sve | BESSER VORSORGEN

Pension Fund Regulations

1.1.2021

TABLE OF CONTENTS

DEFINITIONS

AHV
Federal Old-Age and Survivors' Insurance

AHVG
Federal Act on Old-Age and Survivors' Insurance

AHVV
Regulation on Old-Age and Survivors' Insurance

BVG
Federal Act on Occupational Pension Schemes for Retirement, Survivors and Disability

BVV 2
Regulation on Occupational Pension Schemes for Retirement, Survivors and Disability

Company
A company that has contractually joined SVE (in agreement with the staff or any employee representatives)

Employees
The persons in an employment relationship with the company

FZG
Federal Act on Vested Benefits in Occupational Pension Schemes

FZV
Regulation on Vested Benefits in Occupational Pension Schemes

Hypothetical termination benefits
Termination benefits equivalent to the retirement assets continued for disabled insured persons for the event that they re-enter gainful employment, to which they are entitled if disability no longer applies

Insured persons
Employees insured with the Sulzer Pension Fund Foundation (SVE)

IV
Federal Disability Insurance

OR
Swiss Code of Obligations (Federal Act on Supplementing the Swiss Civil Code)

Pensioner or pension recipient
Recipient of SVE pension benefits (old age, disability and survivors' benefits, lifelong pension to the divorced spouse)

Registered partnership

Registered partnership as defined by the Partnership Act (PartG)

Entering a partnership under PartG with the registrar's office is equivalent to marriage. Persons living in registered partnerships are equivalent to spouses. The court dissolution of a registered partnership is equivalent to a divorce

Regular retirement age

Age on the first day of the month after completion of the 65th year

SVE

Sulzer Pension Fund Foundation («Sulzer Vorsorgeeinrichtung»)

UVG

Federal Act on Accident Insurance

ZGB

Swiss Civil Code

Wherever these regulations refer to persons using male and female forms, they also apply for the other gender.

The German language version of the regulations is binding.

1.1.2021

1. GENERAL PROVISIONS

1.1. Foundation and insurance principles

Art. 1 Name and purpose of the foundation

1 The «Sulzer Vorsorgeeinrichtung» (Sulzer Pension Fund), whose registered address is in Winterthur, is a foundation as defined in articles 80 et seq. ZGB, articles 331 et seq. OR, and articles 48 et seq. BVG.

2 The purpose of the Sulzer Pension Fund (SVE) is to provide an occupational benefit scheme to the employees of the affiliated companies (company), as well as their relatives and survivors, in order to protect them against the economic consequences of age, disability and death. It provides the compulsory occupational benefit scheme within the framework of the BVG and its execution provisions, and is entered to this end in the register for occupational pension schemes.

3 In any event, the SVE grants the statutory benefits in accordance with the BVG as a minimum. To this end, it manages a «control account» (sample accounting) for each insured person, which shows the BVG retirement assets accumulated and the statutory minimum entitlements.

4 The SVE is managed by the Board of Trustees (see art. 60).

Art. 2 Affiliation agreement

The basis for the legal relationship between the affiliated company and the SVE is the affiliation agreement. It governs their mutual rights and obligations.

Art. 3 Pension Fund Regulations and Pension Plan

1 These Pension Fund Regulations govern the relationship between the SVE and the insured persons, persons entitled to a pension, and the affiliated companies.

2 The type and level of the pension benefits and their financing are specified in the Pension Plan, which is an integral part of the Pension Fund Regulations. The Pension Plan also defines whether the benefits are calculated on the basis of the retirement assets or as a percentage of the insured salary in the event of disability or death.

1.2. Information, notification and reporting obligations

Art. 4 Information of insured persons

1 Every insured person receives an annual statement showing the retirement assets, insured salary, contributions, insured benefits, and vested benefits. The SVE informs insured persons in a suitable manner about its organisation and financing, as well as about the members of the Board of Trustees, on an annual basis. Insured persons are sent an abridged report annually and, on request, an annual report that includes the annual financial statements.

2 Upon marriage, insured persons are informed of their vested benefits.

3 In the event of divorce, insured persons or the divorce court are provided with information regarding the level of the assets that are applicable for the calculation of the vested benefits to be divided, as well as the proportion of compulsory retirement assets held in the insured persons' total assets. On request, pursuant to article 19k FZV, insured persons or the court may be provided with further details in addition to this information.

Art. 5 Information and reporting obligations

1 Insured persons, pension recipients and their survivors entitled to benefits undertake faithfully to provide the SVE with all relevant information, in particular:

a) all changes to marital status (marriage, births, deaths, divorce, etc.) as well as any receipt of third-party benefits (art. 52), within four weeks;

b) any income from the employment of disabled insured persons;

c) any changes to the pension and vested benefits institution of the insured person's divorced spouse to whom a lifelong pension is transferred.

2 Persons entitled to benefits are liable to the SVE for the consequences of omissions, incorrect or late information.

3 On request, the pension recipient must submit an official life certificate to the SVE.

1.3. Start and end of the insurance

Art. 6 Admission to the SVE

1 Admitted to the SVE are employees

a) who have attained their 17th birthday, and

b) whose annual salary (art. 10) exceeds the minimum salary in accordance with the Pension Plan.

Paragraph 2 remains reserved. Admission takes place when the employment relationship begins, for the risks of death and disability on 1 January after employees have attained their 17th birthday at the earliest, for retirement on 1 January after they have attained their 24th birthday at the earliest.

2 The following employees are not admitted to the SVE:

a) Employees who have already attained their 65th birthday;

b) Employees who already have a compulsory insurance elsewhere in a position of primary employment or who are primarily in self-employment;

c) Employees who are at least 70% disabled according to IV criteria;

d) Employees whose employment contract was concluded for a maximum of three months. If the contract is subsequently extended to a total of more than three months, the insurance obligation begins from the time the contract extension was agreed;

e) Employees who are not or are not likely to be permanently employed in Switzerland and have adequate insurance abroad, if they apply for exemption from admission to the Pension Fund.

3 The SVE shall not insure salary portions earned from other companies (art. 46 para. 2 BVG).

4 Provided they fulfil the admission conditions, employees to be insured also include apprentices, part-time employees, and employees hired only temporarily or provisionally, unless their employment contract is limited to a maximum of three months from the outset.

5 Previously insured persons returning to the company are treated in the same way as new employees.

Art. 7 Capacity for work

1 If a person has full capacity for work on admission to the SVE, an entitlement to benefits exists in accordance with these Pension Fund Regulations.

2 If a person does not have full capacity for work before or on admission to the SVE without being disabled for this incapacity for work within the meaning of the BVG, and if the cause of this incapacity for work results in disability or death over the period applicable for the BVG, there is no entitlement to benefits in accordance with these Pension Fund Regulations. If the person is insured by another pension scheme at the start of the incapacity for work, it will be responsible for the provision of benefits.

Art. 8 External insured persons and insurance during leave

1 Insured persons whose employment relationship has been terminated by the company may continue their insurance at the company’s request. The Board of Trustees shall determine any additional conditions (cf. Appendix 3a).

1bis Insured persons whose employment relationship has been terminated by the company after they have reached the age of 58 may continue their insurance either in accordance with paragraph 1 or on a voluntary basis at their own request at the existing rate, pursuant to the supplementary provisions stipulated in Appendix 3b.

2 Insured persons who are employed outside the EU/EFTA for an affiliated company and make contributions to the voluntary AHV in accordance with article 2 AHVG may continue their insurance with the company's consent.

3 Insured persons put on leave by the company for a maximum of two years may remain in the SVE. The insurance is continued and the insurance benefits are determined on the basis of the existing retirement assets as well as any contributions that continue to be paid.

Art. 9 End of the insurance

1 If the employment relationship of an insured person with the company does not end due to retirement, disability or death, the insured person shall be discharged from the Sulzer Pension Fund; article 8 remains reserved. The departing insured person is entitled to termination benefits as defined in articles 41 et seq.

2 Insured persons shall continue to be insured for disability or death until they join a new pension fund, but for no longer than one month after termination of the previous employment relationship. If the termination benefits have already been paid out, they can be offset against the due disability or survivors’ benefits.

3 Should the SVE be liable to provide survivors’ or disability benefits after transferring the termination benefits, the latter must be reimbursed, insofar as this is required to pay out the survivors’ and disability benefits. The survivors’ and disability benefits shall be reduced if no reimbursement is made.

1.4. Basis for calculating contributions and benefits

Art. 10 Applicable annual salary

1 The applicable annual salary forms the basis for determining the insured salary.

It is based on the salary system applied by the company, and includes the annual salary (as a rule, 13 monthly salaries).

If insured persons are employed by a company for less than one year, the salary they would have earned had they been employed for a full year is deemed to be the applicable annual salary.

2 Furthermore, the flexible salary portions (bonus, variable salary portion, shift premiums) earned over the past 12 months and reported by the company may also be insured.

3 Family and child allowances as well as other salary portions occurring only occasionally are not counted.

4 Salary portions earned at other employers are also ruled out.

5 Loss of income due to sickness, accident, military service or reduced working hours is not deducted.

Art. 11 Insured salary

1 The insured salary corresponds to the applicable annual salary in accordance with article 10 reduced by the coordination deduction and forms the basis for the measurement of the contributions and benefits.

The maximum of the annual salary applicable for the determination of the insured salary is verified and defined annually by the Board of Trustees (see Supplement).

The coordination deduction and the minimum and maximum insured salaries are defined in the Pension Plan.

2 The insured salary is defined for the first time when an employee is admitted to the SVE. Later adjustments are based on the salary system applied by the company in accordance with the affiliation agreement. Paragraphs 3, 4 and 6 remain reserved.

3 If an insured person's working week or his/her annual salary is reduced, the insured salary shall be recalculated. If the insured salary falls below the minimum salary as defined in the Pension Plan, the insured person can no longer be insured and must leave the SVE.

At the company's written request, the previous annual salary can continue to be insured for a maximum of 2 years. These contributions shall be collected via the company.

4 If the annual salary is reduced by a maximum of half between the completion of the 58th and 65th years, the insured person may continue to insure the previously insured salary.

The continued insurance of the previously insured salary ends at the latest on termination of the employment relationship, in any event on completion of the 65th year.

The contributions for the continued insurance are defined in the Pension Plan. These contributions are collected via the company.

5 The insured salary applicable for the measurement of disability pensions (or survivors' pensions of active insured persons) is equivalent to the average of the insured salaries on which contributions were levied in the three years before the occurrence of an insured event.

6 For partially disabled persons, the maximum insured salary and the maximum coordination deduction defined by the Pension Plan shall be reduced in accordance with the disability pension entitlement (art. 26 et seq.).

Art. 12 Retirement assets

1 An individual retirement account that shows the retirement assets available is managed for every insured person.

The retirement assets consist of:

a) retirement credits plus interest;

b) the admission fee paid in plus interest;

c) repayments of advance withdrawals for residential property plus interest;

d) amounts transferred and credited within the framework of a pension compensation on divorce plus interest;

e) amounts credited when paying back in after a divorce plus interest;

f) additional voluntary contributions plus interest;

g) any further deposits plus interest;

less any advance withdrawals for residential property and payments on divorce plus interest.

2 Retirement credits are credited to the retirement account of each insured person who is at least 25 years old at the end of each calendar year.

The level of annual retirement credits is determined by the Pension Plan.

3 The following provisions apply to the management of the retirement account:

a) The interest rate shall be defined by the Board of Trustees.

b) The interest rate shall be calculated on the basis of the accumulated retirement assets at the end of the previous year and credited to the retirement assets at the end of each calendar year. The retirement credits of the relevant calendar year are added to the retirement assets without interest.

c) If an admission fee or extra contribution is paid, it shall bear interest in the relevant calendar year from the date of receipt of the payment.

d) If an insured event occurs or if an insured person leaves the SVE during the calendar year, the interest for the current year on the accumulated retirement assets as at the end of the previous year for the time since passed is credited. To this shall be added the retirement credit corresponding to the insurance period elapsed in the relevant calendar year.

4 In the event of total disability, the retirement assets shall be continued with interest and retirement credits. The continuation begins with the entitlement to an SVE disability pension and ends with the termination of the disability pension. The retirement credits for continuation of the retirement assets shall be measured on the basis of the insured salary at the start of incapacity for work and the current retirement credits as defined in the Pension Plan. If the Pension Plan offers a choice of savings options, the retirement assets shall be continued in accordance with the Basic Plan savings option (art. 13 para. 7).

5 In the event of partial disability, the retirement assets at the start of the entitlement to an SVE disability pension and the insured salary at the start of the incapacity for work are divided according to the disability pension calculation. The retirement assets corresponding to the disability portion are continued in accordance with paragraph 4 as for a fully disabled insured person, while the retirement assets corresponding to the active portion are continued as for a fully employable insured person.

2. INCOME

Art. 13 Contributions

1 SVE benefits are financed by contributions from the company and insured persons.

The amount and allocation of the contributions are defined in the Pension Plan.

2 Insured persons may make their contributions as stipulated in the Pension Plan according to the Basic Plan, Comfort Plan or Super Plan savings options. The choice is made when joining the SVE. The Basic Plan as defined in the Pension Plan shall apply without written notification. The savings plan selected may be changed annually with effect from 1 July of any calendar year. The SVE must be informed in writing using the application form available online by 31 May at the latest. In the absence of written notification, the savings plan last selected shall remain in force.

3 The company shall deduct the insured persons' contributions from their salary in 12 monthly instalments and transfer these to the SVE on a monthly basis.

The company's contributions shall be transferred to the SVE, together with the insured persons' contributions, or debited from employer contribution reserves, should there be any.

4 The company's and insured persons' contributions may be financed temporarily, in full or in part, by another pension scheme, if such a scheme stipulates an equivalent purpose. The beneficiaries must be informed of the scope and duration of any contribution reductions.

5 The obligation to contribute begins on admission to the SVE, but no earlier than 1 January after completion of the 17th year (art. 6) and, subject to paragraph 6 and Article 22, ends when:

a) the 65th year of age is completed;

b) the employment relationship is terminated;

c) the income falls below the minimum salary as defined by the Pension Plan.

6 In the event of an accident, sickness or military service, the requirement to pay contributions applies for as long as the salary or compensation for loss of earnings is paid out. The contributions are deducted either from the salary that continues to be paid or from compensation paid for loss of earnings.

7 Exemption from contributions in the event of disability begins with the entitlement to an SVE disability pension and ends with the termination of the disability pension. The insured salary at the time the incapacity for work begins and disability pension entitlement as defined by the SVE (art. 12 para. 4 and 5) shall be applicable. Exemption from contributions is based on the retirement credits held in the Pension Plan (art. 12 para. 4) and also includes future age-related increases in the retirement credits. If the Pension Plan offers various savings options, the Basic Plan savings option shall apply in the event of exemption from contributions. Higher retirement credits in accordance with a higher savings option (Comfort Plan or Super Plan) cease to be permissible once exemption from contributions has begun.

Art. 14 Admission fee

1 Insured persons are obliged to transfer any termination benefits from former pension schemes to SVE as an admission fee. This admission fee shall be credited to the insured person as retirement assets.

2 The admission fee becomes due on admission to the SVE.

3 Insured persons shall allow the SVE to examine the statements of termination benefits from previous pension schemes.

4 The insured person shall notify the SVE of previous membership of a vested benefits institution as well as the form of pension protection offered by that institution, which must transfer the retirement assets to the SVE when the insured person joins this fund.

Art. 15 Additional voluntary contributions (voluntary purchases)

1 If they are fully able to work, insured persons may increase their retirement assets with one or more voluntary deposits and thereby improve the benefits insured for them. In such cases, the maximum retirement assets shall be equivalent to the total retirement credits in accordance with the Pension Plan; if the Pension Plan offers various savings options, the maximum retirement assets shall be calculated on the basis of the savings option selected (see Appendix to the Pension Plan). Maximum additional voluntary contributions are calculated as the difference between the maximum permissible retirement assets and the retirement assets already accumulated at the time of the additional voluntary contribution. The insured salary at the time of the additional voluntary contribution shall apply.

2 It is possible to buy benefit reductions in the event of early retirement (cf. art. 21).

3 It is permitted to make additional voluntary contributions after the age of 65 up to the level of benefits that would be reached at regular retirement age.

4 The SVE does not provide any guarantee that the contributions are tax-deductible.

5 The company may pay additional voluntary contributions on behalf of insured persons.

6 If sums withdrawn early in order to purchase residential property can no longer be repaid due to age limits, insured persons may make additional voluntary contributions before drawing retirement benefits, insofar as, together with the advance withdrawals, they do not exceed the maximum permissible pension entitlements.

7 For persons relocating from abroad who have never been members of a pension scheme in Switzerland, the annual additional voluntary contribution may not exceed 20% of the insured salary in the first five years after joining a Swiss pension scheme. Once the five years have elapsed, the SVE shall enable those insured persons who have not yet purchased full regulatory benefits to make such an additional voluntary contribution.

3. SVE BENEFITS

3.1. Overview

Art. 16 Insured benefits

1 Within the framework of the below provisions, the SVE shall grant insured persons or their survivors the following benefits:

- Retirement pension and/or retirement lump sum
- Bridging pension
- Pensioner's child benefit
- Disability pension
- Disabled person's child benefit
- Exemption from contributions
- Spouse's pension or settlement
- Pension for divorced spouses
- Partner's pension or settlement
- Orphan's pension
- One-off lump sum on death

2 The insurance benefits listed above are granted on the express proviso of articles 52 to 55. Furthermore, the payment provisions of article 51 shall apply to these benefits. In any event, the minimum statutory benefits (art. 1 para. 3) pursuant to the BVG are guaranteed. For withdrawals (residential property / divorce / retirement), the BVG retirement assets shall be reduced pro rata in the shadow accounting. When transferring a lifelong pension granted as a result of divorce, the pro rata reduction shall apply accordingly.

3.2. Retirement benefits

Art. 17 Entitlement to retirement benefits

1 The entitlement to retirement benefits arises on termination of the employment relationship, but no earlier than on the first day of the month after completion of the 58th year and no later than on the first day of the month after completion of the 70th year.

2 The retirement benefit is paid in the form of a retirement pension (art. 18) and/or retirement lump sum (art. 19).

3 Anyone drawing a retirement benefit in accordance with articles 17 et seq. cannot claim a disability pension as defined in articles 26 et seq.

4 Instead of the retirement benefit, insured persons may also claim termination benefits as defined in articles 41 et seq. if they leave the SVE before completion of their 65th year and continue to be employed, or are reported as unemployed (art. 2 para. 1bis FZG).

Art. 18 Retirement pension

1 The retirement pension is determined on the basis of the retirement assets accumulated at the time of retirement and the conversion rate in accordance with Appendix 1. The level of retirement assets available after any withdrawal shall apply when calculating the retirement pension.

2 At the time of retirement, insured persons have the option to increase the reversionary spouse's pension from 60% of the retirement pension paid to 100%, provided that the benefits provided are at least equivalent to the statutory benefits as defined by the BVG. In order to finance this, the conversion rate pursuant to Appendix 1 shall be reduced accordingly. If insured persons wish to adjust the reversionary spouse's pension, they must notify the SVE in writing no later than one month before the first payment of the retirement pension. The written declaration of a married insured person is only valid if it is co-signed by the spouse. The SVE may request certification of the signatures at the insured person's expense.

Art. 19 Retirement capital

1 Instead of the retirement pension, the retirement assets can be drawn as a retirement lump sum in full or in part. Article 47a paragraph 6 BVG remains reserved.

2 The SVE must be notified in writing of any lump-sum withdrawal, as well as the amount involved, at least three months before the withdrawal.

3 If an insured person is married, the lump-sum withdrawal is only permissible if the spouse consents in writing. The SVE may request certification of the signatures and verification of the marital status at the insured person's expense.

4 If additional voluntary contributions were made during the three years before the withdrawal, the resulting benefits may not be drawn as a lump sum (art. 79b para. 3 BVG). The SVE does not provide any guarantee that the contributions are tax-deductible.

5 In the event of a lump-sum withdrawal, all benefits shall be reduced to the extent of the withdrawal. In the event of a full withdrawal, no further claims may be made of the SVE.

Art. 20 Partial retirement

1 In agreement with the company, insured persons may claim partial retirement by at least 30% from the age of 58. The provisions listed above (art. 17 et seq.) shall apply accordingly to the partial retirement pension or the partial retirement lump sum and the bridging pension (art. 23). The portions of the retirement assets equivalent to the partial retirement shall apply when determining the partial retirement pension or partial retirement lump sum. The maximum bridging pension shall be reduced in line with the partial retirement. The partial pension benefit shall correspond to the degree of retirement in percent.

2 Partial retirement is possible in no more than three steps, in the course of which the employment relationship must be reduced for at least one year by at least 30% and must continue to be by at least 30%. A lump-sum withdrawal may be made in a maximum of two steps.

Art. 21 Purchase of benefit reduction in the event of early retirement

Should insured persons retire before completing of their 65th year, they have the option to buy into the retirement pension at the age of 65 stated on the insurance certificate (art. 15 para. 2). The contribution required for this shall be determined in accordance with the principles of the SVE.

Art. 22 Gainful employment after regular retirement age

1 Insured persons who continue to work beyond regular retirement age may draw the retirement benefits due in accordance with article 17 paragraph 1 or continue the scheme on request until termination of the employment relationship. The retirement benefits shall become due on completion of the insured person's 70th year at the latest. It is required that the company permit the continuation of the insurance for its employees. The company and the insured persons shall make savings contributions in accordance with the Pension Plan. Risk contributions shall no longer be levied.

2 The retirement pension shall be calculated on termination of the deferral based on the retirement assets accrued at that time. If the insured person dies before ending employment, the spouse's or partner's pension and the orphan's pension shall be calculated in accordance with articles 34 et seq., 38 and 39 in the same manner as for the recipient of a retirement pension. The basis for this is the retirement pension determined at the time of death in accordance with article 18 paragraph 1.

3 If the insured person reduces his working week, he may request partial retirement in accordance with article 20.

Art. 23 Bridging pension

1 Pensioners who have not yet reached the applicable statutory AHV retirement age may claim a bridging pension until they reach the statutory AHV retirement age. The bridging pensions may not exceed the sum of the maximum AHV retirement pension applicable at the time of retirement.

2 The existing retirement assets shall be reduced in accordance with Appendix 1.

3 The bridging pension shall be paid for the agreed period, but for no longer than until the recipient's death. No further benefits may be derived from the bridging pension.

Art. 24 Retirement at the company's request

1 If insured persons leave the company for operational reasons before reaching AHV retirement age, the level of their pension shall be determined by the company's bindingly defined regulations.

2 The company must remunerate the SVE for the additional retirement assets required.

Art. 25 Pensioner's child benefit

1 Recipients of a retirement pension are entitled to child benefit for each child who could claim an orphan's pension in the event of their death (art. 39).

The level of the pensioner's child benefit is defined in the Pension Plan.

2 The entitlement to pensioner's child benefits already in existence at the time of initiating divorce proceedings shall not be affected by pension compensation in the event of divorce.

3.3. Disability benefits

Art. 26 Disability

1 Disability is given if an insured person is disabled as defined by the Federal Disability Insurance.

2 For the recognition of disability and definition of the disability pension entitlement, the legally valid decision of the IV shall apply.

Art. 27 Entitlement to a disability pension

Insured persons are entitled to a disability pension who:

a) are at least 40% disabled and were insured with the SVE at the time when the incapacity for work arose and the cause of which resulted in the disability, or

b) were at least 20% but less than 40% incapacitated for work as a result of a congenital condition when starting employment and were at least 40% insured when the incapacity for work, the cause of which resulted in the disability, increased, or

c) became disabled as minors, were for that reason at least 20% but less than 40% incapacitated for work when starting employment, and were at least 40% insured when the incapacity for work, the cause of which resulted in the disability, increased.

Art. 28 Scope of the disability pension

Insured persons are entitled to:

a) a full disability pension if they are at least 70% disabled;

b) three-quarters of a disability pension if they are at least 60% disabled;

c) half a disability pension if they are at least 50% disabled;

d) one-quarter of a disability pension if they are at least 40% disabled.

Art. 29 Deferral of the disability pension

The entitlement to a disability pension is deferred for as long as the company continues to pay the salary or compensation for loss of earnings equivalent to at least 80% of the lost salary; benefits within the framework of articles 23 et seq. BVG remain reserved.

Art. 30 End of entitlement to a disability pension

1 Entitlement to a disability pension ceases on the death of the beneficiary or, subject to article 26a BVG, when disability no longer applies, at the latest, however, when the insured person reaches regular retirement age.

2 When insured persons reach regular retirement age as defined in paragraph 1, the disability pension shall be replaced by a retirement pension. The retirement pension may be drawn in the form of a lump sum, either in full or in part.

The level and measurement of the retirement pension and the requirements for a lump-sum withdrawal are determined by the Pension Plan.

3 Partially disabled insured persons who leave the SVE shall continue to receive the partial disability pension as well as any associated child benefits. Furthermore, a termination benefit in accordance with articles 41 et seq. shall be paid for the active portion. The continuously insured survivors' benefits shall be determined on the basis of the partial disability pension.

Art. 31 Level of the disability pension

The level of the disability pension and its calculation are defined in the Pension Plan.

Art. 32 Disabled person's child benefit

1 Recipients of a disability pension are entitled to child benefit for each child who could claim an orphan's pension in the event of their death (art. 39).

The level of the disabled person's child benefit is defined in the Pension Plan.

2 The entitlement to a disabled person's child benefit already in existence at the time of initiating divorce proceedings shall not be affected by pension compensation in the event of divorce.

Art. 33 Exemption from contributions

In the event of a disability pension being claimed from the SVE, both the company and the disabled person concerned are exempt from the contribution obligation (see art. 13 para. 7).

3.4. Survivors' benefits

Art. 34 Entitlement to a spouse's pension

1 If a married insured person dies before or after retirement, the surviving spouse shall be entitled to a spouse's pension, insofar as on occurrence of the insured event the surviving spouse:

a) is responsible for the maintenance of one or more children, or

b) has completed his/her 45th year and the marriage lasted at least five years, or

c) draws a pension from the Federal Disability Insurance.

2 If the surviving spouse fulfils none of the requirements under paragraph 1, he/she shall be entitled to a one-off settlement equivalent to three times the annual sum of the spouse's pension.

Art. 35 Level of the spouse's pension

1 The level of the spouse's pension is defined in the Pension Plan.

2 If the surviving spouse is more than 10 years younger than the deceased insured person, the spouse's pension shall be reduced by 3% for each full year that exceeds this age difference. The reduction shall be decreased by 1/20 for each full year of marriage.

3 Pension portions that were granted to the divorced spouse of the insured person by a court in the context of pension compensation on divorce (art. 44 et seq.) shall no longer be considered for the calculation of the spouse's pension. This shall also be the case if the insured person's divorced spouse, having been granted a share of the pension, dies.

Art. 36 Start and end of the entitlement to a spouse's pension

1 Entitlement to a spouse's pension begins on the first day of the month following the death of the insured person or pensioner, but at the earliest on termination of continued salary payments or payments for loss of earnings.

2 Entitlement shall lapse at the end of the month in which the surviving spouse dies or remarries.

In the event of remarriage, the surviving spouse shall receive a one-off settlement as a final payment that shall be equivalent to three times the annual total of the spouse's pension.

Art. 37 Entitlement of the divorced spouse

1 Articles 34 to 36 above also apply to the surviving, divorced spouse if the marriage lasted at least ten years and the divorced spouse was granted a pension on divorce in accordance with article 124e paragraph 1 or article 126 paragraph 1 ZGB. The surviving, divorced spouse who does not fulfil the additional requirements under article 34 above is merely entitled to a pension equivalent to the minimum benefits stipulated by the BVG. If the surviving, divorced spouse was granted funds from the occupational pension within the framework of pension compensation, he/she shall also only be entitled to a pension equivalent to the minimum benefits stipulated by the BVG.

2 Entitlement to survivors' benefits exists for as long as the pension would be due. If the surviving, divorced spouse remarries or dies, their entitlement to survivors' benefits shall lapse.

3 The survivors' benefits and minimum survivors' benefits pursuant to the BVG are reduced by the amount by which they, together with the AHV survivors' benefits, exceed the entitlement from the divorce ruling. AHV survivors' benefits are only counted to the extent that they are higher than the insured person's own entitlement to a disability pension from the IV or a retirement pension from the AHV.

Art. 38 Entitlement to a partner's pension

1 If an unmarried insured person is proven to have lived with an unmarried, unrelated partner in the same household for at least five years without interruption until his/her death and if he/she was maintained or supported by the insured person to a significant degree, the partner shall be entitled to the same benefits as a surviving spouse, if the mutual support obligation was agreed in writing under a support agreement (see Appendix 2a). This agreement must be submitted to the SVE during the insured person's lifetime. After the insured person's death, the surviving partner shall claim their entitlement to a partner's pension using appropriate documentation. The SVE verifies the entitlement on the basis of the actual circumstances applicable at that time.

If the surviving partner is more than 10 years younger than the deceased insured person, the partner's pension shall be reduced by 3% for each full year that exceeds this age difference, as in article 35 paragraph 2. The reduction shall be decreased by 1/20 for each full year of partnership.

2 In addition to the conditions listed in paragraph 1, the surviving partner must fulfil one of the three following conditions on occurrence of the insured event:

a) he/she must provide for the maintenance of one or more children, or

b) he/she has completed his/her 45th year at the time of death, or

c) he/she draws a pension from the Federal Disability Insurance.

3 If the partner does fulfil the requirements under paragraph 1, but not those under paragraph 2, he/she is entitled to a one-off settlement equivalent to three times the annual total of the partner's pension.

4 If the surviving partner already receives a 2nd-pillar spouse's or partner's pension, entitlement to both a partner's pension and a one-off settlement shall lapse.

Art. 39 Orphan's pension

1 If an insured person dies before or after his/her retirement, each of his/her children below the age of 18 shall receive an orphan's pension. This shall be granted until completion of their 18th year. For children who are still in education or have limited or no capacity for work due to a physical or mental illness, the pension entitlement shall exist until they have completed their 25th year, provided that the AHV equally extends the duration of the benefit entitlement.

2 Foster children as defined in article 49 AHVV and stepchildren shall be entitled to an orphan's pension only if the insured person was responsible for their maintenance.

3 The level of the orphan's pension is defined in the Pension Plan.

4 If child benefits were not affected by a pension compensation on divorce in accordance with article 25 paragraph 2 or article 32 paragraph 2, the orphan's pension shall be calculated on the same basis.

5 Entitlement to an orphan's pension arises on the first day of the month that follows the death of the insured person or pensioner, but at the earliest on expiry of the continued salary payment or payment for loss of earnings.

Art. 40 One-off lump sum on death

1 If an insured person or recipient of a retirement or disability pension dies, the survivors listed below shall be paid a one-off lump sum on death.

The level and requirements for payment of the lump sum on death are defined in the Pension Plan.

2 Regardless of inheritance law, the following persons are entitled in the following order:

a) the surviving spouse;

in his/her absence, the children of the deceased insured person who are entitled to an orphan's pension in accordance with article 39;

b) in the absence of beneficiaries in accordance with point a) above:

the persons supported by the insured person to a significant degree or the person who lived in a partnership with the insured person over the past five years before his/her death without interruption, or who must provide the maintenance of one or more joint children, provided that they do not draw a widower's or widow's pension (art. 20a para. 2 BVG);

c) in the absence of beneficiaries in accordance with point b) above:

those children of the deceased insured person who are not entitled to an orphan's pension in accordance with article 39;

in their absence: the parents;

in their absence: the siblings.

Persons entitled in accordance with point b) are entitled to a pension only if they were reported in writing to the SVE during the insured person's lifetime (see Appendix 2b).

3 The insured person may change the beneficiary groups [point a), b) or c)] set above under paragraph 2 at any time by written declaration to the SVE as follows:

- summarise the beneficiaries in accordance with point a) and b) if beneficiaries exist in accordance with paragraph 2 point b);
- summarise the beneficiaries in accordance with point a) and c) if beneficiaries are absent in accordance with paragraph 2 point b);
- change the order of the beneficiaries under point c) or summarise the beneficiaries under point c).

The notification must be received by the SVE during the insured person's lifetime (see Appendix 2b). The SVE shall verify the entitlement on the basis of the actual circumstances applicable at that time.

4 The insured person may define at his/her discretion the splitting of the lump sum on death among the beneficiaries within a group of beneficiaries [point a), b) or c) in accordance with paragraphs 2 and 3] by written declaration to the SVE (see Appendix 2b). Notification must be received by the SVE during the insured person's lifetime. In the absence of such notification, all beneficiaries within a group of beneficiaries are entitled to the lump sum on death in equal shares.

5 In the absence of entitled parties in accordance with paragraphs 2 and 3, the lump sum on death shall revert to the SVE.

4. VESTED BENEFITS AND HOME OWNERSHIP

4.1. Leaving the SVE

Art. 41 Entitlement to and level of termination benefits

1 If the employment relationship is terminated by the insured person or the company without an insured event (age, death or disability), the insured person shall be entitled to termination benefits.

2 The same applies to insured persons who fulfil the requirements for early retirement in accordance with article17 paragraph 1. Instead of the retirement benefits, they may also claim termination benefits (see art. 17 para. 4).

3 The termination benefits shall be equivalent to the retirement assets accumulated with the SVE (art. 12), but at least the minimum sum as defined in article 17 FZG. In the event of continued insurance in accordance with article 11 paragraph 4 as well as appendices 3a and 3b of the Pension Fund Regulations, pursuant to article 17 paragraph 1 FZG, no surcharge shall be levied on contributions.

4 If a company has paid an additional voluntary contribution in full or in part, the corresponding sum shall be deducted from the termination benefits. This deduction shall be reduced in accordance with the agreement concluded, but at least by one-tenth of the amount paid by the company for each completed full year of contributions. The unused portion shall go to the company's contribution reserve account.

Art. 42 Use of the termination benefits

1 If the insured person joins another occupational pension scheme, the SVE shall transfer the termination benefits to the new occupational pension scheme.

2 Insured persons who do not join a new occupational pension scheme must inform SVE whether the termination benefits shall be used to open a vested benefits account or order a vested benefits policy.

In the absence of such notification, the termination benefits plus interest shall be transferred to the substitute occupational benefits institution 6 months at the earliest, but at the latest two years, after the insured person's departure.

3 Insured persons may request a cash payment of the termination benefits if:

a) they are permanently leaving Switzerland and the Principality of Liechtenstein (subject to paragraph 4), or

b) they take up self-employment and no longer have to be insured under a compulsory occupational benefits scheme, or

c) the termination benefits amount to less than his annual contribution.

If an insured person is married, the spouse must give their written consent to the cash payment. The SVE may request certification of the signatures and verification of the marital status at the insured person's expense.

If additional voluntary contributions were made during the three years before the insured person's departure, the resulting benefits may not be drawn in cash (art. 79b para. BVG). The SVE does not provide any guarantee that the contributions are tax-deductible.

4 Insured persons who permanently leave Switzerland and the Principality of Liechtenstein may not demand payment of the BVG retirement assets if they remain compulsorily insured for the risks of retirement, death and disability according to the laws of a member state of the EU, Iceland or Norway.

4.2. Promotion of home ownership

Art. 43 Advance withdrawal and pledging

1 Up to three years before the occurrence of the entitlement to retirement benefits, insured persons may claim a sum (at least CHF 20,000) for the purchase of a home for their own use (purchase or construction of residential property, participation in residential property or repayment of mortgage loans). Own use is considered to be personal use, i.e. the insured person uses the property as their domicile or normal place of residence.

They may also pledge this sum or their entitlement to benefits for the same purpose.

Article 47a paragraph 6 BVG remains reserved.

2 Up to the age of 50, insured persons may withdraw or pledge a sum equal to their termination benefits. Insured persons over the age of 50 may at most withdraw the termination benefits to which they would have been entitled at the age of 50, or one half of the benefits accrued at the time of withdrawal.

Advance withdrawal may be claimed every five years.

If additional voluntary contributions were made during the three years before advance withdrawal, the resulting benefits may not be withdrawn early (art. 79b para. 3 BVG). The SVE does not provide any guarantee that the contributions are tax-deductible.

3 Insured persons may submit a written request for information concerning the amount available to them for home ownership and the reduction to benefits associated with such a withdrawal. The SVE shall inform them of the possibilities of supplementary insurance to cover the lack of insurance coverage that will result from the withdrawal, and draw attention to the related tax issues.

4 If insured persons make use of the advance withdrawal or pledging options, they must submit the contractual documents relating to the purchase or construction of the residential property, the amortisation of mortgage loans, the rules or the tenancy or loan agreements in the case of shares purchased with the institution financing the construction, and the corresponding certificates in the event of similar kinds of participation.

For married insured persons, the written consent of the spouse must be submitted in addition. The SVE may request certification of the signatures and verification of the marital status at the insured person's expense.

5 The SVE shall pay out the advance withdrawal six months after insured persons have claimed their entitlement at the latest. If the SVE has insufficient funds, it may impose a limit regarding the timing and amount of an advance withdrawal that is to be used to repay a mortgage loan, or may refuse the advance withdrawal entirely. The SVE must inform insured persons for how long these measures apply.

6 Should the SVE's liquidity be placed at risk by such advance withdrawals, the SVE may defer the processing of applications. The Board of Trustees shall draw up a list of priorities for the handling of applications.

7 Advance withdrawals reduce the retirement assets by the amount withdrawn. The insured benefits are reduced in accordance with the advance withdrawal sum. Any (partial) reimbursement of the sum withdrawn early is handled in the same way as an additional voluntary contribution as defined in article 15. A corresponding additional voluntary contribution shall be allocated to the compulsory and other retirement assets in the same ratio as with the advance withdrawal (art. 16 para. 2).

8 In accordance with the Supplement to the Pension Fund Regulations, the SVE charges a handling fee for advance withdrawals for residential property.

9 Furthermore, the provisions on the Federal Act on Promoting Home Ownership and its enforcement regulations shall apply.

5. DIVORCE

Art. 44 General

For pension compensation, the corresponding legal provisions, including execution regulations, as well as the ruling of the Swiss divorce court, which is binding for the SVE, shall apply.

Art. 45 Pension compensation for termination benefits

1 If an insured person divorces and if, on the basis of the divorce court's ruling, the SVE has to transfer a portion of the termination benefits accrued during the marriage to the divorced spouse's pension scheme, the insured person's existing retirement assets shall be reduced by the sum transferred. The insured benefits are reduced in proportion to the sum transferred in the same way as stated in article 43 paragraph 7.

The insured person may pay in a sum in accordance with article 15 corresponding to the transferred portion of the termination benefits. An equivalent additional voluntary contribution shall be allocated to the compulsory and other retirement assets in the same ratio as with the debiting (art. 16 para. 2).

2 If a benefit claim relating to age or disability arises during the divorce proceedings, the SVE shall reduce the portion of the (hypothetical) termination benefits to be transferred under the ruling of the divorce court and the retirement or disability pension. The reduction corresponds to the amount by which the pension payments would have been lower until the final divorce ruling if their calculation had been based on retirement assets reduced by the transferred portion of the (hypothetical) termination benefits. The reduction shall be halved between the two spouses subject to any other order in the ruling of the divorce court. In addition, the retirement or disability pension shall be permanently adjusted, from the moment the divorce ruling enters into force, on the basis of the retirement assets still available after the compensation.

Disability pensions whose amount is calculated as a percentage of the insured salary according to the Pension Plan shall be exempt from any reduction. Such pensions shall remain unchanged until the recipients reach regular retirement age. The retirement benefits shall then be reduced in proportion to the amount transferred in the same way as stated in article 43 paragraph 7.

Art. 46 Pension compensation for disability pensions

1 If the marriage of an insured person receiving a disability pension at the time of the divorce proceedings being initiated is dissolved and the SVE has to transfer part of the hypothetical termination benefits accrued during the marriage to the pension scheme of the divorced spouse under a ruling of a divorce court, the insured person's disability pension shall be permanently adjusted once the divorce ruling becomes final. The ongoing disability pension shall thereby be reduced by the amount by which it is lower if its calculation is based on retirement assets reduced by the transferred part of the hypothetical termination benefits. Article 19 paragraph 2 BVV 2 remains reserved. The reduction is calculated in accordance with the regulatory provisions that were the basis for calculating the disability pension. The time at which divorce proceedings were initiated is relevant for the calculation of the reduction.

Disability pensions whose amount is calculated as a percentage of the insured salary according to the Pension Plan shall be exempt from any reduction. Such pensions shall remain unchanged until the recipients reach regular retirement age. The retirement benefits shall then be reduced in proportion to the amount transferred in the same way as stated in article 43 paragraph 7.

2 If an insured person receiving a disability pension reaches regular retirement age during the divorce proceedings, the SVE shall reduce part of the hypothetical termination benefits to be transferred under the ruling of the divorce court and the retirement pension. The reduction is equivalent to the amount by which the pension payments would have been lower between the insured person reaching regular retirement age and the divorce ruling becoming final if their calculation had been based on retirement assets reduced by the transferred part of the hypothetical termination benefits. The reduction is halved between the two spouses subject to a contrary order in the ruling of the divorce court. In addition, the retirement pension shall be permanently adjusted on the basis of the retirement assets still available after compensation, once the divorce ruling has become final.

3 Disability pension recipients are not entitled to pay in a sum in accordance with article 15 corresponding to the transferred portion of the hypothetical termination benefits.

Art. 47 Pension compensation for retirement pensions

1 If an insured person receives a retirement pension at the time of the divorce proceedings being initiated and the court grants the spouse of the insured person a portion of the retirement pension, the insured person's retirement pension shall be permanently reduced by the pension portion granted once the divorce ruling has become final.

2 The retirement pension recipient is not entitled to pay in a sum in accordance with article 15 corresponding to the transferred portion of the pension.

Art. 48 Child benefits

With regard to entitlement to pensioner’s child benefits or disabled person’s child benefits or an orphan’s pension already in existence at the time of divorce proceedings being initiated, article 25 paragraph 2, 32 paragraph 2 and 39 paragraph 4 shall apply.

Art. 49 Transfer of the lifelong pension granted to the spouse

1 If the spouse of the insured person is granted a portion in the insured person's retirement pension by a court, the SVE shall pay out the pension portion directly in the form of a lifelong pension or transfer it to his/her pension scheme.

2 The spouse may demand direct payment of the lifelong pension if he/she has obtained an entitlement to a full pension of the disability insurance during the pension compensation or at a later date, or has attained the legally earliest possible retirement age.

3 If the insured person’s spouse has reached the regular retirement age at the time of pension compensation, unless other instructions are expressly issued, the lifelong pension shall be paid out to him/her directly. The same applies from the time when he/she has reached the regular, statutory retirement age after receiving the pension compensation.

4 In the other cases, the lifelong pension shall be transferred to his occupational pension. The insured person’s spouse may also request a transfer as a lump sum rather than a pension transfer. The SVE must be notified of a lump-sum transfer in writing. Any such application is irrevocable from this point. The conversion to a lump sum is calculated in accordance with the SVE’s technical principles. The lump-sum transfer settles all claims of the insured person's spouse against the SVE.

The insured person’s spouse must provide the name and payment address of his pension fund or vested benefits institution. In the absence of such notification, the sum shall be transferred to the substitute occupational benefits institution at the earliest six months but at the latest two years after the date for this transfer. Subsequent transfers shall be made to the substitute occupational benefits institution annually until the requisite notification is provided.

5 No further benefits may be derived from the lifelong pension. On the death of the insured person’s spouse, his/her claim to a lifelong pension shall lapse and no further claims may be made against the SVE.

Art. 50 Termination benefits or lifelong pension transferred as a result of divorce

1 If a spouse insured with the SVE is granted termination benefits or a lifelong pension from a divorced spouse (under a court ruling), the said benefits or pension shall be treated like an additional voluntary contribution as defined in article 15. An equivalent additional voluntary contribution shall be allocated to the compulsory and other retirement assets in the ratio at which it was debited from the divorced spouse’s pension scheme.

2 If the spouse entitled to compensation is already receiving a retirement or disability pension from the SVE, he/she may no longer pay the termination benefits or lifelong pension granted into the scheme. These funds shall be transferred to him/her directly or to a vested benefits or substitute occupational benefits institution.

6. JOINT PROVISIONS FOR BENEFITS

Art. 51 Payment provisions

1 With the exception of the lifelong pension under paragraph 5 transferred to the pension scheme of the insured person's divorced spouse, the pensions shall be calculated in annual amounts and paid in advance to the beneficiaries in monthly instalments rounded up to the nearest figure in Swiss francs.

2 Pension entitlement lasts until the end of the month in which the person entitled to a pension dies, or in which entitlement to the pension becomes void pursuant to the provisions of these Pension Fund Regulations.

3 If at the start of the entitlement the retirement or disability pension is less than 10% of the minimum AHV pension, the spouse's pension less than 6% and the orphan's pension less than 2%, the SVE shall pay a one-off lump-sum settlement. This is calculated actuarially according to the SVE's technical principles. Once it has been paid out, all further claims of the insured person or his survivors against the SVE shall become void.

4 The SVE may transfer the insurance benefits to pension recipients domiciled abroad with releasing effect to an account that is opened in favour of the entitled person with a bank in Switzerland. At their risk and request, payments may also be made abroad.

5 The lifelong pension granted to the insured person's spouse within the framework of a pension compensation on divorce is transferred to his/her pension or vested benefits institution if a direct payment is not possible (art. 49 para. 2 and 3). The transfer includes the pension due for a calendar year and is made annually by 15 December of the relevant year.

If an entitlement to payment arises during the relevant year due to age or disability (art. 49 para. 2 and 3) or the entitled spouse of the insured person dies, the transfer shall include the pension owed from the start of the year in question until that moment in time.

With the consent of the pension or vested benefits institution of the insured person's entitled spouse, the pension transfer shall be made on a monthly basis in accordance with paragraph 1.

Interest shall be paid on the amount of the annual transfer, which is equivalent to half the interest rate valid for the relevant year pursuant to article 12 paragraph 3 point a.

6 Pensions and lump-sum benefits shall be due within 30 days of receipt of all the information and documentation required to clarify and adjust the insured person's beneficiary status; not, however, before their entitlement begins. Contrary provisions of these Pension Fund Regulations as well as article 2 paragraph 3 FZG remain reserved.

The SVE shall be in arrears if it is put in default by the legally proposed measures. This shall also be true if the due date depends on the expiry of a time limit. The default interest rate is equivalent to the minimum legally stipulated interest rate, but may be no higher than 5 percent; article 2 paragraph 4 FZG and any contrary provisions of these Pension Fund Regulations remain reserved. In the case of pension payments, default interest shall be payable only from the day on which a debt enforcement action or lawsuit begins.

Art. 52 Crediting of third-party benefits

1 If, in the event of disability or the death of an insured person or disability pension recipient, the SVE benefits, combined with countable earnings, amount to more than 100% for the insured person and his/her children, or for his/her survivors to more than 90% of the allegedly lost applicable annual salary as defined in article 10 plus any child benefits, the pensions to be paid by the SVE must be reduced for so long and to such a degree that the specified threshold is no longer exceeded. The provisions apply analogously to lump-sum benefits paid by the SVE.

Benefit reductions or refusals of other insurers due to culpability (see also art. 52 para. 4, second sentence) as well as benefit reductions made when the insured person reaches the regular retirement age as defined in the BVG, particularly benefit reductions from accident and military insurance, shall not be compensated.

The survivors' benefits for the surviving spouse or partner and the orphans shall be counted together.

Retirement benefits shall be reduced in the same way for as long as benefits of the accident and military insurance are provided or if the retirement benefits replace a disability pension.

2 Countable income is considered to be benefits of the same kind and for the same purpose as those paid out to the entitled person as a result of the insured event, such as:

a) Benefits from the AHV/IV (and/or Swiss and foreign social security systems), with the exception of attendance allowance and compensation for loss of bodily functions, settlements, assistance contributions and other benefits;
b) Benefits from military insurance or compulsory accident insurance;
c) Daily allowances from compulsory insurances;
d) Benefits from other insurance companies for whose premiums the company contributes at least half;
e) Benefits from pension and vested benefits institutions.

For recipients of disability benefits, the income that these persons continue to earn, or could reasonably be expected to earn from gainful employment, or are eligible to receive as compensation for loss of earnings as well as benefits from unemployment insurance, with the exception of additional income generated during the participation in vocational reintegration measures pursuant to article 8a IVG, shall also be taken into account. The income that could still reasonably be expected to be possible from gainful employment is determined on the basis of the hypothetical disability income according to the IV decision. An adjustment of the countable sum is performed during audits by the IV.

One-off lump sums are thereby converted actuarially into pensions in accordance with the SVE's technical principles. Exempted are satisfaction and similar settlements.

Once AHV retirement age has been reached, retirement benefits from domestic and foreign social insurances and pension schemes are also considered to be countable income.

If, in the event of a divorce, the disabled insured person's retirement assets are withdrawn in the form of hypothetical termination benefits for the purposes of pension compensation (art. 46 para. 1), the resulting adjustment to the disability pension in accordance with article 46 paragraph 1 shall continue to be counted for the calculation of any reduction in the insured person's disability pension.

In all cases, however, at least those benefits that must be provided according to the BVG and its rules of coordination shall be paid.

3 The pension reduction shall be periodically verified by the SVE.

4 The SVE may also reduce its benefits accordingly if the AHV/IV reduces, withdraws or refuses benefits because the entitled person is substantially culpable for the death or disability, or refuses to comply with the vocational reintegration measures initiated by the disability insurance (IV). The SVE is not obliged to compensate for refusals or reductions of benefit by the accident insurance or military insurance.

5 If payments made by the accident or military insurance, or by the occupational retirement, survivors' and disability benefits scheme pursuant to the BVG are disputed, provisional benefits from the SVE may be requested. If, in the case of a claim for survivor's or disability benefits, it is unclear which occupational pension scheme is obliged to pay such benefits, entitled persons may request provisional benefits from the pension fund with which they were last insured. The SVE shall pay provisional benefits only within the limits of the minimum legally stipulated requirements (BVG).

6 If the case is taken on by another insurer or pension institution, the insurer or institution in question must reimburse SVE for the provisional benefits within the limits of the established obligation.

Art. 53 Claims against liable third parties

The SVE may demand that a candidate for survivor's or disability benefits assign to it any claims against liable third parties that are due to them for the loss, up to the value of its benefit obligations. The SVE may defer providing benefits until the assignment has taken place.

Art. 54 Offsetting against claims

Claims against an insured person or pensioner assigned by the company to the SVE may not be offset against benefits paid by the SVE. This does not include contributions owed by the insured person.

Art. 55 Securing the pension benefits

1 The benefits paid by the SVE are, as far as legally permissible, immune to enforcement proceedings. The entitlement to SVE benefits, subject to article 43, may neither be pledged nor assigned before they mature. Any arrangements to the contrary are without validity.

2 Benefits obtained unlawfully from the SVE must be repaid or shall be offset against future benefits paid by the SVE.

Art. 56 Adjustment to price trends

Retirement, survivors' and disability pensions are adjusted to price developments in accordance with the SVE's financial resources, the Board of Trustees deciding annually whether and on what scale this is possible. Article 36 paragraph 1 BVG remains reserved.

7. SVE ASSETS

Art. 57 Assets and liability

1 The assets serve to cover the benefits specified by SVE. They are solely liable for the SVE's liabilities.

2 Volatility reserves are formed to hedge against investment risks.

Art. 58 Asset situation

1 The assets are managed by the Board of Trustees. The assets must be managed in accordance with recognised principles, in particular in compliance with the legal investment regulations, whereas the objective is to achieve not only the security of the investment, but also earn appropriate returns, and the SVE's liquidity needs must be taken into account. The Board of Trustees may delegate the management of its assets to third parties.

2 The Board of Trustees issues investment regulations.

Art. 59 The company's employer contribution reserve

1 Within the framework of the SVE's accounts, the company maintains employer contribution reserves. These are increased by means of extraordinary payments made by the company and immediately generate interest in the same way as the retirement assets of active insured persons, but at the average generated revenue as a maximum.

2 The employer contribution reserves are used, with the consent of the company, by the Board of Trustees within the framework of the SVE; they are to be used predominantly to cover the company's regulatory or special expenses.

8. ORGANISATION

Art. 60 SVE Bodies

1 SVE's bodies, administration and delegates are:

a) the Board of Trustees

b) the panels and committees

c) the Executive Board

d) the expert for occupational benefit schemes

e) the Auditor

2 The SVE's senior body is the Board of Trustees, which is responsible for the overall management of the SVE in accordance with legal regulations, the Deed of Foundation, and the regulations and directives of the supervisory authority. It takes all decisions required to serve the purposes of the Foundation.

3 The Board of Trustees appoints the persons entrusted with the management of the business as well as the committees. It appoints a licensed auditor to conduct an annual audit of the SVE, as well as entrusting a licensed expert for occupational benefit schemes with the periodic audit of the legal provisions.

4 The Board of Trustees issues organisational regulations governing all the SVE's organisational affairs.

9. RESTRUCTURING

Art. 61 Deficit and restructuring measures

1 In the event of a deficit, the Board of Trustees shall define, in collaboration with the expert for occupational benefit schemes, which legally permissible measures are appropriate and balanced to rectify the deficit within a reasonable time. Where necessary, especially the interest rate on the retirement assets (art. 12 para. 3 point a) must be lowered, the contributions increased or the benefits, including the ongoing pensions, adjusted to the existing funds as defined in paragraph 2. These measures may be combined.

For as long as a deficit exists and the interest rate on the retirement accounts (art. 12 para. 3 point a) is below the minimum BVG interest rate, the minimum amount under article 17 FZG shall also be calculated using the interest rate of the retirement accounts.

2 If other measures do not produce the desired result, the SVE may levy contributions from the insured persons, the company and the pensioners, for as long as coverage remains insufficient, in order to remedy the shortfall.

The company's contribution must, as a minimum, be equal to the sum of the insured persons' contributions. Contributions from pensioners may be levied only on the portion of the current pensions that, over the ten years before the introduction of this measure, resulted from increases that were not stipulated by law or the regulations. Such contributions may not be deducted from compulsory benefits for retirement, death or disability. The pensioners' contribution shall be levied by offsetting against ongoing pensions.

3 If the measures stated in paragraph 2 above prove to be inadequate, the SVE may apply a rate of interest lower than the minimum interest rate pursuant to the BVG during the period of the deficit, but for no for longer than five years. The interest rate may not be more than 0.5% lower than the minimum.

4 In the event of insufficient funding, the company may make payments to a special employer contributions reserve account, waiving the use of this account, and may also transfer funds from the normal employer contributions reserve to this special account. The amounts paid in must not exceed the deficit and shall not bear interest. The affiliated employees shall jointly decide on forming an employer contribution reserve with a waiver of its use.

5 The SVE must inform the supervisory authority, the company, the insured persons and the pensioners of any deficit and the measures defined to reduce it.

10. FINAL AND TRANSITIONAL PROVISIONS

Art. 62 Application and amendment of the Pension Fund Regulations

1 On matters that are not or not fully governed by these Pension Fund Regulations, the Board of Trustees shall base its decisions on the Decree of Foundation. In special cases, it may diverge from the provisions of these Pension Fund Regulations if their application were to result in hardship for the person concerned and the variance reflects the intent and purpose of the SVE.

2 These Pension Fund Regulations may be amended by the Board of Trustees at any time in compliance with the entitlements earned. Provisions specifying addi-

tional payments to be made by the company cannot be enacted without its consent. Any amendments to the regulations governing the requirements and procedures for a partial liquidation may be made only with the supervisory authority's consent.

Art. 63 Termination of affiliation agreements and liquidation of the SVE

1 An affiliation agreement is terminated by the employer with the consent of the staff or the relevant body representing the employees. The SVE must report the termination to the relevant AHV compensation fund. The provisions of articles 53b-d BVG, article 18a FZG and the regulations governing the requirements and procedures for a partial liquidation shall apply.

2 In the event of a total liquidation of the SVE, the provisions of article 53b-d BVG and article 18a FZG shall apply. The regulations governing the requirements and procedures for a partial liquidation apply for any partial liquidation.

Art. 64 Disputes

Disputes regarding the application and interpretation of SVE regulations between insured persons entitled to benefits on the one hand, and the Board of Trustees on the other, or regarding matters not governed by these Pension Fund Regulations, shall be decided by the competent court pursuant to article 73 BVG.

Art. 65 Transitional provisions

1 Persons receiving a retirement pension from the SVE on 31 December 2020 shall continue to receive this retirement pension and the subsequent reversionary benefits for survivors in accordance with the previous provisions; the overcompensation rule under article 52 remains reserved.

2 In the event of the death of pensioners receiving a pension from the SVE as at 31 December 2014, the spouse's pension for the surviving spouse shall be reduced pursuant to article 35 paragraph 2 if the marriage took place after 1 January 2015. In the event of the death of insured persons born in 1956 and older who were insured with the SVE on 31 December 2014, the reduction of the spouse's pension paid to the surviving spouse pursuant to article 35 paragraph 2 before or after retirement shall apply only if the marriage took place after 1 January 2015.

3 If there is a deficit, article 61 shall apply in any event.

4 Divorced spouses and former partners in a registered partnership who were granted a pension or lump-sum settlement for a lifelong pension in a divorce ruling before 1 January 2017, shall be entitled to survivors' benefits pursuant to the Pension Fund Regulations applicable until 31 December 2016.

Art. 66 Entry into force

These Pension Fund Regulations enter into force on 1 January 2021 and replace the Pension Fund Regulations of 1 January 2019.

PENSION FUND REGULATIONS

APPENDICES

SUPPLEMENT

APPENDIX 1

Conversion rate as per article 18 paragraph 1 / Retirement pension
Based on the insured person's age at the time of retirement and the type of reversionary spouse's pension (60% or 100%) selected, the conversion rate shall be determined as follows:

Age at retirement	Conversion rate applicable to spouse's pension from 1.1.2021	
	60%	100%
58	4.01%	3.62%
59	4.11%	3.70%
60	4.21%	3.78%
61	4.32%	3.87%
62	4.43%	3.96%
63	4.55%	4.05%
64	4.67%	4.15%
65	4.80%	4.26%
66	4.94%	4.37%
67	5.10%	4.50%
68	5.26%	4.63%
69	5.43%	4.77%
70	5.62%	4.92%

The conversion rate shall rise pro rata with each entire month of increasing age.

APPENDIX 1

Reduction of retirement assets due to withdrawal of a bridging pension as per article 23

If a bridging pension is claimed, existing retirement assets shall be reduced by the following multiples of the annual total of the bridging pension according to the maximum period during which the bridging pension is supposed to be paid:

Duration	Reduction	Retirement assets
7 years	6.542 times	Bridging pension
6 years	5.662 times	Bridging pension
5 years	4.765 times	Bridging pension
4 years	3.849 times	Bridging pension
3 years	2.915 times	Bridging pension
2 years	1.963 times	Bridging pension
1 year	0.991 times	Bridging pension

For partial years, the intermediate value shall be determined pro rata (1/12 per month).

Conversion rate as per article 31 in conjunction with pension plan / disability pension

The conversion rate shall be 4.80% as of 1.1.2021.

APPENDIX 2a

Support agreement for payment of a partner's pension (art. 38 of the Pension Fund Regulations)

between

Insured person (surname, first name / date of birth) ....

and

Partner (surname, first name / date of birth) ....

1. This support agreement serves to safeguard any possible statutory claims of the surviving partner pursuant to the Pension Fund Regulations of the Sulzer Pension Fund (SVE).

2. The parties confirm that they are aware of the provisions governing the partner's pension pursuant to article 38 of the Pension Fund Regulations, and that they recognise the conditions stipulated therein.

3. The parties concur that they are unmarried and unrelated, have cohabited as partners since ………………….. (date) in a shared household, and have lived together without interruption since the aforementioned date.

4. The parties confirm that they shall duly endeavour to uphold their partnership, each to the best of their ability. Specifically, the obligation for mutual support shall be discharged by means of monetary payments, maintaining the household, childcare or assistance in the profession or trade of the other partner. If nothing else has been agreed, the obligation for mutual support shall be terminated when the partners cease to cohabit.

Possible amendments to the support agreement made by the parties: ....

....

....

5. After the insured person's or pensioner's death, the surviving partner shall prove by means of appropriate documentation (e.g. proof of residence) that the regulatory requirements of the partner's pension are fulfilled. The SVE is authorised to verify his/her entitlement to benefits on the basis of the actual situation during the deceased partner's lifetime.

6. On receipt of a partner's pension, the surviving partner shall undertake to inform the SVE immediately of his/her (re-)marriage or of any new support agreement.

7. The insured person shall undertake to inform the SVE immediately in the event of the support agreement being annulled.

The **signature of the insured person on this support agreement must be officially certified.** This support agreement must be submitted to the Sulzer Vorsorgeeinrichtung, Postfach, 8401 Winterthur, Switzerland, during the lifetime of the insured person.

Place, date: ....

Signatures:

……………………………………………..	....
Insured person	Partner

APPENDIX 2b

Amendment to order of beneficiaries for payment of a lump sum on death
(art. 40 of the Pension Fund Regulations)

In the event of my death, I request that article 40 of the Pension Fund Regulations be amended and that the lump sum payable on death be paid to the following persons in the following amounts. With this statement, I revoke all previous beneficiary declarations.

Surname	First name	Address	Date of birth	Cat. *)	Share in %
					100%

*) Enter letters for relevant category **a**.aa), **a**.ab), **b**.ba), **b**.bb), **b**.bc), **c**.ca), **c**.cb) or **c**.cc).
Please note: It is not possible to combine beneficiaries under point **b**. and **c**.

The person mentioned belongs to the following beneficiary category:

a. aa) the surviving spouse;
ab) children of the deceased insured person who are entitled to an SVE orphan's pension;

b. ba) persons supported to a significant degree by the deceased insured person;
bb) the person who continuously cohabited with the deceased insured person for the last five years before his/her death;
bc) the person who is responsible for the maintenance of one or more joint children;

c. ca) children of the deceased insured person who are not entitled to an SVE orphan's pension;
cb) the parents;
cc) the siblings.

Surname and first name of the insured person: ....
(to be completed in capitals)

Date of birth of insured person: ....

AHV number of the insured person: ....

Place, date: ....

Signature of the insured person: ....

For the payment of a lump sum on death, article 40 of the Pension Fund Regulations and any addenda to them shall apply.

Submit to:
Sulzer Vorsorgeeinrichtung, Postfach, 8401 Winterthur, Switzerland

APPENDIX 3a

Voluntary continued insurance at the company's request due to departure from the SVE (art. 8 para. 1 of the Pension Fund Regulations)

In addition to article 8 paragraph 1 of the Pension Fund Regulations, the following stipulations for continued insurance shall apply.

1. Relinquishment of gainful employment (no further income from employment)

Additional conditions for external membership without earned income

- Notice of termination shall be given by the company (with or without a severance scheme)
- The insured person is fully able to work
- The application to remain as an external member of the SVE must be submitted, with reasons and in writing, by the human resources department
- Contributions (risk contributions from the insured person/company and savings contributions from the insured person/company) shall be paid by the company

Regulations for insured persons younger than 55 years

- Continued insurance with the SVE for 6 months at most

Regulations for insured persons of 55 years

- Continued insurance with the SVE until completion of the 58th year at most
- Early retirement in accordance with the SVE's regulatory provisions (art. 17 et seq.)

Regulations for insured persons from the age of 56

- Continued insurance with the SVE for two years at most
- Early retirement in accordance with the SVE's regulatory provisions (art. 17 et seq.)

2. Continuation of employment with another employer (with earned income)

Additional conditions for external membership

- No equivalent vested benefits institution with the new employer
- Agreement of the new employer that the insured person shall remain with the SVE
- Continued insurance at the same level (salary increases are not permitted)

The Board of Trustees shall base its decision on the application submitted by the SVE's Senior Management.

APPENDIX 3b

Voluntary continued insurance at the insured person's request due to departure from the SVE after the age of 58 (art. 8 para. 1^{bis} of the Pension Fund Regulations)

In addition to article 8 paragraph 1^{bis} of the Pension Fund Regulations, the following provisions apply for continued insurance.

1. Insured persons who leave the SVE after the age of 58 because their employment relationship has been terminated by the employer may continue to be insured with the SVE, either on the basis of their current insured salary or of a lower insured salary.

   If the insurance is continued on the basis of a lower insured salary, the annual salary on the basis of which the insured salary is determined must exceed the minimum salary as defined in the Pension Plan (cf. art. 6 para. 1 point b of the Pension Fund Regulations).

2. Insured persons have the option of further increasing their pension provision during this period of continued insurance by making voluntary contributions. If they do not continue to increase their pension provision, their termination benefits shall remain in the SVE.

3. Insured persons shall pay risk contributions as well as a share of the administrative costs, and must also pay the equivalent of the company's contributions. If insured persons continue to increase their pension provision in accordance with figure 2, they shall also pay the equivalent of their own savings contributions as well as those of the company.

   The contribution amounts shall conform to the Pension Plan that applied before the insurance was continued as well as the Cost Regulations. Pursuant to article 62 of the Pension Fund Regulations, the Board of Trustees may alter these contributions at any time.

   Contributions as defined in paragraph 1 must be paid to the SVE on the last working day of each month.

4.1. Continued insurance shall cease at the latest on occurrence of the insured event of disability or death, or when the insured person reaches regular retirement age.

Prior to that date, continued insurance may be terminated with immediate effect at any time by the insured person, or by the SVE in the event of outstanding contributions.

4.2. If an insured person joins a new pension fund, continued insurance with the SVE shall cease if purchasing the full regulatory benefits provided by the new pension fund requires more than two-thirds of the termination benefits accrued.

Otherwise, the share of termination benefits required to buy into full retirement provision shall be transferred to the new pension fund. If at least one-third of the termination benefits remains with the SVE, unless otherwise stated, insurance shall be continued with the SVE, in accordance with the remaining termination benefits. The insured salary shall be reduced in proportion to the termination benefits transferred. The transferred termination benefits may not be balanced by additional voluntary contributions to the SVE.

If, pursuant to paragraphs 1 and 2, less than one-third of the termination benefits remain, it shall be used in accordance with article 17 paragraph 2 or paragraph 4 of the Pension Fund Regulations.

5. For the duration of the continued insurance, regulatory rights and obligations shall also apply.

6. Applications for voluntary continued insurance, as well as its scope, must be submitted to the SVE in writing using the application form provided on the internet at the very latest one month after termination of the employment relationship. With the exception of changes of savings plan pursuant to article 13 paragraph 2 of the Pension Fund Regulations, and alterations to legal and regulatory provisions, voluntary insurance may not be modified for the duration of the continued insurance.

7. Otherwise, article 47a BVG and its enforcement regulation shall apply.

SUPPLEMENT

Applicable amounts

Parameters	2021
Maximum applicable annual salary used to calculate the insured salary (art. 11 para. 1)	**CHF 149,124**
Minimum salary	**according to pension plan**
Maximum coordination deduction	**according to pension plan**
Minimum insured salary	**according to pension plan**
Maximum insured salary	**according to pension plan**

Fees

Application processing fee for advance withdrawals for residential property in Switzerland	**CHF 400**
Application processing fee for advance withdrawals for residential property abroad	**CHF 400**

Sulzer Vorsorgeeinrichtung

Zürcherstrasse 12
Postfach
8401 Winterthur

All information about the SVE can be found on our website www.sve.ch