 %
46 %	40 %
45 %	37.5 %
44 %	35 %
43 %	32.5 %
42 %	30 %
41 %	27.5 %
40 %	25 %

The degree of disability is primarily determined by the loss of earnings resulting from the disability. The Board of Trustees generally respects the ruling of the Swiss Invalidity Insurance (IV) but may deviate therefrom in exceptional cases.

Once set, a disability pension will be increased, decreased or cancelled only if the degree of disability changes by at least five percentage points.

- 9.3 For persons entitled to disability benefits in accordance with BVG 23 (b) and (c), (i.e. persons with congenital anomalies or who became disabled while still a minor), the entitlement is limited to the statutory BVG minimum.
- 9.4 The full disability pension corresponds to the authoritative retirement savings balance, multiplied by the conversion rate in accordance with Section 8.2. The authoritative retirement savings balance consists of:
- a) the retirement savings balance built up by the member at the time the entitlement to the disability pension arises;
 - b) the total retirement savings credits missing until retirement age; the retirement savings credits are calculated on the basis of the last pensionable salary.
 - c) the interest on the amounts at a) and b) of this paragraph for the period missing until retirement age. The interest rate in the year in which the entitlement arises corresponds to the interest rate for the retirement savings balance in accordance with Section 7.2. From the following year the interest rate for the extrapolation is 2 %.
- 9.5 Partially disabled members remain liable to pay contributions for the pensionable salary corresponding to the hours worked. The coordination amount is reduced in accordance with the percentage share of the partial pension entitlement.

- 9.6 On top of their previous part pension, partially disabled members who subsequently become fully disabled or retire receive an additional partially disabled or retirement pension calculated on the basis of the new pensionable salary.
- 9.7 The entitlement to a disability pension kicks in at the same time as under the invalidity insurance scheme. However, the entitlement is deferred for as long as the member receives a full salary or the sickness or daily accident benefit paid in lieu of salary. The daily benefit can only be considered a full allowance in lieu of salary, however, if it amounts to at least 80 % of the loss in salary and if the employer has paid at least half of the insurance premiums.
- 9.8 The entitlement to a disability pension expires on death or if the disability ceases before the disabled person reaches retirement age (this is without prejudice to Section 9.11). If the person concerned resumes working for the company, both they and the company become liable to pay contributions again and the retirement savings balance carried forward is augmented normally. If the person concerned does not return to work for the company, the provisions for leaving the pension fund apply (Section 20 ff). The vested benefits correspond to the retirement savings balance on leaving the fund.
- 9.9 Members entitled to a disability pension are also entitled to child's benefits for each child that would be entitled to an orphan's pension in the event of their death. The benefit amounts to 20 % of the disability pension paid, but no more than 40 % for two or more children.
- 9.10 The child's disability benefits cease at the same time as the disability pension, if they have not already done so, when the children reach the maximum age for orphan's pensions.
- 9.11 If the IV pension is reduced or annulled following a decrease in the degree of disability, the member shall remain covered at the previous level for three years, if the person drawing the pension has participated in IV rehabilitation measures or the IV pension was reduced or annulled due to the resumption of gainful employment or an increase in the number of hours worked (Section 26a (1) BVG).

The entitlement continues, even if the three-year period referred to at para. 1 has expired (Section 26a (2) BVG), for as long as the person drawing the pension receives a transitional benefit in accordance with Section 32 of the Federal Invalidity Insurance Act (IVG).

In the cases referred to in paras. 1 and 2, the disability benefits decrease in accordance with the reduced degree of disability provided the decrease is compensated for by additional income effectively earned by the pension recipient (Section 26a (3) BVG).

- 9.12 If an IV pension that was awarded on the basis of a diagnosis of organically inexplicable pain is reduced or annulled in accordance with letter (a) of the final provisions of the IVG amendment dated 18 March 2011, the entitlement to disability benefits decreases or ends from the time of the reduction or annulment of the IV pension (final provision of the BVG amendment dated 18.3.2011).

10 Spouse's pensions or lump-sum payments

- 10.1 Surviving spouses of a member or recipient of a retirement or disability pension are entitled to a pension if, on the death of the spouse, they:
- a) are responsible for the upkeep of one or more children
or
 - b) have reached their 45th birthday and the marriage lasted at least five years. A life partnership registered with the pension fund by means of a form in accordance with Section 12.1 is added to the marriage term with effect from the start of the life partnership in accordance Section 12.1.

In other cases, the surviving spouse is entitled to a once-only lump-sum payment of three times the annual spouse's pension.

- 10.2 The spouse's pension amounts to 60 % of the disability pension covered at the time of death or of the deceased's most recent retirement or disability pension.
If the spouse is more than ten years younger than the deceased, the spouse's pension decreases by 3 % for every full year of the difference in age above and beyond ten years.

- 10.3 The entitlement to the spouse's pension begins in the month following the death of the member but not before payment of any statutory sick pay has ceased. It ends on the date the surviving spouse remarries or dies.

11 Benefits owing to the divorced spouse

The benefit entitlement owing to the divorced spouse after the death of their former spouse is based on the BVG, and these benefits are restricted to the BVG minimum benefits. They are also reduced by the amount by which they, taken together with the AHV survivor

benefits, exceed the entitlement resulting from the divorce decree or the ruling on the dissolution of the registered partnership.

AHV survivor pensions are taken into account only to the extent that they are higher than the spouses's own entitlement to an IV disability pension or a retirement pension. The prerequisite for making payments to the divorced spouse is that the marriage lasted at least ten years; and

- a) if the marriage was terminated after 1.1.2017:
the divorced spouse was on divorce awarded a pension in accordance with Section 124e (1) or Section 126 (1) ZGB (or, on dissolution of the registered partnership, a pension in accordance with Section 124e (1) ZGB or Section 34 (2 and 3) of the Partnerships Act) or
- b) if the marriage was terminated before 1.1.2017:
the divorced spouse was awarded a pension or a lump-sum payment for a lifelong pension in the divorce decree.

The entitlement to survivor benefits exists for as long as the pension would have been owed.

12 Temporary partner's pension

12.1 The surviving partner of a deceased member or recipient of a retirement or disability pension is entitled to a partner's pension if he/she satisfies the following conditions:

- a) He/she has at least one child with the deceased member who is entitled to an orphan's pension; or he/she demonstrably cohabited with the member in a permanent and exclusively two-person relationship with a shared budget without interruption for the five years prior to the date of death (the joint address of record is authoritative) and, in this case, is 45 years or older at the time of the member's death and
- b) he/she and the deceased were not related and not married at the time of death; and
- c) the partnership was confirmed in writing on a pension fund form submitted to the pension fund during the lifetime of both partners and before the deceased reached retirement age; and
- d) he/she has no entitlement to any other widow's or widower's pension or partner's pension from a workplace pension scheme; and
- e) he/she submits the application for payment of the partner's pension to the pension fund within three months of the

member's death, demonstrating that all eligibility requirements have been met.

If a recipient of a retirement or a disability pension dies after reaching the pensionable age, the requirements for payment of a partner's pension under this section must have been satisfied when the retirement or disability pension first became payable, though no sooner than the date the pensionable age was reached, and subsequently without interruption until the member's death.

- 12.2 The pension due to the surviving partner corresponds to the pension under Section 10.2. It is paid for five years or for as long as at least one mutual child is entitled to an orphan's pension from the pension fund. If the entitlement to an orphan's pension is interrupted after the orphan has reached the age of 18 because the orphan is not in education or training, the entitlement to the partner's pension is interrupted for the same period. The pension ends in each instance upon marriage or death of the eligible person.

13 Orphan's pensions

- 13.1 The children of a member or recipient of a retirement or disability pension are entitled to an orphan's pension until they reach the maximum age. Foster children whose upkeep the deceased provided without payment are considered the equivalent of orphans.
- 13.2 The orphan's pension amounts to 20 % of the disability pension that would have been or was being paid. If the deceased had already retired at the time of death, the orphan's pension amounts to 20 % of the retirement pension drawn to that point. If there is more than one orphan, the pension amounts to a maximum of 40 % of the disability or retirement pensions that would have been or were being paid.
- 13.3 The orphan's pension entitlement begins in the month following the death of the member, but not before payment of any statutory sick pay ceases, and ends when the child or children reach the maximum age.

14 Lump-sum death benefit

- 14.1 If a member dies before the pensionable age, the pension fund shall pay a lump-sum death benefit in the amount defined at Section 14.3 if the following conditions are jointly met:

- a) The deceased member is survived by beneficiaries as defined at Section 14.2.
- b) Beneficiaries as defined at Section 14.2 (2nd priority group) must have been notified in writing to the pension fund by the member during the lifetime of the member and the eligible persons as defined at section 14.2 (2nd and 3rd priority group) request payment of the lump-sum death benefit within six months of the member's death.

14.2 Eligible persons within the meaning of Section 14.1 are:

Priority group 1

The spouse or civil partner qualifying for a benefit in accordance with Section 12.

Priority group 2

If beneficiaries of the deceased member:

- a) A person who cohabited with the member without interruption for at least the five years prior to the member's death or
- b) A person who was significantly supported by the member or
- c) A person responsible for the upkeep of one or more mutual children.

Priority group 3

Children of the deceased member

Priority group 4

Parents and siblings of the deceased member.

Persons from a lower priority group are not eligible for the lump-sum death benefit if the member is survived by beneficiaries from a higher priority group.

14.3 The amount of the lump-sum death benefit corresponds to 100% of the retirement savings balance of the deceased member. The lump-sum death benefit decreases by the cash value of all pensions and lump-sum payments triggered on death. In the case of orphans, it is assumed the child will remain in education or training until the child's 25th birthday. Benefit reductions on the basis of Section 18 are not taken into account in the calculation of the cash value, i.e. the deduction applies to uncut benefits/their cash value.

14.4 Members can notify the pension fund in writing how the lump-sum death benefit is to be divided within a priority group. In the absence of instructions, the lump-sum death benefit will be divided equally (pro capita) within the priority group.

14.5 Persons pursuant to Section 14.2 (priority group 2) who already receive a widow's/widower's pension or a partner's pension from an

occupational pension scheme have no entitlement to the lump-sum death benefit.

15 Cost-of-living adjustment of pensions

15.1 Pensions paid by the fund are adjusted in line with the cost of living. The amount and timing of the adjustment are determined by the Board of Trustees.

15.2 Within the scope of the statutory minimum BVG benefits, survivor and disability pensions that have been running for longer than three years have to be adjusted in line with the cost of living until the BVG reference age by order of the Swiss Federal Council. These indexed minimum BVG benefits shall be compared with the effective pension and the higher of the two amounts shall be paid (cf. Section 2.2).

16 Payout provisions, lump-sum payments

16.1 Pensions are paid out in monthly instalments. The full amount is paid for the month in which the pension entitlement ceases.

16.2 Pensions are paid in the form of a one-off lump-sum in the amount of the corresponding retirement savings balance if the authoritative annual disability or retirement pension is less than 1/20 of the maximum AHV retirement pension.

16.3 Members are at liberty to take as much as 100 % of the accumulated retirement savings capital in the form of a one-off lump sum payment on retirement by service of six months' written notice to the pension fund prior to the retirement date. Married members also require the written consent of their spouses. Consent shall be given by certified signature or personal appearance at the pension fund with identity papers. The residual savings balance on payout of the lump sum is converted into a pension using the conversion rate in effect for the relevant retirement age.

If a risk event occurs (death/disability), any application submitted for a lump-sum payment will lapse and only pension benefits will be paid.

A lump-sum payment is not possible in the case of a continuation of coverage in accordance with Art. 3a.6.

16.4 The pension fund transfers benefits to the Swiss payment address of the entitled recipients notified to the fund (bank/post office). The

pension fund is entitled to deduct any expenses resulting from specific instructions given by the member (e.g. payment abroad) from the payment due. The default interest rate laid down in federal law (Section 2 (4) FZG and Section 7 FZV) shall apply for pension fund benefits.

17 Refund of benefits wrongfully received

- 17.1 If a member, pension recipient or their survivors are paid benefits to which they have no entitlement under these regulations, the benefits received must be reimbursed. Anyone who culpably collects benefits not owed to them or obtains them mala fide shall also pay default interest.
- 17.2 The reimbursement claim may be offset against benefits owed by the pension fund. The member can also be obligated to assign receivables from other social insurance schemes in the amount of the sum owing to the fund. The fund may relinquish its right to reimbursement if the recipient of the benefit acted in good faith and the repayment would cause too much hardship.
- 17.3 The repayment claim lapses three years after the pension fund becomes aware of it and no later than five years after the individual benefit was paid. If the repayment claim is derived from a punishable act for which a longer limitation period is provided for under criminal law, then this period shall apply.

C Specific provisions

18 Benefit reductions

- 18.1 The pension fund cuts survivor and disability benefits if, when taken together with other benefits of a similar nature and purpose and additional effective income, they exceed 90 % of the assumed loss in earnings. The assumed loss in earnings corresponds to the entire earned or substitute income that the member would presumably have received had the injurious event not occurred.
- 18.2 Accordingly, the fund takes into account the following benefits and income when cutting disability benefits, before the AHV reference age is reached, and survivor benefits:
- a) survivor and disability benefits paid to the entitled recipient by other domestic or foreign social insurance or pension schemes as a result of the injurious event; capital benefits are taken into account at their pension conversion rate during the calculation;

- b) daily allowances from mandatory insurance coverage;
- c) daily allowances from voluntary insurance coverage, if at least 50% is paid by the employer;
- d) (for recipients of disability benefits) any earned or replacement income still being realised or that can reasonably be expected to be realised. Reference is generally made to the disability income in accordance with the IV ruling when determining the amount of income that may reasonably be expected to be earned.

The following benefits and income are not taken into account:

- a) helplessness allowances, integrity compensation, lump-sum settlements, assistance contributions and similar benefits,
- b) Additional income obtained while participating in rehabilitation measures in accordance with Section 8a of the Federal Invalidity Insurance Act (IVG).

Survivors benefits paid to widows, widowers and orphaned children are tallied together.

If the recipient of disability benefits has reached the AHV reference age, the benefits will be cut only if they overlap with:

- a) benefits under the Federal Accident Insurance Act (UVG);
- b) benefits under the Federal Military Insurance Act (MVG); or
- c) comparable foreign benefits.

In such cases the pension fund will continue to provide the benefits to the same extent as before the AHV reference age was reached. Benefit reductions on reaching the reference age are not compensated for in accordance with Section 20 (2ter) and (2quater) UVG and Section 47 (1) MVG.

The reduced benefits of the pension fund, taken together with the benefits under UVG, MVG and comparable foreign benefits, will, however, correspond to the uncut regulatory benefits as a minimum.

If the accident or military insurance schemes do not compensate for a reduction in AHV benefits in full because their maximum amount has been reached (Section 20 (1) UVG, Section 40 (2) MVG), the cut is reduced by the uncompensated for amount.

If, on divorce, a disability pension is split after the retirement age, the portion of the pension awarded to the entitled spouse will continue to be taken into account in any reduction of the disability pension of the obligated spouse.

- 18.3 The pension fund may reduce the benefits it provides in the corresponding amount if the AHV/IV reduces, withdraws or refuses to pay benefits because the person eligible for benefits contributed to the death or disability through gross negligence or refuses to comply with an IV rehabilitation measure. If the member culpably caused the insurance event and if the accident or military insurance schemes reduce their cash benefits as a result, the pension fund is not obliged to compensate for benefit refusals by the accident or military insurance schemes if they have carried out the benefit refusals or reductions in accordance with Section 21 of the General Part of the Federal Social Insurance Act (ATSG), Section 37 of the Federal Accident Insurance Act (UVG), Section 39 UVG, Section 65 of the Federal Military Insurance Act (MVG) or Section 66 MVG.
- 18.4 The pension fund can review the prerequisites and the size of the reduction at any time and adjust its benefits upon a significant change of circumstances. Benefits reduced by the pension fund will be increased again if the grounds for the reduction cease to exist in whole or in part. The increase may not exceed the amount of the reduction in benefits previously carried out by the pension fund.
- 18.5 If the pension fund is required to pay benefits in advance in accordance with Sections 22 (4) and 26 (4) BVG, it shall continue to pay its benefits on the level of the minimum benefits provided under the BVG mandatory pension until such time as the benefit obligation has been clarified. If the pension fund is definitely required to pay the benefits, any outstanding amount will be remitted accordingly.

19 Assignment, pledge, offset

The benefit entitlement may not be assigned or pledged before falling due. Pledges in respect of residential property are excepted (Section 24).

Claims against members or pension recipients that are assigned by the company to the pension fund may not be offset against benefits provided by the fund, though they can be offset against amounts owed by the member.

D Vested benefits

20 Entitlement to vested benefits

If the employment relationship between the member and the employer is dissolved for reasons other than age, death or disability, the member leaving the fund is entitled to vested benefits.

21 Vested benefits amount

21.1 The vested benefits amount is calculated in accordance with Section 15 (defined contribution plan entitlements) of the Federal Vested Benefits Act (FZG) and corresponds to the retirement savings balance accrued by the member at the time of leaving the company.

21.2 On leaving the company, members are at minimum entitled to any vested benefits brought into the fund from other employment, plus interest, and the savings contributions made during the contribution period, plus interest, together with a 4 % supplement per year of age from their 19th birthday, to a maximum of 100 %. The age is arrived at from the difference between the calendar year and the year of birth.

21.3 The interest rate in Section 21.2 is based on the FZG. If the pension fund is underfunded, this rate can be lowered to the rate on the retirement savings capital (Section 7.2).

22 Transfer of vested benefits

22.1 On departure from the company, the vested benefits shall be available for use in the future retirement, survivor and disability pension plans of the departing member. This is without prejudice to Section 23.

22.2 If the vested benefits cannot be transferred to the pension scheme of the new employer, the member determines the type of use within the scope of the statutory provisions.

22.3 If the member fails to provide details of how their vested benefits are to be used within six months of leaving the company, the vested benefits are transferred to the Substitute Occupational Benefit Institution (Section 4 FZG).

23 Cash payout

Members can request a cash payout of the vested benefits if:

- a) They leave Switzerland for good. This is without prejudice to the bilateral treaties with the EU, Iceland and Norway in accordance with Section 25f FZG. No cash payout can be made if the member goes to Liechtenstein.
- b) They enter self-employment and are no longer subject to the mandatory occupational pension scheme.
- c) The vested benefits are less than an annual member contribution.

Cash payouts to entitled married members are possible only with the written consent of the spouse. Consent shall be given by certified signature or personal appearance at the pension fund with identity papers.

E Benefits similar to vested benefits

24 Advance withdrawal and pledge for residential property

- 24.1 Members may make an advance withdrawal for residential property for their own use or pledge of their retirement savings for residential property for their own use up to three years prior to retirement or three years before their first semi-retirement. The home purchase finance scheme of the pension fund is based on the law of Switzerland.
- 24.2 Admissible as residential property are apartments, single-family houses and parts of other buildings used for residential purposes. The property is to be purchased in the form of sole ownership, co-ownership (in particular condominium) or a distinct and permanent building right. Also admissible are share interests in a housing cooperative or tenant company [*Mieter-Aktiengesellschaft*], if the dwelling thus financed is occupied by the shareholder.
- 24.3 The minimum amount that can be withdrawn in advance is CHF 20,000. This minimum amount does not apply to the purchase of share interests in housing cooperatives and similar investments. Advance withdrawals can be made every five years at most. Members may draw a sum up to the value of their vested benefits until their 50th birthday. Members who have passed their 50th birthday may draw the vested benefits to which they were entitled at age 50, as a maximum, or half of the current vested benefits. Advance withdrawals by married members are permitted only with the written consent of the spouse.

- 24.4 An advance withdrawal account is opened at the time an advance withdrawal or pledge is made that attracts the same rate of interest as the retirement savings balance defined at Section 7.2. If a member leaves the company, the vested benefits are offset against the advance withdrawal account. On retirement, death or disability, the benefits are reduced by deducting the advance withdrawal account from the accumulated retirement savings capital.
- 24.5 On request, the pension fund will organise risk insurance on behalf of the member to cover the reductions in death and disability cover caused by the advance withdrawal. The advance withdrawal is entered in the land register in the form of a restriction on the right of disposal. The member must pay tax on the advance withdrawal, it being a lump-sum payment from a workplace pension scheme. The member shall reimburse the pension fund for its administrative costs. The advance withdrawal fee is 1 % of the amount withdrawn.
- 24.6 The amount withdrawn must be repaid by the member if the residential property is sold, or rights are granted to the property that are the equivalent of a sale, before the occurrence of a pension event.
- 24.7 Repayment of the advance withdrawal is permitted until:
- a) the entitlement to retirement benefits arises or, at the latest, the date on which the pensionable age is reached;
 - b) the occurrence of another pension event;
 - c) cash payout of the vested benefits.
- The minimum repayment amount is CHF 10,000.
- 24.8 For a pledge to be valid, written notification must be submitted to the pension fund. Married members also require the written consent of their spouse. The same rules apply to the maximum amount of the pledge as for the advance withdrawal (cf. 24.3).

25 Pension splitting on divorce

- 25.1 If the pension fund is obligated to transfer a portion of the member's vested benefits under the terms of a divorce decree, an advance withdrawal account will be opened that attracts interest at the same rate as the retirement savings balance at Section 7.2. If a member leaves the company, the vested benefits are offset against the advance withdrawal account. On retirement, death or disability, the benefits are reduced by deducting the advance withdrawal account from the accumulated retirement savings capital. If the pension fund

receives vested benefits under the terms of a divorce decree, it applies the same procedure in reverse.

- 25.2 The vested benefits transferred may be bought back in whole or in part provided no pension event has occurred at the time of repurchase. The amount paid in is credited to the regulatory retirement savings balance and the BVG retirement savings in the same ratio as for a payout (cf. Section 2.2). No buyback entitlement exists on the divorce of a disability or retirement pension recipient.
- 25.3 The provisions with respect to pension splitting (in particular on the reduction of pensions) if the pension event has already occurred at the time of the divorce or occurs during the divorce proceedings are set down in Annex 1.

F Pension funding

26 Contributions

- 26.1 The company deducts the contributions by members from the salary (or payment made in lieu of salary) to be paid and transfers them to the pension fund on a monthly basis along with the corresponding contributions to be made by the company.
- 26.2 The obligation to pay contributions ceases when the pension coverage ends (cf. Section 3.5), when the member takes a full retirement pension, or when the member has reached the pensionable age. On disability the obligation to pay contributions ceases when the (deferred) entitlement to a disability pension begins.
- 26.3 Special contributions are to be made for all members. They amount to 1.75 % of the pensionable salary a year for members and 2.35 % of the pensionable salary for the company.

The special contributions of members are used as follows:

- a) 1.4 % to cover the costs of the risk benefits on death and disability prior to the retirement age and the costs of the guarantee fund
- b) 0.35 % for administration costs

The special contributions of the company are used as follows:

- a) 1.2 % to cover the costs of the risk benefits on death and disability prior to the retirement age and the costs of the guarantee fund

- b) 0.35 % for administration costs
- c) 0.8 % to fund losses resulting from too high a conversion rate

26.4 Savings contributions shall also be paid for members aged 25 and over (contributions for retirement savings credits). The contributions for members are as follows:

Age of member salary	Contribution in % of the pensionable salary
25-34	5.05 %
35-44	6.40 %
45-54	8.00 %
55-max. 70	9.40 %

The company pays an average amount to cover the costs of the retirement savings credits that are not funded by the savings contributions made by the members:

25-max. 70	11.80 %
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The savings contributions have to be adjusted if they do not cover the corresponding outgoings (retirement savings credits).

26.5 The company can build a reserve in the pension fund by means of voluntary advance payments from which the contributions it owes can be taken. The employee contribution reserve shall be reported separately and attract an appropriate rate of interest. With the consent of the company it may also be used for other trust purposes, in particular in the event of a shortfall as an employer contribution reserve with stipulated waiver of usage (Section 65e BVG).

26.6 In the event of a shortfall, the Board of Trustees determines the measures required to rectify the shortfall in consultation with the pension actuary. In particular, the pension fund may do the following within the scope of Section 65d BVG:

- a) levy additional contributions from members and the employer;
- b) demand an amount from pensioners that is offset against current pensions;
- c) set a rate below the minimum interest rate in the shadow account in accordance with the BVG.

The Board of Trustees may also cut the reversionary benefit entitlement, but may not go below the minimum statutory benefits required by the BVG when doing so. The pension fund may also

rule that the advance withdrawal of monies for self-used residential property can be restricted in terms of time and amount or refused outright during any shortfall (Section 30 f BVG).

27 Entry and voluntary payments

- 27.1 On joining the pension fund, members shall transfer all vested benefits from other schemes or vested benefits institutions to the fund and make the accounts available on request.
- 27.2 The vested benefits transferred are used to build up the retirement savings capital.
- 27.3 On joining, or until such time as a benefit becomes payable, members may make voluntary contributions to the fund which will be treated in the same way as transferred vested benefits.
- 27.4 The voluntary contributions, when taken together with the vested benefits transferred or the existing retirement savings balance, may not exceed the limit for voluntary payments set forth in Table A of the Annex. The retirement savings balance is deemed to be the balance at year end.

28 Restrictions on voluntary payments

- 28.1 The maximum possible voluntary contribution may decrease in accordance with Section 60a (2) BVV2 for members who have previously made payments into Pillar 3a that were over the maximum amount for employees. Pillar 2 credit balances in a vested benefits institution or previous pension scheme that are not transferred into the pension fund are deducted from the maximum possible voluntary contribution (BVV2 Section 60a (3)).
- 28.2 If a member who draws or has drawn a retirement benefit from the pension fund or a different pension scheme makes a voluntary payment, the maximum possible voluntary contribution decreases in the amount of the retirement benefit already drawn (BVV2 Section. 60a (4)).
- 28.3 Voluntary payments made by members who moved to Switzerland from abroad and had never been a member of a Swiss pension scheme may not exceed 20 % of the pensionable salary in each of the first five years of membership in the pension fund. On expiry of the five-year period, such members can make voluntary contributions for the full benefits under these regulations (BVV2 Section 60b (1)).

- 28.4 Members shall submit written notification to the pension fund at the time a voluntary payment is made to permit a compliance check with Sections 28.1 to 28.3 and to ensure that all vested benefits from previous pension relationships have been transferred to the pension fund or credited accordingly.
- 28.5 Benefits derived from voluntary payments may not be drawn from the scheme in capital form within three years of the payment. If advance withdrawals for the purchase of residential property have been effected, no voluntary contributions may be made until the advance withdrawals have been repaid. If repayment of the advance withdrawal is not permitted, members may make a voluntary payment provided it does not exceed the maximum voluntary contribution when taken together with the advance withdrawals.
- 28.6 Risk benefits are calculated without regard for voluntary transfers of vested benefits if the incapacity for work that was the cause of the disability or death arose before the voluntary transfer was made. In this case the pension fund will refund the transfer value to the entitled person.

29 Voluntary early retirement contributions

- 29.1 Members are also entitled to make voluntary early retirement contributions. At the specified time of early retirement the contributions made may not exceed the modelled retirement pension that the member would reach on retirement at the pensionable age. The modelled retirement pension is calculated on the basis of an assumed retirement savings balance that corresponds exactly with the guide value given in Table A in the Annex. The contributions made shall be shown separately and attract the same level of interest as the retirement savings capital.
- 29.2 The maximum voluntary contribution referred to at Section 27 must be made before a member is allowed to make an early retirement contribution. If the opportunity arises to make a voluntary contribution in accordance with Section 27 at a later date, the additional early retirement contributions are reduced in favour of the voluntary payments.
- 29.3 The provisions of Section 28 shall apply mutatis mutandis.
- 29.4 If a member with a positive balance from additional early retirement contributions retires later than the agreed date, the retirement pension may not be more than 5 % higher than it would have been

on retirement at the pensionable age without the positive balance from additional early retirement contributions. The assumed retirement pension is calculated with an extrapolated interest rate of 2 % per year. The unused component of the additional early retirement contributions is forfeited to the pension fund.

G Pension fund organisation

30 Board of Trustees, trust secretary

- 30.1 The Board of Trustees is the highest body of the pension fund. It comprises eight members, i.e. four representatives of the members and four of the company.
- 30.2 The affiliated companies and their employees are represented in proportion to their membership. The election procedure is governed by the organisational regulations.
- 30.3 If the employment contract of a board member terminates, that member leaves the Board of Trustees. The managing board of Dätwyler Holding AG or the membership will nominate a new member or propose a new member for election within three months.
- 30.4 The term of office for members of the Board of Trustees is four years. Members may be re-elected. The company can recall its nominated representatives at any time and replace them with new representatives.

The Board of Trustees determines its own rules and procedures.

The Board of Trustees appoints the pension fund secretary. It can be a member of the Board of Trustees or a professional person who is not a member. In the latter case, the secretary attends the board meetings in an advisory capacity.

The company submits an invoice to the pension fund once a year for the expenses incurred in managing the fund.

31 Rules of procedure

- 31.1 The Board of Trustees agrees organisational regulations governing the conduct of business. The regulations specify the composition, organisational form and management of the Board of Trustees and the relevant committees. They also detail the powers and duties of the fund secretary.

31.2 The Board of Trustees passes separate regulations containing rules on the creation and cancellation of technical and fluctuation reserves. The consistency principle is applied. The regulations can be obtained from the pension fund.

32 Audits

32.1 The Board of Trustees appoints the auditors. The auditors shall conduct an annual review of the formal management, accounts and investments of the pension fund and submit a corresponding written report to the Board of Trustees.

32.2 The pension fund must be evaluated by a recognised pension actuary once a year.

32.3 The auditors and the pension actuary must satisfy the official licensing conditions. Their reports must be made available to the regulatory authority.

33 Partial liquidation

The pension fund has defined the prerequisites and the procedure for a partial liquidation in separate regulations. The regulations can be obtained from the pension fund.

34 Notifications

34.1 Once a year the pension fund informs members by appropriate means about:

salary data, pensionable benefits, growth of retirement savings capital, funding and vested benefits; the organisation, executive and financial statements.

34.2 General notifications from the Board of Trustees or the pension fund secretary to the members are issued in a legally binding manner on suitable notice boards in the office and factory buildings, by email or by written notification.

H Final provisions

35 Omissions in the regulations, disputes

35.1 If the regulations are found to contain an omission, a ruling shall be made by the Board of Trustees within the bounds of the law and the rules of the regulatory authority.

35.2 Any disputes between a member or entitled beneficiary and the Board of Trustees about the interpretation or application of these regulations or about issues that are not regulated by these regulations shall be ruled upon in accordance with the statutory provisions by the cantonal court appointed for such cases. The place of jurisdiction is the Swiss registered office or domicile of the respondent or the location of the company where the member was employed.

36 Coming into force, amendments

36.1 These revised regulations enter into force on 1 January 2024. They replace the previous provisions, in particular the regulations dated 1.1.2023 (this is without prejudice to the transitional provisions).

36.2 The regulations may be amended by the Board of Trustees within the bounds of the statutory or regulatory provisions. If these provisions have a mandatory impact on the regulations, they must be amended accordingly.

36.3 Members can obtain a copy of the regulations from the pension fund administration department or the human resources department of an affiliated company.

36.4 The reserves regulations and the partial liquidation regulations form a constituent part of these regulations.

37 Transitional provisions

37.1 Disability pensions that were in existence on 31.12.1991 will continue to be paid until death.

37.2 Disability pensions that started between 1.1.1992 and 31.12.2006 will be reassessed when the recipient reaches retirement age. This is done as for a retirement pension on the basis of the retirement savings balance at retirement age (Section 7.3) and the conversion rate (Section 8.2). The reduction provisions set forth in Section 18.1 ff remain in force for these disability pensions.

37.3 The reduction set forth in Section 10.2 is applicable to marriages entered into after 1.1.2007.

37.4 For disabled persons whose entitlement to a disability pension arose before 1.1.2022 and who have yet to reach the age of 55 on 1.1.2022, the existing pension entitlement shall continue to apply until such time as the degree of disability changes by at least five percentage points. The existing pension entitlement will continue to

apply even after a change in the degree of disability by at least five percentage points, however, if, under application of Section 9.2, the previous pension entitlement:

- a) decreases when the degree of disability increases or
- b) increases when the degree of disability decreases.

The following shall apply for disabled persons whose entitlement to a disability pension arose before 1.1.2022 and who have yet to reach the age of 30 when this change takes effect: the pension entitlement pursuant to Section 9.2 shall be applied no later than 1.1.2032. If the pension decreases compared with the previous amount, the previous amount will be paid to the pension recipient until the degree of disability changes by at least five percentage points.

Application of Section 9.2 will be deferred during the temporary continuation of coverage pursuant to Section 26a of the Federal Law on Occupational Retirement, Survivors' and Disability Pension Schemes/BVG (Section 9.11).

The previous regulations shall apply for disabled persons whose entitlement to a disability pension arose before 1.1.2022 and who have yet to reach the age of 55 when this change takes effect.

37.5 The provisions governing the temporary civil partner's pension (Section 12) do not apply on the death of any person whose entitlement to a full retirement or disability pension had arisen by 1 January 2022. On the death of a person drawing a part pension whose entitlement had commenced by 1 January 2022, Section 12 shall apply only to parts of the pension for which the entitlement arose after 1 January 2022.

37.6 Members who belonged to the pension fund on 31.12.2022 and on 1.1.2023 will have an additional retirement credit credited to their savings balance on 1.1.2023. The credit amounts to 8.33 % of the net retirement savings balance. This corresponds to the retirement savings balance on 31.12.2022, less any advance withdrawal accounts and the voluntary contributions made after 1.1.2020 (before interest).

This increase applies for anyone with at least 36 unbroken months of contributions prior to 31.12.2022. The increase is reduced by 1/36 for each month of contributions missing up to 36 months. Only full-month contributions count as months of contributions.

An additional retirement credit is granted for voluntary contributions, repayments from residential property and vested contributions from divorce made after 1.1.2020 at a rate of 8.33 % divided by 36 for each month between the date of payment and 31.12.2022.

- 37.7 For women, the bridging pensions running from 1.1.2024 in accordance with Section 8.5 are paid until their 65th birthday maximum.
- 37.8 In conjunction with disability pensions in accordance with Section 37.2, the retirement age for women is 65. The applicable conversion rate corresponds to the conversion rate in accordance with Section 8.2.

Altdorf, 22.11.2023

For the Board of Trustees:

sig. Walter Scherz
Board Chairman

sig. Rico Neuhaus
Board Vice-Chairman

Table A
Entry and voluntary payments

Age	Limit in % of pensionable salary at calendar year-end
25	10.6%
26	21.4%
27	32.4%
28	43.7%
29	55.2%
30	66.9%
31	78.8%
32	91.0%
33	103.4%
34	116.1%
35	132.8%
36	149.9%
37	167.4%
38	185.2%
39	203.3%
40	221.9%
41	240.7%
42	260.0%
43	279.7%
44	299.7%
45	326.7%
46	354.2%
47	382.3%
48	411.0%
49	440.2%
50	470.0%
51	500.4%
52	531.4%
53	563.0%
54	595.3%
55	632.3%
56	670.0%
57	708.5%
58	747.8%
59	787.9%
60	828.7%
61	870.4%
62	912.9%

63	956.3%
64	1000.5%
65	1045.6%

This table is based on a real interest rate of 2%.

Table B

Variable amounts in CHF from 1.1.2024

Maximum AHV retirement pension per year	29,400
Minimum AHV retirement pension per year	14,700
Entry threshold Section 3.1	22,050
Maximum annual salary Section 4.1 6 x maximum AHV retirement pension 176,400	
Coordination amount Section 4.3 7/8 of the maximum AHV retirement pension in conjunction with full-time employment	25,725
Minimum pensionable salary Section 4.4 1/8 of the maximum AHV retirement pension	3,675
Maximum pensionable salary Section 4.4 Maximum annual salary less coordination amount	150,675
Interest rate for 2024 (Section 7.2)	1.25%

Note: the entry threshold, the coordination amount and the maximum annual salary are reduced for semi-retired persons in accordance with the amount of pension entitlement.

Annex 1

Provisions with respect to pension splitting on divorce if a pension event has occurred

Division of the pension by the court (Section 124a ZGB)

If a court has ruled on the sharing of the pension, the current disability or retirement pension will be reduced and the pension of the entitled spouse determined in accordance with the divorce decree/federal law.

When a pension is divided up on divorce, the BVG pension of the obligated spouse is reduced on a pro rata basis.

Child's and orphan's pensions, spouse's pension

Child's benefits to which an entitlement existed at the time the divorce proceedings were instituted are not reduced as a consequence of divorce. Child's benefits that come into effect later are determined by the reduced retirement or disability pension. Where child's benefits remain unaffected by pension splitting, any subsequent orphan's pension will be calculated on the same basis.

The spouse's pension is determined by the reduced retirement or disability pension.

Adjustment of the disability pension on transfer of vested benefits (Section 19 BVV2)

Upon a transfer of vested benefits, the disability pension is reduced from the date the divorce decree becomes final. In addition to the disability pension, follow-on benefits such as survivor benefits, retirement benefits and vested benefits are also reduced.

Fundamentally, the reduction in benefits corresponds to the improvement in benefits that would have resulted from a contribution in the same amount. The date on which the divorce proceedings were instituted and the regulations in force when the entitlement to the disability pension arose shall be authoritative. The amount by which the disability pension is reduced may not be greater as a proportion of the disability pension paid to date than the portion of the vested benefits transferred as a proportion of the total vested benefits.

If the disability pension was calculated using a projection of the retirement savings balance in the defined contribution plan system, the reduction will be calculated using the conversion rate and interest rate effective on the day the entitlement to the disability pension commenced.

If the calculation of the benefits was based on different parameters in the mandatory and non-mandatory areas, the same shall apply for the calculation of the reduction.

If, as a consequence of the divorce, a portion of the vested benefits to which the disabled person would have been entitled in the event of a reactivation is paid out, the vested benefits/retirement savings balance will be reduced by the amount transferred.

Additional reduction of the vested benefits and the pension of a disabled person on reaching the regulatory pensionable age during divorce proceedings (Section 19g FZV)

If the obligated spouse draws a disability pension and reaches the regulatory pensionable age during the divorce proceedings, the vested benefits to be transferred and the pension will be further reduced on the basis of the overpaid pension amounts.

The overpaid pension amounts correspond to the sum by which the pension payments between the date the regulatory pensionable age is reached and the date the divorce decree becomes final would have been lower if the calculation thereof had been based on a balance reduced by the transferred portion of the vested benefits. The reduction is shared equally between the two spouses.

Procedure on occurrence of the pension event 'age retirement' during the divorce proceedings (Section 19g FZV)

If the retirement pension entitlement arises between the institution of divorce proceedings and the divorce and a portion of the retirement savings capital has to be transferred to the entitled spouse, the retirement pension will be recalculated retrospectively as a consequence of the divorce.

The calculation is performed with the conversion rate used to calculate the retirement pension on the date the entitlement arose and with the retirement savings balance on reduction of the amount to be paid out under the divorce decree.

The overpaid pension amounts from the beginning of the entitlement to the date on which the divorce decree becomes final, which are obtained from the difference between the originally calculated and the newly calculated retirement pension, are charged equally to the entitled spouse and the obligated spouse.

Reduction of the BVG disability pension and BVG retirement pension (minimum benefits)

If vested benefits had to be transferred, the BVG disability and the BVG retirement pension are reduced by the portion paid out in accordance with the BVG, multiplied by the BVG conversion rate used to calculate the disability or the retirement pension.

If a disability or retirement pension is reduced without the transfer of vested benefits, the BVG disability or retirement pension is reduced on a pro-rata basis.

The remaining retirement savings capital of the disabled person is reduced by the component paid out.

Reduction rule for overpaid pension amounts until the divorce decree becomes final

Overpaid disability or retirement pension amounts are charged equally to the entitled and the obligated spouse. For the entitled spouse, the vested benefits are reduced accordingly. The other half of the overpaid pension is charged to the obligated spouse in the form of a further reduction of the pension from the date on which the divorce becomes final.

The amount of the reduction corresponds to half of the overpaid pension multiplied by the conversion rate for the age of the obligated spouse at the time of the reduction. The conversion rates at the time the entitlement to the disability or retirement pension arose shall apply.

If a conversion rate is unavailable because the latest age for retirement has already been exceeded, the conversion rate applicable for the reduction is obtained by increasing the rate for the oldest retirement age by the annual difference before the oldest retirement age for each additional year of age. Months are taken into account on a pro rata basis.

Pension portions awarded to the entitled spouse during pension splitting

Pension portions awarded to the entitled spouse during pension splitting are mere life annuities. The entitlement expires at the end of the month in which the entitled spouse dies. No entitlement to reversionary survivor benefits exists with these annuities.

Instead of transferring a pension, the pension fund will, with the approval of the entitled spouse, make a lump-sum payment to his or her pension fund or vested benefits institution. The amount of the payment is calculated using the present value table at the end of this annex.

Taking into account pension portions arising during pension splitting when calculating the voluntary transfer of vested benefits

During calculation of the maximum possible voluntary vested benefits transfer, the amount is reduced by the present value of the pension awarded during pension splitting. The present value table at the end of this annex and the age at the time of calculation of the voluntary transfer apply. This also applies if the pension is transferred to a vested benefits institution.

Buying back pension on divorce

If the obligated spouse draws a disability pension before the regulatory pensionable age at the time divorce proceedings are instituted, it is not possible to buy back the vested benefits transferred (Section 22d, Para. 2 FZG). Nor is it possible to remedy the reduction of a disability or retirement pension due to pension splitting by making a voluntary contribution.

Present value table

The attached present value table is valid for a pension of CHF 1 per year. It is based on VZ 2020 G 2023, technical interest rate 2.6 %. Interim values are obtained by linear interpolation / x = effective age of the entitled person

x	Men	Women	x	Men	Women
17	39,023	39,291	59	21,982	23,077
18	38,766	39,047	60	21,402	22,516
19	38,504	38,798	61	20,815	21,946
20	38,236	38,543	62	20,221	21,368
21	37,962	38,282	63	19,619	20,781
22	37,682	38,016	64	19,010	20,186
23	37,395	37,745	65	18,393	19,582
24	37,103	37,467	66	17,774	18,972
25	36,804	37,183	67	17,155	18,358
26	36,499	36,893	68	16,534	17,739
27	36,187	36,597	69	15,914	17,116
28	35,868	36,295	70	15,294	16,490
29	35,543	35,986			
30	35,210	35,670			
31	34,870	35,348			
32	34,523	35,019			
33	34,169	34,683			
34	33,807	34,339			
35	33,437	33,988			
36	33,059	33,630			
37	32,673	33,265			
38	32,279	32,891			
39	31,877	32,510			
40	31,467	32,121			
41	31,047	31,723			
42	30,619	31,317			

43	30,182	30,903
44	29,736	30,480
45	29,280	30,048
46	28,815	29,608
47	28,341	29,158
48	27,857	28,699
49	27,364	28,231
50	26,862	27,755
51	26,352	27,269
52	25,833	26,775
53	25,305	26,271
54	24,770	25,760
55	24,227	25,240
56	23,677	24,712
57	23,119	24,175
58	22,554	23,630