

Pension fund regulations

of **Vested Benefits UP**, domiciled in Pfäffikon SZ

Based on Art. 11 of the foundation deed of Libre Passage UP (**the Foundation**), the Board of Trustees issues the following regulations:

1. Purpose

Art. 1 Purpose

- (1) The purpose of the Foundation is to maintain pension cover in occupational pension insurance in accordance with the provisions of the Federal Act on the Vesting of Occupational Old Age, Survivors' and Invalidity Benefits (VBA) and its corresponding ordinance (VBO). To this end it accepts termination payments and vested benefits (pension assets) to the extent permitted by law.
- (2) The Foundation is subject to supervision by the Central Switzerland Supervisory Authority for Occupational Pension Funds and Foundations (ZBSA).
- (3) The pension fund regulations (Regulations) set out the rights and obligations of the client towards the Foundation.
- (4) The Foundation may offer insurance cover against the risks of disability and death. In this capacity it acts as an intermediary.

2. Investments

2.1. Account-linked investments

Art. 2 Account-holding banks

The account-holding banks, which must be subject to supervision by the Swiss Financial Market Supervisory Authority (**FINMA**) and with which the pension assets are invested in the form of a savings deposit in accordance with Art. 19 VBO, are selected by the Board of Trustees in accordance with the criteria security, quality and costs.

Vested Benefits UP

Art. 3 Vested benefits account

- (1) The Foundation concludes a pension agreement with each client that sets out the details of the pension relationship.
- (2) The Foundation opens and manages a separate vested benefits account for each client in the name of the client.

Art. 4 Payments credited to the vested benefits account

Payments credited to the vested benefits account include the following:

- (a) termination benefits from pension funds;
- (b) vested benefits from other vested benefits institutions;
- (c) repayments of early withdrawals for home ownership;
- (d) any compensation received due to divorce or legal dissolution of a registered partnership; and
- (e) interest and securities income.

Art. 5 Payments debited from the vested benefits account

Payments debited from the vested benefits account include the following:

- (1) transfers of pension assets to other pension funds or vested benefits institutions;
- (2) withdrawals by the client within the scope of the statutory provisions;
- (3) partial payments (compensation) due to divorce or legal dissolution of a registered partnership;
- (4) costs and compensation of the Foundation, agents and authorised representatives in accordance with the cost regulations; and
- (5) any risk premiums if insurance for the risks of death and disability is taken out.

Art. 6 Interest

- (1) The Board of Trustees sets the interest rate for vested benefits accounts. It may adjust the interest rate at any time.
- (2) Interest is credited at the end of each calendar year.
- (3) Should the client leave the Foundation during the year, interest for the current year is calculated pro rata up to the value date of the departure.

2.2. Securities-linked investments

Art. 7 Safekeeping account

The investments are deposited with a custodian in accordance with Art. 19a para. 3 VBO. The custodians are selected by the Board of Trustees in accordance with the criteria

Vested Benefits UP

security, quality and costs. The securities are deposited in accordance with Art. 19a para. 3 VBO with banks or securities firms subject to supervision by FINMA.

Art. 8 Risk bearing

The price risk of securities is borne by the client. There is no entitlement either to a minimum return or to the preservation of capital value.

Art. 9 Further provisions

The provisions of the investment regulations apply in addition.

2.3. Vested benefits certificate and duty to inform

Art. 10 Vested benefits certificate

The client shall receive from the Foundation a vested benefits certificate following the opening of the vested benefits account and at the start of each subsequent year. The vested benefits certificate contains information including the client's personal details, the date of entry, the amount of the assets and the returns achieved. The vested benefits certificate can be retrieved from the Foundation's online portal.

Art. 11 Duty of the client to inform

Should the client join a new pension fund, the Foundation must transfer the pension assets for maintaining pension cover to the new pension fund. The client shall inform the Foundation of his entry into the new pension fund.

3. Pension benefits

3.1. Retirement benefits

Art. 12 Ordinary due date

The retirement benefits shall become due for payment on the first day of the month after the client reaches normal retirement age in accordance with Art. 13 para. 1 of the Federal Act on Occupational Old-Age, Survivors and Invalidity Pension Provision (**OPA**) (**normal retirement age**).

Art. 13 Early withdrawal and deferral

- (1) The retirement benefits can be paid out to the client five years prior to normal retirement age at the earliest.
- (2) Withdrawal of the retirement benefits can be deferred for a maximum of five years beyond normal retirement age. In this case the client must prove that he remains gainfully employed. Should the client give up gainful employment during a deferral, he must notify the Foundation of this immediately in writing.

Vested Benefits UP

Art. 14 Payment

- (1) The client must use the applicable form to request withdrawal of the retirement benefits.
- (2) In the case of clients who are married or live in a registered partnership, dissolution and withdrawal of the retirement benefits is only permissible if their spouse or registered partner consents to this in writing and with an officially certified signature. If it is not possible to obtain such consent or it is refused without cause, an appeal can be lodged with the civil court.
- (3) Payment is made in Swiss francs to the account of a bank specified by the client. The securities are fundamentally liquidated for this purpose.
- (4) All regulatory and statutory obligations of the Foundation are deemed to have been fulfilled upon payment of the pension assets.

3.2. Disability benefits

Art. 15 Entitlement

The pension assets can be paid out at the request of the client if the latter draws a full disability pension under Federal Disability Insurance (DI) and the risk of disability is not insured.

Art. 16 Payment

Payments of disability benefit withdrawals are fundamentally made in Swiss francs to the account of a bank specified by the client.

Art. 17 Disability pension

- (1) The Foundation may offer the client the opportunity to take out disability insurance. In this capacity it acts as an intermediary.
- (2) The specific conditions of entitlement and the individual entitlements are governed by the respective insurance contract.

3.3. Benefits in the event of death

Art. 18 Beneficiaries

Should the client die before the retirement benefits become due, the beneficiaries shall be the following persons in the following order:

- (a) the survivors pursuant to Art. 19, 19a and 20 OPA;
- (b) the natural persons who received significant support from the client; or the person who cohabited with the client for an uninterrupted period of five years prior to the client's death or who is responsible for the maintenance of one or more joint children;

Vested Benefits UP

- (c) the children of the deceased who do not meet the requirements pursuant to Art. 20 OPA, the parents or siblings;
- (d) the other statutory heirs, to the exclusion of the community.

Art. 19 Order of beneficiaries

- (1) The client may specify in more detail by way of an electronic (via the online portal) or written declaration for the attention of the Foundation the proportions allocated to the beneficiaries within the individual groups.
- (2) He can also expand the group of persons pursuant to Art. 18 (a) of these Regulations with those pursuant to Art. 18 (b).

Art. 20 Refusal of benefits in the event of death

Should the Foundation be informed prior to the payment of benefits in the event of death that the beneficiary deliberately brought about the client's death, the Foundation may refuse the pension benefits in part or in full. Any residual entitlement shall then pass to the next person in the order of beneficiaries. The Foundation shall not actively review the cause of death and the circumstances leading to death.

Art. 21 Spouse's and partner's pensions

- (1) The client may take out insurance conferring on the surviving spouse, registered partner or surviving life partner within the meaning of Art. 18 (b) of these Regulations an entitlement to a pension if the insured person dies. The Foundation acts as an intermediary.
- (2) The specific conditions of entitlement and the individual entitlements are governed by the respective insurance contract.

3.4. Early termination of the vested benefits account

Art. 22 When joining a pension fund

- (1) The pension assets can be paid out prior to reaching normal retirement age if they are brought into a tax-exempt pension fund or pension cover is maintained in another form provided for by law.
- (2) Should the client join a new pension fund, the Foundation must transfer the pension capital to the new pension fund. If the termination benefits acquired by the client in the Foundation are higher than the entry lump sum calculated by the new pension fund, the client can use the non-utilised surplus termination benefits in accordance with Art. 13 para. 1 VBA to maintain pension cover in the Foundation or in another vested benefits institution.

Vested Benefits UP

Art. 23 At the request of the client

Early cash payment of the pension assets can be requested if:

- (a) the client leaves Switzerland permanently. Art. 25f VBA remains reserved;
- (b) the client becomes self-employed as their main occupation and is no longer subject to mandatory occupational pension insurance. The withdrawal must be requested within one year after becoming self-employed. The self-employed client leaving the Foundation can use the termination benefits for business investments; or
- (c) the pension assets (balance of vested benefits account and/or safekeeping account) amount to less than the client's annual contribution projected onto an entire contribution year in the preceding pension relationship.

Art. 24 Payment

Payment in the event of early termination of the account and safekeeping account relationship is made in Swiss francs to the client's account held at a bank specified by the client. The securities are liquidated for this purpose.

3.5. Additional benefits

Art. 25 Promotion of home ownership

- (1) Clients are entitled within the scope of the statutory provisions to use part of their pension assets to fund residential property (Art. 30a-f, 83a OPA and Art. 331d and 331e SCO).
- (2) The early withdrawal becomes due for payment no later than six months following receipt of the complete application and is paid to the office specified by the client.
- (3) Partial withdrawals of retirement assets for home ownership are taken proportionately from mandatory retirement assets pursuant to the OPA and supplementary retirement assets.
- (4) In the case of married clients and those living in registered partnerships, the withdrawal and each subsequent establishment of a charge on immovable property requires the written consent of the spouse or registered partner. If the client is unable to obtain the written consent of their spouse or registered partner, they can lodge an appeal with the civil code.

Art. 26 Divorce or dissolution of a registered partnership

The Foundation shall prepare and submit to the responsible court the divorce calculation at the latter's request. If a spouse is awarded compensation, the court shall officially notify the Foundation of the amount to be transferred. The Foundation is bound by the ruling and instructions of the court. The same applies to the dissolution of registered partnerships. If the divorce or dissolution takes place abroad, recognition of the ruling by a Swiss court is required. Only rulings of Swiss courts are therefore recognised for the settlement of pension entitlements vis-à-vis the Foundation.

Vested Benefits UP

4. General provisions

Art. 27 Payment of the benefits

- (1) The benefits are paid out exclusively in the form of a lump sum (Swiss francs or securities).
- (2) If the Foundation fails to transfer the pension or vested benefits due within 30 days after having received all necessary information, default interest amounting to the OPA minimum interest rate plus one percent shall be owed following the expiry of this deadline in accordance with Art. 7 VBO.
- (3) If it is not possible for a securities investment to be liquidated by a payment date, the securities investment shall form part of the pension or termination benefits. If a transfer of this item to a financial institution chosen by the client (in the case of a pension) or to a new pension fund or vested benefits institution (in the case of vested benefits) is not possible, the illiquid share of the pension or termination benefits shall be transferred after it has been possible to liquidate the securities investment.

Art. 28 Formalities

The following formalities must be complied with and/or documents submitted for payment of the pension assets in accordance with Art. 12 - Art. 26 of these Regulations:

- (a) proof of marital status for single clients. The Foundation may request notarial certification or another form of signature authentication;
- (b) officially certified signature of the client's spouse or registered partner (Art. 16 para. 3 VBO and Art. 5 para. 2 VBA). If it is not possible to obtain consent or it is refused without cause, the client can lodge an appeal with the civil court;
- (c) copy of the divorce ruling for divorced clients;
- (d) dissolution certificate issued by a court for dissolved registered partnerships;
- (e) copy of the family booklet or family certificate for widowed clients; and/or
- (f) deregistration certificate of municipality of residence in case of permanent departure from Switzerland within the meaning of Art. 23 (a) of these Regulations.

Art. 29 Repayment

Benefits received incorrectly or illegally must be repaid to the Foundation with interest. Repayment can be waived if the benefit recipient acted in good faith and repayment would cause great hardship. Such decisions lie with the Board of Trustees.

Art. 30 Notification of the cantonal department

If an insured person neglects their maintenance obligation, the Foundation may be obliged to report to the cantonal department benefits due for lump sum payment, the pledging of pension assets and the realisation of such pledged pension assets. The

Vested Benefits UP

department may then initiate proceedings to recover these maintenance payments (Art. 24f^{bis} VBA). As long as payment of a lump sum is not permitted due to such notification and the blocking period in accordance with Art. 24f^{bis} VBA or due to subsequent proceedings for recovering maintenance payments, no default interest shall be owed.

Art. 31 Withdrawal of the benefits

- (1) The client must provide the Foundation with all necessary information and submit the proofs requested by the Foundation for withdrawal of the pension assets or retirement benefits. The Foundation shall provide the applicable form depending on the situation. Documents must be submitted in one of Switzerland's official languages (German, French, Italian) or in English.
- (2) When paying out vested benefits and retirement benefits and following approval of the client's payment application, the Foundation shall issue instructions for the entitlements held in safekeeping accounts to be sold. The Foundation shall carry out the sale within a deadline of five working days. These instructions are issued immediately in the event of the death of the client as soon as the Foundation is informed of this in writing, enclosing an official document to confirm this.
- (3) The Foundation reserves the right to request further documents from the client at the latter's cost.
- (4) In the event of disputes concerning the person of the beneficiary, the Foundation is authorised to deposit the pension assets or retirement benefits in accordance with Art. 96 SCO.

Art. 32 Taxes

- (1) The pension assets including interest are subject to taxation according to Swiss law at the time of payment. The Foundation has a duty to notify the tax authorities. The client is recommended to clarify the question of tax treatment in advance with the responsible tax authority. The client bears sole responsibility for the consequences of taxation and subsequent tax assessment.
- (2) If at the time of payment the client is resident abroad or leaves Switzerland permanently, withholding tax shall be deducted upon payment. The Foundation is subject to the withholding tax rate of Canton Schwyz.

Art. 33 2nd Pillar Central Office

- (1) The Foundation reports annually by the end of January to the 2nd Pillar Central Office all persons for whom assets were held in the previous December. If at the time the pension assets become due the Foundation has not received any clear instructions from the client concerning payment or the beneficiaries are not clearly known to it, these assets are reported to the 2nd Pillar Central Office but remain with the Foundation until further notice.
- (2) Following the expiry of ten years following normal retirement age, such assets are transferred from vested benefits accounts to the Security Fund BVG/LPP.

Vested Benefits UP

Art. 34 Prohibition of assignment and pledging

The entitlement and benefits of the Foundation cannot be either assigned or pledged before they become due. Art. 25 and Art. 26 of these Regulations remain reserved.

Art. 35 Refusal and termination by the Foundation

- (1) The Foundation may refuse to open a vested benefits account without stating the reasons; it shall communicate this in writing.
- (2) The Foundation may also unilaterally terminate the pension relationship at any time without stating the reasons; it shall communicate this to the client in writing. The client undertakes to inform the Foundation within 30 days of receiving such notification where to transfer the termination benefits for maintaining pension cover. Transfer to another vested benefits foundation or to the Substitute Occupational Benefit Institution requires the express consent of the client.

Art. 36 Data protection

- (1) By accepting the pension agreement the client declares their consent to their personal data being stored and processed by the Foundation and third parties commissioned by the Foundation for processing the pension agreement and other purposes set out in the privacy policy as long as this is necessary for fulfilling the respective tasks.
- (2) The Foundation and commissioned third parties shall only collect and process data that is required for maintaining pension cover in occupational pension insurance.
- (3) Further information concerning the data processing carried out by the Foundation and commissioned third parties can be found in the respective privacy policy. This can be accessed in the online portal.

5. Final provisions

Art. 37 Liability

The Foundation bears no liability towards clients for the consequences arising from failure on the part of the client to fulfil statutory, contractual and regulatory obligations. Losses arising from failure to detect shortcomings in terms of proof of identity and forgeries shall be borne by the client and/or any other beneficiary as long as the Foundation has exercised due care and diligence. The Foundation reserves the right to claim for any losses it incurs as a result and to reclaim or offset wrongfully paid benefits (Art. 35a OPA).

Art. 38 Gaps in the Regulations

Should these Regulations lack provisions for specific circumstances, the Board of Trustees shall create such provisions in accordance with the purpose of the Foundation.

Vested Benefits UP

Art. 39 Amendments to the Regulations

The Board of Trustees may amend these Regulations at any time. The Foundation shall inform clients of amendments to the Regulations in an appropriate form.

Art. 40 Interpretation of the Regulations

The German version is decisive for all regulations. Masculine terms apply equally to women.

Art. 41 Place of jurisdiction and applicable law

These Regulations are governed by Swiss law. The courts pursuant to Art. 73 OPA are responsible for resolving disputes between the client, other beneficiaries and the Foundation. The place of jurisdiction for all other types of procedure shall be Schwyz, which is also the place of fulfilment and debt enforcement for clients/contractual partners not resident or domiciled in Switzerland.

Art. 42 Entry into force

These Regulations enter into force on September 2025.

Vested Benefits UP

For the Board of Trustees of Vested Benefits UP

Location/Date: _____

Name: _____

Titel: _____

Signature: _____

Name: _____

Titel: _____

Signature: _____

Name: _____

Titel: _____

Signature: _____

Name: _____

Titel: _____

Signature: _____