

## **Pension Fund Rules**

**OC Oerlikon Balzers AG  
Occupational Pension Foundation**

**Valid as of 1 January 2026**

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The provisions marked \* denote differences between the law on occupational employee benefits in Liechtenstein (BPVG) and the Swiss laws on occupational, survivors' and disability benefits (BVG), on vesting in pension plans (FZG) and on the encouragement of home ownership using resources from occupational benefits (WEF). In the present Rules, the provisions marked \* denote the legal provisions of the BVG, FZG and the WEF.

The original German text is legally binding.

## Terms used

The following terms are used in these rules:

|                          |                                                                                                                                                                                                                                                                                                                                                                   |
|--------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| "AHV/IV"                 | for the state retirement and survivors' insurance and the disability insurance valid for Switzerland and Liechtenstein;                                                                                                                                                                                                                                           |
| "BPVG"                   | for the Liechtenstein law on occupational employee benefits;                                                                                                                                                                                                                                                                                                      |
| "BVG"                    | for the Swiss Federal law on occupational retirement, survivors' and disability benefits;                                                                                                                                                                                                                                                                         |
| "FZG"                    | for the Swiss Federal law on vesting in pension plans                                                                                                                                                                                                                                                                                                             |
| "ZGB"                    | for the Swiss Civil Code;                                                                                                                                                                                                                                                                                                                                         |
| "Bonus account"          | for the individual account into which payments from the Foundation (surpluses) and interest are made;                                                                                                                                                                                                                                                             |
| "Registered partnership" | for the present Rules, a registered partnership (in accordance with the Swiss law on partnerships PartG) is equivalent to a marriage, and the dissolution of such a partnership is equivalent to a divorce. A registered partner is equivalent to a spouse. If a registered partner dies, the surviving partner is treated in the same way as a surviving spouse. |
| "Company"                | for companies that have concluded a contract of association with the Foundation;                                                                                                                                                                                                                                                                                  |
| "Life partner"           | for an unmarried person who lives in the same household with a member of the opposite sex and who is not related to the said member. A member may only justify a life partnership relation with <u>one</u> partner. For other provisions, Art. 15 is applicable.                                                                                                  |
| "Employee"               | for persons in a contractual working agreement with the company;                                                                                                                                                                                                                                                                                                  |
| "Pension fund"           | for the pension fund operated by the Foundation;                                                                                                                                                                                                                                                                                                                  |
| "Reference age"          | for all members: first day of the month after the 65th birthday; corresponds to regular retirement age;                                                                                                                                                                                                                                                           |

|                                                    |                                                                                                                                                                                                   |
|----------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| "Premature retirement"                             | after the 58th birthday and before reaching the reference age;                                                                                                                                    |
| "Retirement capital"                               | for the personal account into which the savings contributions by the member and the employee, additional benefits purchased and interest are paid, or from which premature withdrawals are taken; |
| "Foundation"                                       | for the "OC Oerlikon Balzers AG Occupational Pension Foundation" in 9477 Trübbach, in its capacity as a legal entity;                                                                             |
| "Company"                                          | for the OC Oerlikon Balzers AG;                                                                                                                                                                   |
| "Member"                                           | for employees affiliated to the pension fund, including disability and retirement pensioners;                                                                                                     |
| "Members who are subject to the Swiss AHV"         | for members whose AHV-liable salary is settled via the Swiss AHV;                                                                                                                                 |
| "Members who are subject to the Liechtenstein AHV" | for members whose AHV-liable salary is settled via the Liechtenstein AHV;                                                                                                                         |
| "Statutory minimum benefits"                       | benefits specified in the BVG and BPVG                                                                                                                                                            |

## **A. General regulations**

### **Art. 1 Purpose**

1. A foundation in the sense of Art. 80 and following of Swiss Civil Law (ZGB), Art. 331 of Swiss Contract Law (OR) and Art. 48 of the BVG has been registered in 9477 Trübbach, under the name of "OC Oerlikon Balzers AG Pension Foundation". Its purpose is to provide occupational pension benefits in accordance with the prescriptions of the BVG.
2. The purpose of the pension fund is to provide pensions for its members and their survivors to cover the economic consequences of old age, disability and death.
3. The Foundation operates a pension fund in accordance with the regulations within these rules, on its own account and at its own risks. It may re-insure individual risks with a Swiss insurance company.
4. In all cases, the pension fund insures at least the benefits in accordance with the BVG or BPVG. For this purpose, it also keeps an additional, control account (shadow accounting) for each member in accordance with the BVG, which permits the member to see the retirement capital he has accumulated and the minimum pensions to which he is entitled.

### **Art. 2 Membership and duration\***

1. Employees are accepted as members whose relevant annual salary corresponds at least to the minimal yearly pension according to Art. 4 para. 1 BPVG together with Art. 68 al. 3bis AHVG FL and who have reached their 17<sup>th</sup> birthday (risk benefits) or their 19<sup>th</sup> birthday (retirement benefits) and have not reached the reference age, under reserve of paragraphs 2 and 3 below. Affiliation begins upon the start of the contractual employment agreement but at the earliest on 1 January after the member's 17<sup>th</sup> birthday.
2. The following are not admitted to the fund:
  - a) Employees whose activity is a secondary one and who already benefit from mandatory insurance through their main activity, or whose main profession is that of a self-employed person;
  - b) Employees whose degree of disability has been classified as being at least 70% (or at least 67% for members who are employed with a company based in Liechtenstein) according to the IV or who continue to be insured temporarily by another pension institution in accordance with Art. 26a BVG;
  - c) Employees with a limited employment contract of maximum three months. If the contract of employment is extended beyond three months, the mandatory retirement and risk insurance begins at the moment at which the extension is agreed upon. By way of derogation, for members who are subject to the Liechtenstein AHV, risk insurance starts upon commencement of employment.
  - d) Employees who will not be remaining or do not intend to remain within employment in Switzerland or the Principality of Liechtenstein and who have sufficient insurance coverage abroad may be released from affiliation to the fund.
3. The pension fund does not take over insurance for income or salary components that are earned by part-time employees from other employers.
4. Members whose compulsory insurance ends after their 58th birthday due to the termination of their employment by the employer may submit a written request for continued insurance to the Foundation no later than one month after the termination of their employment.

Continued insurance is subject to an obligation to pay contributions to the Swiss or Liechtenstein AHV or voluntary insurance with the Swiss or Liechtenstein AHV and ends automatically if this requirement is no longer met. Members who have opted for continued insurance shall notify the Foundation in writing before the obligation to pay AHV contributions or voluntary insurance ends.

The employer is obliged to inform the Foundation of any termination of a member's employment contract after that member has reached the age of 58.

Members may exclusively opt for continuation of their insurance against the risks of death and disability (without savings contributions) or, additionally, for the further accrual of their retirement assets (with savings contributions). Members' retirement assets remain at the Foundation.

Members shall pay the contributions as set out in the Regulations as well as administrative expenses (employee and employer contributions) corresponding to the continued insured annual salary. Where members continue to accrue their retirement assets, they shall also pay the full savings contributions (employee and employer contributions).

The employer shall not pay any restructuring contributions for members covered under Art. 2 para. 4.

Art. 10 para. 2 and Art. 11 do not apply to members covered under Art. 2 para. 4.

Where continued insurance has lasted for more than two years, the retirement benefits of members subject to the Swiss AHV shall be drawn in the form of a pension (lump-sum payments are no longer possible) and their savings assets may no longer be withdrawn in advance or pledged to finance home ownership.

More detailed conditions are contained in the Regulation 'Continued Insurance after Compulsory Insurance Ends pursuant to Art. 47a BVG'. They are set up in writing as part of an individual agreement between the member opting for continued insurance and the Foundation. The Foundation must have received the agreement with the member's signature no later than two months after the termination of the member's employment.

### **Art. 3 Unpaid leave**

1. Active members may apply for unpaid leave for a maximum of 12 months. During the period of unpaid leave, risk insurance must be continued for the economic consequences of death and disability to be covered.
2. All risk contributions pursuant to Art. 6 must be assumed in full by the member. They shall be deducted from the last salary payment before the start of unpaid leave.
3. During the leave of absence, the retirement capital shall continue to be subject to interest; savings credits shall be suspended. Subsequently, the member has the opportunity to compensate lost savings contributions through additional purchases in accordance with Art. 8 para. 4 ff.

### **Art. 3a Parental leave**

1. Active members subject to the Liechtenstein AHV are entitled to up to two months' paid parental leave and a further maximum of two months' unpaid parental leave (Art. 34I ff. FZEG).
2. While receiving paid parental leave (parental allowance) for a maximum of two months, members shall remain covered by risk insurance. However, the retirement insurance

shall be suspended, which means that the retirement assets shall remain at the pension fund and continue to accrue interest, while no further savings contributions shall be accrued. The risk contribution and the administrative costs (company only) shall be paid by the member and the company in accordance with Art. 6.

3. Whilst on unpaid parental leave for a maximum of two months, members shall also remain covered by risk insurance if they have selected this insurance before the start of their parental leave. No further savings contributions will be accrued. In addition to the risk contribution in accordance with Art. 6, the member shall pay the company's contributions, including administrative costs, in accordance with Art. 6 para. 4.

#### **Art. 4 Insured salary**

1. The insured salary corresponds to the calculated salary.
2. The calculated salary corresponds to the 13 basic monthly salaries plus the variable performance portion, the bonus, and guaranteed shift work supplements. Temporary additional income is not included in the calculation. If the relevant annual salary is reduced temporarily due to sickness, accident, civil protection service, unemployment, maternity, paternity or similar circumstances, the previously insured salary shall remain insured at least as long as the employer is required to continue the salary payments pursuant to Art. 324a OR or during the period of maternity leave pursuant to Art. 329f OR or paternity leave pursuant to Art. 329g OR or child care leave pursuant to Art. 329i OR. However, the member may request a reduction of the insured salary.
3. The maximum insured salary amounts to CHF149,999.
4. The insured salary is fixed for the first time upon affiliation to the pension fund, and subsequently on 1 April of each year. Changes to salaries of 5% and more are taken into consideration immediately, as are changes to the percentage of working time.
5. In the case of part-time employees, the company shall notify the Pension Fund of the maximum insured salary in accordance with the level of employment; in the case of partially disabled persons, the maximum insured salary is adjusted in accordance with the disability pension entitlement.
6. Members whose effective salary is reduced by no more than 50% between their 58th birthday and retirement age may request the reduction in the insured salary to be waived and the previous insured salary to continue to be insured. The Foundation must be notified in writing via the company of the continued insurance no later than one month before the effective salary is reduced. Continued insurance ends at the member's written request to the company; however, at the latest when reaching the reference age. The employee contributions as well as the employer contributions (savings and risk contributions) for the portion of the salary that continues to be insured are payable by the member and shall be charged to the member monthly via the company.
7. During periods of unpaid leave as well as paid or unpaid parental leave in accordance with Art. 3a, the insured salary applicable at the start of the period shall remain insured.

#### **Art. 5 Retirement capital**

1. An individual savings account is kept for each member, and shows the retirement capital.
2. The retirement capital consists of:
  - a) the savings contributions, with interest, and
  - b) benefits purchased, with interest.

- c) the amount with interest that has been credited in the context of pension compensation due to divorce pursuant to Art. 22c para. 2 FZG or Art. 12a para. 1 BPVG.
  - d) less any amounts received for residential property and due to divorce, with interest.
3. The following regulations apply to the savings account:
- a) The interest rate is fixed annually by the Board of Trustees in consideration of the actual financial situation of the pension fund. The interest rate for each calendar year is fixed in two stages:
    - At the end of each calendar year, the Board of Trustees sets the interest rate for the period which will be applicable to the following calendar year on the basis of the estimated coverage ratio. This interest rate for the period applies to the retirement capital of the mutations in the following year (departures, deaths, retirements). When setting the interest rate for the period, the Board of Trustees complies with the statutory provisions and takes into account the projected income for the following calendar year as well as the amount of reserves.
    - The end-of-year interest rate is fixed in consideration of the statutory provisions, the actual performance, the pension fund's provisional annual result and the formation of reserves. The end-of-year interest rate applies to the retirement capital of the members who were insured with the pension fund at the end of the year.
  - b) Interest is calculated at the end of each calendar year on the basis of the status of the retirement capital at the beginning of the year. The savings contribution for the calendar year in question is added to the retirement capital without interest.
  - c) If a member becomes affiliated during the year and brings in a sum for the purchase of benefits upon entry, the interest on this sum is calculated at the end of the year for the period of time since it was received. In addition to this comes the savings contribution (without interest), for the period of time insured in the calendar year concerned.
  - d) If a member leaves the pension fund during the year, the interest is calculated on the basis of the status of the retirement capital at the beginning of the year, for the period of that year during which he belonged to the fund. In addition to this comes the savings contribution (without interest), for the period of time insured in the calendar year concerned.
4. In the case of full disability, the retirement capital with interest, including the savings contributions continues for the duration of the disability but at the longest until reaching the reference age. The savings contributions corresponding to the Basic plan are calculated on the basis of the insured salary at the time when the incapacity to work began.
5. In the case of partial disability, the retirement capital available at the time the disability pension began is divided into two portions, corresponding to the entitlement to a disability pension. The retirement capital corresponding to the disability portion continues in accordance with paragraph 4 above, and the retirement capital for the active portion continues in the same way that applies to an active member.

## B. Financing

### Art. 6 Contributions

1. On a yearly basis, members may choose between different contribution levels according to a Basic plan, Comfort plan or Super plan. The change becomes valid as per 1 January of the following year if the pension fund administration has been notified accordingly until 31 December of the year before. In the absence of such notification, the member remains in the previous plan. Upon entry, members are insured in the Basic plan unless they make another choice.

The contributions, scaled according to the selected plan and the member's age, constitute a percentage of the insured salary:

#### Basic plan

| Age     | Savings contributions |           | Risk contributions |           | Total    |           | Total % |
|---------|-----------------------|-----------|--------------------|-----------|----------|-----------|---------|
|         | Member %              | Company % | Member %           | Company % | Member % | Company % |         |
| 17 – 19 | -                     | -         | 1.50               | 1.50      | 1.50     | 1.50      | 3.00    |
| 20 – 23 | 3.50                  | 5.75      | 1.50               | 1.50      | 5.00     | 7.25      | 12.25   |
| 24 – 43 | 4.50                  | 7.00      | 1.50               | 1.50      | 6.00     | 8.50      | 14.50   |
| 44 – 53 | 5.25                  | 8.25      | 1.50               | 1.50      | 6.75     | 9.75      | 16.50   |
| 54 – 65 | 6.00                  | 9.75      | 1.50               | 1.50      | 7.50     | 11.25     | 18.75   |
| 66 – 70 | 6.00                  | 9.75      | 0.00               | 0.00      | 6.00     | 9.75      | 15.75   |

#### Comfort plan

| Age     | Savings contributions |           | Risk contributions |           | Total    |           | Total % |
|---------|-----------------------|-----------|--------------------|-----------|----------|-----------|---------|
|         | Member %              | Company % | Member %           | Company % | Member % | Company % |         |
| 17 – 19 | -                     | -         | 1.50               | 1.50      | 1.50     | 1.50      | 3.00    |
| 20 – 23 | 4.75                  | 5.75      | 1.50               | 1.50      | 6.25     | 7.25      | 13.50   |
| 24 – 43 | 5.75                  | 7.00      | 1.50               | 1.50      | 7.25     | 8.50      | 15.75   |
| 44 – 53 | 6.75                  | 8.25      | 1.50               | 1.50      | 8.25     | 9.75      | 18.00   |
| 54 – 65 | 8.00                  | 9.75      | 1.50               | 1.50      | 9.50     | 11.25     | 20.75   |
| 66 – 70 | 8.00                  | 9.75      | 0.00               | 0.00      | 8.00     | 9.75      | 17.75   |

### Super plan

| Age     | Savings contributions |           | Risk contributions |           | Total    |           |         |
|---------|-----------------------|-----------|--------------------|-----------|----------|-----------|---------|
|         | Member %              | Company % | Member %           | Company % | Member % | Company % | Total % |
| 17 – 19 | -                     | -         | 1.50               | 1.50      | 1.50     | 1.50      | 3.00    |
| 20 – 23 | 5.75                  | 5.75      | 1.50               | 1.50      | 7.25     | 7.25      | 14.50   |
| 24 – 43 | 7.00                  | 7.00      | 1.50               | 1.50      | 8.50     | 8.50      | 17.00   |
| 44 – 53 | 8.25                  | 8.25      | 1.50               | 1.50      | 9.75     | 9.75      | 19.50   |
| 54 – 65 | 9.75                  | 9.75      | 1.50               | 1.50      | 11.25    | 11.25     | 22.50   |
| 66 – 70 | 9.75                  | 9.75      | 0.00               | 0.00      | 9.75     | 9.75      | 19.50   |

The age corresponds to the difference between the calendar year and the year of birth.

- Members' contributions are deducted from the salary each month. During periods of paid and unpaid parental leave in accordance with Art. 3a as well as unpaid leave in accordance with Art. 3, no savings contributions shall be payable. When making the last salary payment prior to the start of paid or unpaid parental leave or unpaid leave, the company shall deduct the member's contribution towards risk insurance and transfer it to the pension fund on a monthly basis, together with the company's contributions.

- Mandatory contributions begin upon admission to the pension fund and continue until the end of the month in which the member dies, retires or leaves prematurely. In the event of an accident, sickness, maternity leave, paternity leave or child care leave (pursuant to Art. 329f, 329g and 329i OR) or military service, contributions will continue to be charged by deducting them either from the continued salary payments or the replacement salary (daily allowance).

In the case of full disability, the mandatory contributions are not levied for the duration of the disability. In the case of a member drawing a partial disability pension and whose contractual employment agreement with the company continues, the contributions due are reduced in accordance with the degree of disability entitlement.

- The company pays 3.5 to 4.5 percent of the annual employee and employer contributions (excluding benefit purchase sums) to the administrative costs of the pension fund. The administrative costs are billed monthly along with the contributions. The percentage is fixed periodically by the Board of Trustees.

Considerable extraordinary expenditures for certain employers or third parties will be billed for expenditure of time on a cost-covering basis.

The pension fund is entitled to bill insured persons for the respective costs if they cause the expenditure of special effort through avoidable demands or demands that are not worthy of protection.

- Where members remain employed by the company beyond the reference age, they may request that the savings contributions continue to be paid until the end of their employment, however, no later than the age of 70 (cf. Art. 9 para. 7 and Appendices 1 and 2).

**Art. 7 Benefits purchased**

1. Payment of the termination benefit from the previous pension institution into the pension fund is compulsory.
2. The termination benefit from the previous pension institution must be paid in upon affiliation to the pension fund. The member must notify the pension fund if he was formerly affiliated to a vested benefits institution and of the type of benefits provided. The benefits institution must pay in the member's benefits capital to the pension fund upon the member's affiliation.
3. The member must permit the pension fund to consult the statements regarding the termination benefits from previous pension plans.
4. The member may, should he so wish, purchase voluntary, additional benefits if he is 100% capable of work.
5. The sum paid in is used to increase the savings capital. The maximum benefits that can be paid in to purchase benefits at any time is shown on the table in Appendix 1, based on the insured salary at the time of the purchase less the available savings capital at the time of purchase. The maximum sum that may be paid in is reduced by assets from the 3A pillar that exceed the ceiling stated in Art. 60a, para 2 of the BVV 2 and by any vested pension benefits that the member has not brought into the pension fund. If members who are drawing, or have drawn, a retirement benefit from a pension fund make a purchase, the maximum sum that may be paid in is reduced by the amount of the retirement benefit already drawn.
6. Voluntary additional benefits may only be purchased once again when any sums withdrawn prematurely for home ownership have been repaid. Individuals who made an advance withdrawal under the promotion of home ownership scheme prior to joining and are currently covered by the Liechtenstein AHV must also repay the advance withdrawal first. Repurchases following divorce (Art. 25) are permitted at any time to the extent stated in paragraph 5.
7. For employees who are covered by the Swiss AHV, have moved to Switzerland from abroad and have never been affiliated to a pension institution in Switzerland, the annual sums permitted for purchases during the first five years following affiliation to a Swiss pension institution may not exceed 20% of the annual salary. This restriction ceases after five years.
8. If a member subject to the Swiss AHV has made purchases during the 3 years prior to retirement, the resulting benefits may not be received as a lump sum.
9. The pension fund does not give any guarantee that the purchases will be tax-deductible. Members are responsible for consulting the tax authorities regarding the assessment and evaluation of these contributions.

## **C. Benefits**

### **Art. 8 Insured benefits**

1. The pension fund provides the following benefits

Retirement benefits, child benefits (Art. 9)  
Premature retirement (Art. 10)  
Premature retirement initiated by the company (Art. 11)  
Disability pensions, child benefits (Art. 12)  
Spouse's pensions (Art. 13)  
Partner's pensions (Art. 14)  
Lump-sum death benefit (Art. 15)  
Orphans' pensions (Art. 16)  
Pensions arising from pension compensation (Art. 25)

2. Under the conditions set forth in these rules, the pension fund becomes obligated to pay benefits if the insured events of age, disability or death occur during the period of insurance coverage. In the case of disability benefits, the deciding factor is whether the person was insured with the pension fund at the time the considerable incapacity for work began, the cause of which lead to the disability. In the case of survivor's benefits, the deciding factor is whether the person was insured with the pension fund at the time of their death or at the time the considerable incapacity for work began, the cause of which lead to death. If the facts of the case are others, which, according to BVG or BPVG, obligate the pension fund to pay benefits, the benefits shall be limited to the legally required minimum benefits.
3. The stated insurance benefits are provided with the explicit reservation of the provisions of Art. 21 (Consideration of benefits from third parties) and Art. 22 (Secured benefits). Any unlawfully drawn benefits shall be refunded by the member or pensioner. The entitlement to a refund shall lapse three years after the Foundation has gained knowledge of unjustified benefit payments, however, no later than five years after the payment of the benefit. If the refund claim is derived from a criminal offence for which criminal law sets a longer limitation period, such period shall be decisive.

### **Art. 9 Retirement benefits, child benefits**

1. The claim to a retirement pension becomes valid upon reaching the reference age, subject to para. 7.
2. Retirement benefits can be paid out in the form of a retirement pension or in the form of retirement capital.
3. The extent of the annual retirement pension is calculated on the basis of the retirement savings capital available upon retirement, which is multiplied by the conversion rate (Appendices 2 and 3), taking into consideration Art. 34 para. 7. The retirement pension is paid for life, and expires at the end of the month during which the member dies.
4. The extent of the retirement capital corresponds to the retirement savings capital available upon retirement. Members must submit their irrevocable application to the pension fund in writing no later than one month before the entitlement arises, otherwise their entitlement to draw the retirement benefit in the form of capital will lapse. If no application is made, the claim to retirement benefits in the form of capital will not be valid. For married mem-

bers, the application also requires the certified signature of the spouse. If a member subject to the Swiss AHV has purchased additional benefits in the last three years prior to retirement, the resulting benefits may not be withdrawn in capital form. Instead, the resulting benefits are paid out in the form of a pension. Upon withdrawal of the entire retirement capital, any and every entitlement to further benefits from the pension fund expires with the exception of additional child benefits for pensioners; in the case of a partial withdrawal, the entitlement expires proportionately.

5. If a pensioner has children who could claim an orphan's pension on his death, he may claim a child benefit for each of these children that corresponds to that of an orphan's pension. The child benefit is paid out starting at the same time as the retirement pension. It expires when the retirement pension ceases, at the latest, however, when the entitlement to an orphan's pension would cease.
6. If members reduce their level of employment after their 58th birthday but before the reference age with the consent of the employer and their annual salary declines by a minimum of 20%, they may request the corresponding degree of partial retirement. Members shall submit a request for partial retirement to the Foundation no later than 3 months before the designated date. The pension fund does not give any guarantee that partial retirement will receive preferential tax treatment.

The following conditions must be met in the event of partial retirement:

- a) the level of employment must decrease by no less than 20%: i.e. in the case of a full-time employee, for example, the level of employment must be reduced at least from 100% to 80%;
  - b) the reduced annual salary still earned must exceed the minimum salary pursuant to Art. 2 BVG;
  - c) the reduction of the level of employment may take place in a maximum of three stages (e.g. from 100% to 70%, from 70% to 40%, from 40% to 0%);
  - d) in all three steps, the corresponding retirement benefits may be paid out as a lump sum.
7. If members remain employed by the company beyond retirement age, they may either draw the payable retirement benefit in accordance with para. 1 or defer the benefit until the end of their employment, however, no later than age 70.

In the event of a deferral of the retirement benefits, the retirement assets may be further accrued by means of retirement credits (cf. Art. 6 para. 1 and 5). The retirement pension shall be determined on termination of the deferral pursuant to para. 3 based on the accrued retirement capital. Where members reduce their employment, they may request partial retirement in accordance with para. 6.

In the event of the member's death before giving up gainful employment, the spouse's pension or the partner's pension pursuant to Art. 13 and Art. 14 and the orphan's pension pursuant to Art. 16 shall be calculated on the same basis as for recipients of a retirement pension. The basis for the calculation is the retirement pension calculated at the time of death pursuant to para. 3.

## **Art. 10 Premature retirement**

1. If the contractual working agreement is terminated after a member's 58<sup>th</sup> birthday, he may claim retirement benefits. The member may, at his own request, claim transfer of the termination benefit according to Art. 18 ff. if he continues gainful employment or is registered as unemployed.
2. In the event of premature retirement at the member's request after the 60<sup>th</sup> birthday, the company shall compensate for the difference between the retirement capital available at the time of retirement and the retirement capital that would be due upon reaching the reference age, depending on the years worked<sup>1</sup>, in accordance with Appendix 4.

This provision shall be revoked on 31 December 2029 and shall for the last time apply to members who take premature retirement at their own request no later than 31 December 2029.

For members who retire prematurely on or after 1 January 2030, there is no longer any entitlement to a compensation payment in accordance with Appendix 4.

3. The extent of the annual retirement pension is calculated on the basis of the retirement savings capital available upon retirement, which is multiplied by the conversion rate (Appendix). The survivors' benefits are calculated according to the reduced retirement pension.
4. The extent of the retirement capital corresponds to the retirement savings capital available upon retirement. Members must submit their irrevocable application to the pension fund in writing no later than one month before the entitlement arises, otherwise their entitlement to draw the retirement benefit in the form of capital will lapse. If no application is made, the claim to retirement benefits in the form of capital will lapse. For married members, the application also requires the officially certified signature of the spouse. If a member subject to the Swiss AHV has purchased additional benefits in the last three years prior to retirement, the resulting benefits may not be withdrawn in capital form. Instead, the resulting benefits are paid out in the form of a pension. Upon withdrawal of the entire retirement capital, any and every entitlement to further benefits from the pension fund expires with the exception of additional child benefits for pensioners; in the case of a partial withdrawal, the entitlement expires proportionately.

## **Art. 11 Premature retirement initiated by the company**

1. If premature retirement after the 60<sup>th</sup> birthday is initiated by the company, the company pays 100% of the difference between the retirement capital available at the time of retirement and the retirement capital that would be due at the reference age.
2. Early retirement initiated by the company shall be understood to mean any dismissal for operational or economic reasons at the earliest 3 or 4 years prior to the reference age. The prerequisite for a compensation payment pursuant to Art. 12 para. 1 for 3 years is to have worked at least 16 years with the company<sup>2</sup> upon the termination of employment. The prerequisite for a compensation payment for 4 years is to have worked 25 years or more with the company<sup>3</sup> upon the termination of employment. In the event of premature retirement before the aforementioned 3 or 4 years prior to the reference age, there is no

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<sup>1</sup> Based on the years worked as communicated by the company (HR)

<sup>2</sup> Based on the years worked as communicated by the company (HR)

<sup>3</sup> Based on the years worked as communicated by the company (HR)

entitlement to compensation for the difference.

Dismissals due to inadequate performance or cases where the member has given cause for dismissal based on a well-founded reason in accordance with applicable law are excluded from the compensation payment pursuant to Art. 11 para. 1 in all cases.

3. Members have the right to waive early retirement and transfer the vested benefits to a vested benefits account / policy (blocked account) or to a new employee benefits institution pursuant to Art. 20. In this case, too, members are entitled to the compensation for the difference between the existing and projected savings assets.

## **Art. 12 Disability pension, child benefits**

1. Disability exists to the extent that a member is disabled according to the IV.
2. The pension fund is authorised, at any time, to demand a medical assessment regarding the state of health of a member drawing a disability pension. If a member drawing a disability pension refuses such an examination or refuses paid activity offered to him that takes into due consideration his knowledge, abilities and state of health, the Board of Trustees is entitled to reduce, refuse or withdraw his disability benefits. The statutory minimum benefits are guaranteed in any case.
3. If a member becomes disabled, he is entitled to claim a disability pension, provided that he was insured by the pension fund at the onset of the incapacity for work that resulted in his disability. The member is entitled to a disability pension, the amount of which is determined as a percentage of the full pension as follows:
  - a) If the degree of disability as defined by the IV is 70% or more (67% or more for members employed with a company based in Liechtenstein), the member is entitled to a full disability pension.
  - b) If the degree of disability as defined by the IV is 50% to 69%, the percentage share of the full pension corresponds to the degree of disability.
  - c) If the degree of disability as defined by the IV is less than 50%, the pension entitlement corresponds to the following percentages of the full pension:

| <b>Degree of Disability</b> | <b>Pension entitlement in % of full pension</b> |
|-----------------------------|-------------------------------------------------|
| 49%                         | 47.5%                                           |
| 48%                         | 45.0%                                           |
| 47%                         | 42.5%                                           |
| 46%                         | 40.0%                                           |
| 45%                         | 37.5%                                           |
| 44%                         | 35.0%                                           |
| 43%                         | 32.5%                                           |
| 42%                         | 30.0%                                           |
| 41%                         | 27.5%                                           |
| 40%                         | 25.0%                                           |
| <b>Less than 40%</b>        | <b>0.0%</b>                                     |

The full disability pension corresponds to 40% of the insured salary at the onset of the incapacity for work.

4. The pension fund may review the entitlement to a disability pension at any time. The defined pension entitlement shall be increased, reduced or suspended if the degree of disability changes by at least 5 percentage points.
5. The disability pension begins at the earliest once salary payments or salary replacement payments (daily sickness and/or accident benefits) cease, and continues for the duration of the disability but at the latest until the end of the month in which the member dies. Upon reaching the reference age, the disability pension is replaced by the retirement benefit. The retirement capital corresponds to the continued savings assets according to Art. 5 para. 4, and the retirement pension is calculated on the basis of the conversion rate applicable upon reaching the reference age.
6. In the event of continued insurance according to Art. 26a BVG, the pension fund will reduce the disability pension according to the reduced degree of disability, provided that the reduction is compensated by additional income received by the member.
7. If a member drawing a disability pension has children who are entitled to claim an orphan's pension upon his death, he may claim a child benefit for each of these children that is equivalent to an orphan's pension. The child benefits for the children of a member drawing a partial disability pension correspond to the degree of disability. The disability child benefit is paid out starting at the same time as the disability pension. It expires when the disability pension ceases, at the latest, however, when the entitlement to an orphan's pension would cease.
8. Should a member drawing a partial disability pension leave the pension fund, he continues to draw the partial disability pension plus any related child benefits. In addition, he is paid a termination benefit corresponding to the portion for which he was working. Further insured benefits are calculated according to the partial disability pension.
9. Upon gaining knowledge of the precautionary suspension of payment of the disability pension by the responsible IV office pursuant to Art. 52a ATSG, the pension fund shall also suspend payment of the disability pension as a precautionary measure.

### **Art. 13 Spouse's pension**

1. If a married member dies, the surviving spouse is entitled to a spouse's pension.
2. If a member dies before reaching the reference age, the spouse's pension amounts to 60% of the disability benefits insured at the time of death. In the event of the death of a recipient of a retirement pension, the spouse's pension amounts to 60% of the current retirement pension at the time of death. If the surviving spouse is more than 15 years younger than the member, the spouse's pension will be reduced by 5% for every additional year over the 15. If the marriage took place after retirement age or after the reference age, the spouse's pension will be further reduced by 10% for each year past the retirement or reference age the marriage took place. However, the statutory minimum benefits are guaranteed in any case.
3. The spouse's pension is paid out for the first time for the month following the member's death. It is paid out for the spouse's lifetime unless the spouse remarries. In the case of remarriage, the surviving spouse may claim a settlement equivalent to three times the yearly amount of the spouse's pension.
4. The divorced spouse of a deceased member is at most entitled to the statutory minimum benefits from the Foundation, but only inasmuch as the legal prerequisites are fulfilled.

5. A registered partnership (in accordance with the Swiss law on partnerships PartG) is equivalent to a marriage, and the dissolution of such a partnership is equivalent to a divorce.

#### **Art. 14 Partner's pension**

1. Under the same conditions as spouses, partners of different or the same sex designated by an active member or the recipient of a retirement or disability pension are entitled to a survivor's pension in the amount of the spouse's pension or a settlement in accordance with Art. 14, provided that
  - a) both partners are unmarried and in no other life partnership, and
  - b) the partner has continuously maintained a life partnership with the deceased member for the last five years prior to the member's death or is responsible for the maintenance of one or more joint children, and
  - c) the partner does not draw a spouse's or partner's pension or divorced spouse's pension from a previous marriage or life partnership, and
  - d) the partner was designated as a life partner to the pension fund by the active member or recipient of a retirement or disability pension during their lifetime and prior to reaching the reference age, in writing using the corresponding form<sup>4</sup>, and
  - e) a corresponding request is submitted to the Board of Trustees no later than three months after the death of the active member or recipient of a retirement or disability pension.
2. If the partnership was established after the member reached the reference age, there is not entitlement to a partner's pension.
3. Upon (re)marriage of the member, recipient of a retirement or disability pension or the designated partner, the status as life partner ceases; the entitlement also ceases at the end of the month of the surviving partner's death or establishment of a new life partnership.
4. Upon dissolution of a partnership notified to the pension fund, the entitlement to a future partner's pension ceases.

#### **Art. 15 Lump-sum death benefit**

1. If an active member or recipient of a disability pension dies before reaching the reference age, a lump-sum death benefit is payable.
2. Irrespective of inheritance law, surviving dependants are entitled to this benefit in the following order of priority and in the following amount:
  - a) the deceased member's surviving spouse and children who are entitled to an orphan's pension from the pension fund, in their absence
  - b) natural persons who received a considerable degree of support from the deceased member or the person who lived in the same household as the deceased member, on an uninterrupted basis, for the last five years prior to his death or who is responsible for the upkeep of one or more of their common children, as long as the person does not draw a widow's or widower's pension in the 2<sup>nd</sup> pillar (Art. 20a of the BVG), in their absence

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<sup>4</sup> See our homepage [www.pk-oerlikonbalzers.ch](http://www.pk-oerlikonbalzers.ch) / Downloads / Formulare

- c) the other children, in their absence
- d) the parents, in their absence
- e) the siblings

In the absence of beneficiaries in accordance with letter a) through e), the lump-sum death benefit is forfeited to the pension fund.

Persons in accordance with b) above are only entitled claimants if the pension fund was notified thereof in writing during the member's lifetime.

If there are several persons within one category, they shall each be entitled to an equal share in the lump-sum death benefit. The member may, however, specify an unequal distribution of differing proportions among several beneficiaries of the same category. A written declaration which must be delivered to the pension fund during the member's lifetime is required for this purpose.

3. A member's lump-sum death benefit which is paid out to beneficiaries in accordance with paragraph 2 is equal to the accrued savings capital, minus the capital necessary to cover all survivors' benefits. Voluntary buy-ins within the meaning of Art. 7 para. 4 that do not serve to repay advance withdrawals for the promotion of home ownership are not counted towards the financing of survivors' benefits and are paid out separately in the event of death.

#### **Art. 16 Orphan's pensions**

1. If a member dies, each of his children is entitled to an orphan's pension. Stepchildren and foster children may only claim pensions if the deceased member was responsible for their care.
2. If a member dies before reaching the reference age, the orphan's pension amounts to 20% of the disability benefits insured at the time of death. In the event of the death of a recipient of a retirement pension, the orphan's pension amounts to 20% of the current retirement pension at the time of death. For full orphans, the orphan's pensions are doubled.
3. The orphan's pension is paid out for the first time for the month following the member's death, and is paid out until the 18th birthday. For children still in education, the entitlement continues until completion of their education but at the longest until their 25th birthday. For children who are handicapped as a result of physical or mental impairment or who are not capable of gainful employment, the entitlement remains in force until such time as the incapacity to earn an income ceases, at the latest, however, until their 25th birthday, whereby the Board of Trustees may elect to pay the pension indefinitely in cases of hardship.
4. If the child entitled to benefits dies, the orphan's pension expires at the end of the month in which the death occurs.

#### **Art. 17 Regulations concerning the payment of pensions and capital settlements\***

1. Pensions are paid out monthly to rightful claimants, to the bank or postal account specified to the pension fund, and for the last time during the month after which the entitlement to the pension expires. Should the claimant live outside Switzerland or the Principality of Liechtenstein, the domicile of the Foundation is the place of execution. Fees for foreign transfers shall be borne by the member. The provisions of international treaties shall remain reserved.

2. The pension fund's benefits shall not be paid until eligibility can be clearly identified. To this end, the Foundation may request all the necessary documents for inspection, including documents that contain highly sensitive data. The Foundation owes interest on arrears in the amount of the minimum interest rate pursuant to the BVG only if it caused the delay by obvious breach of duty.
3. Interest on arrears is due:
  - a) in the case of pension payments: as of initiation of the process of debt collection or institution of proceedings. The interest rate on arrears corresponds to the BVG minimum interest rate.
  - b) in the case of capital payments: as of 30 days after reception of all required information, however not before 30 days after the due date. The interest rate on arrears corresponds to the BVG minimum interest rate.
  - c) in the case of vested benefit payments: as of 30 days after reception of all required information, however not before 30 days after termination. The interest rate on arrears corresponds to the BVG minimum interest rate plus one percent.
4. Where members who are subject to the Swiss AHV are in arrears with regular maintenance payments and the debt collection support office has notified the Foundation within the framework of Art. 40 BVG, the Foundation shall not make any lump-sum payments after retirement pursuant to Art. 9, or cash payments pursuant to Art. 20 exceeding CHF 1,000 or advance withdrawals pursuant to Art. 24, before the expiry of 30 days after delivery of the statutory notification to the support office. The Foundation shall not owe any interest on arrears during the 30-day period.

## **D. Termination benefit**

### **Art. 18 Claim to termination benefit**

1. Should a member's contractual employment agreement cease before benefits can be claimed, the member leaves the fund, under reserve of Art. 2 para. 4, and is entitled to a termination benefit. The temporary continued coverage of disabled persons in accordance with Art. 26a BVG is reserved.
2. The termination benefit becomes due upon leaving the pension fund. From this point, the interest rate is that of the minimum BVG interest rate. For interests on arrears Art 17, para. 3 applies.
3. The member remains insured against disability and death until the beginning of a new contractual employment agreement, but at the longest for one month.

### **Art. 19 Extent of the termination benefit**

1. The termination benefit corresponds to the retirement capital available plus the bonus account.
2. The termination benefit nevertheless corresponds to the higher of the following amounts:
  - a) The savings contributions made by the member for the duration of the contributions, with interest, increased by an additional 4% per year of age as of the age of 20, but at most 100%, plus the benefits purchased by the member, with interest. The age is considered to be the difference between the calendar year and the year of birth. The interest rate shall equal the BVG minimum interest rate, however, for the duration of any period of insufficient coverage, it shall be at the most the interest rate applied for the retirement capital.
  - b) The retirement capital in accordance with the BVG or BPVG at the time of leaving the pension fund.

### **Art. 20 Use of the termination benefit\***

1. If the member becomes affiliated to a new pension institution, the pension fund transfers the termination benefit to the new institution.
2. Members subject to the Swiss AHV who do not become affiliated to a new pension institution must inform the pension fund if they wish the termination benefit to be transferred to a vested benefits account or a vested benefits policy in Switzerland. Members subject to the Liechtenstein AHV must deposit the vested benefits to a premium-free vested benefits policy with an insurance company licensed in Liechtenstein or transfer them to an account blocked for pension purposes at a Liechtenstein bank.

If the notification is not received, the termination benefit will be transferred to the certified Substitute Occupational Benefit institution, at the earliest 6 months and at the latest 2 years after it is due (Art. 60 BVG). By way of derogation, in the case of members subject to the Liechtenstein AHV, the vested benefits are transferred to an account blocked for pension purposes at a Liechtenstein bank in accordance with Art. 12a, para. 2 BPVG.

3. The member may demand payment of the termination benefit in cash if:
  - a) he leaves the economic territory of Switzerland or the Principality of Liechtenstein permanently; the following points have to be taken into account:

- aa) Members subject to the Swiss AHV may not request cash payment to the extent of the BVG retirement assets (mandatory part) if they continue to be subject to mandatory insurance against the risks of old age, death and disability under the legislation of a Member State of the European Union or under Icelandic or Norwegian legislation. However, they may request that the portion exceeding the mandatory retirement assets be paid in cash.
- ab) Members subject to the Liechtenstein AHV may not request cash payment of their savings assets if they continue to be subject to mandatory insurance against the risks of old age, death and disability under the legislation of a Member State of the European Union or under Icelandic or Norwegian legislation.
- b) he becomes self-employed and is no longer subject to the mandatory occupational pension requirements<sup>5</sup>, or
- c) if the termination benefit represents less than his annual contribution (savings and risk portions).

Members subject to the Liechtenstein AHV may not request a cash payment in accordance with Art. 20.3, para. 1a, b, c directly via the pension fund. This is because a) the BPVG does not recognise the distinction between a mandatory and non-mandatory part of the savings assets, as stated in the BVG, and b) according to Art. 12, para. 5 BPVG, such a request must be submitted to the Liechtenstein supervisory authority<sup>6</sup>. For this purpose, members generally have their vested benefits transferred to an account blocked for pension purposes at a Liechtenstein bank, from where they can request cash payment.

For married members, payment in cash is only possible if the spouse agrees to this in writing by means of a certified signature.

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<sup>5</sup> A certificate from the relevant compensation office confirming registration as a self-employed person must be submitted to the pension fund. A cash payment pursuant to Art. 20.3, para. 1b is not possible if self-employment is taken up outside the economic territory of Switzerland and the Principality of Liechtenstein; in this case, Art. 20, para. 1a or c applies.

<sup>6</sup> The Liechtenstein supervisory authority verifies for each case whether the requirements for a cash payment are met and decides accordingly (Art. 12, para. 5 BPVG).

## **E. Special regulations**

### **Art. 21 Consideration of benefits from third parties**

1. If, in the case of a member's disability or death, the benefits from the pension fund together with other income to be taken into account for the member and his children or his survivors represent more than 100% of the last AHV salary before commencement of the incapacity for work (including child supplements), the pensions to be paid out by the pension fund will be reduced for as long as and to the extent that they exceed the above-mentioned ceiling.

Income received by the surviving spouse/partner and orphans is calculated together.

The retirement benefits will be reduced in the same way as long as accident or military insurance is paid out or if the retirement benefits replace a disability pension.

2. The following types of income, among other types, are considered income to be taken into account:
  - a) AHV/IV benefits (and/or domestic or foreign social insurance) with the exception of compensation for destitution;
  - b) Benefits from mandatory accident or military insurance;
  - c) Benefits from private insurance for which the company has paid at least one half of the premiums;
  - d) Benefits from pension and vested pension fund institutions;
  - e) Third party liability benefits from the company or third parties;

For recipients of partial disability benefits, the earned or replacement income which continues to be received or the earned income which could reasonably be expected to be earned is also taken into account.

The pension fund will not compensate any reductions in benefits upon reaching retirement age pursuant to Art. 20 para. 2<sup>ter</sup> and 2<sup>quater</sup> of the Swiss Accident Insurance Act and Art. 47 para. 1 of the Swiss Military Insurance Act.

Lump sum capital benefits will be calculated as pensions of an equal value, according to the actuarial principles of the pension fund. The bonus account, compensation for destitution, goodwill amounts and similar settlement are not taken into account.

In all cases, however, at least those benefits that are mandatory in accordance with the BVG or BPVG and the related calculation rules will be provided.

3. In cases of hardship or substantial inflation, the Board of Trustees may reduce or cancel such reduction to pensions.
4. Reductions to pensions are regularly reviewed by the pension fund.
5. In the case of disputes concerning the transfer of pensions by the accident or military insurance or the occupational retirement, survivors' and disability pension in accordance with the BVG, the entitled claimant may demand an advance on benefits from the pension fund.
6. If, when the claim to survivors' or disability benefits is made, it is not clear which benefits institution is responsible for paying the benefits, the entitled claimant may demand an advance on benefits from the last pension fund with which he was insured. The pension fund provides advances on benefits within the framework of the legal minimum benefits in accordance with the BVG. If the case is taken over by another insurer, the insurer must reimburse these advance payments within the framework of its obligation to provide benefits.

7. Should the AHV/IV reduce, deny or restrict a benefit because the rightful claimant is criminally responsible for the death or disability of the member or because the member has opposed an integration measure on the part of the IV, the pension fund may also reduce, deny or restrict its benefits. The Foundation shall not compensate for denial or reduction of benefits of military insurance or accident insurance if the insurer has denied or reduced benefits on the grounds of fault. The pension fund may demand a person holding reversionary rights to survivors' or disability benefits to surrender to the fund any claims to which he is entitled for damage towards liable third parties, up to the extent of its obligation to pay benefits, inasmuch as the pension fund does not enter into the entitlements by right of law.
8. Where a supplementary benefit office has notified the Foundation of the settlement of a benefit due, the reclaim shall be offset against the benefits payable by the Foundation.

## **Art. 22 Secured benefits**

1. Entitlements to benefits can be neither pledged nor assigned before they become due, under reserve of the regulations concerning premature withdrawal or pledging related to the promotion of home ownership and divorce.
2. Entitlements assigned by the company to the Foundation for a member or pensioner may not be offset against the benefits of the pension fund. Exceptions to this clause are contributions owed by the member.

## **Art. 23 Mandatory information and notification, information for members**

1. The member or the rightful claimant must provide spontaneous and truthful information to the pension fund regarding all events significant to his insurance, and in particular changes to his marital status and family relationships. Upon affiliation, he must permit the fund to consult statements concerning the termination benefits from previous pension institutions.
2. Pensioners must, upon request by the pension fund, provide a life certificate. Disabled persons must, of their own accord, submit all decisions of the IV as well as report any other earned and/or pension income they have. It is mandatory for members to disclose the decision on the part of the IV to the pension fund.
3. It is mandatory for members and entitled claimants to provide the pension fund with the information and documents required, as well as documents concerning benefits, reductions or refusals from the other insurers or third parties mentioned under Art. 21 above.
4. The pension fund accepts no liability for any negative effects that occur to members, pensioners or their survivors as a result of infringing the above-mentioned duties.
5. Should the pension fund incur damage as a result of such infringements, the Board of Trustees may hold the person concerned liable.
6. The member receives an annual insurance certificate showing the insured salary, the contributions, the insured benefits and the termination benefit. In the event of differences between the insurance certificate and the present rules, the rules take precedence.
7. The pension fund informs the members annually, in an appropriate form, about the organisation and financing of the fund and the members of the Board of Trustees. Upon request, the pension fund shall issue a copy of the annual account to the members and shall provide them with information about the return on capital, actuarial risk profile, administrative

costs, principles for calculating the actuarial reserve, accumulation of reserves and the funding ratio.

**Art. 23a Processing of personal data**

1. The pension fund is entitled to process personal data, including sensitive personal data, or to have such data processed in order to fulfil its responsibilities as set out in these rules.
2. The personal data required for the fulfilment of their responsibilities will be passed on to the auditors, the occupational benefits expert, any reinsurance company, the responsible actuaries involved in fulfilling the affiliated employer's accounting commitments, authorities and central registries.
3. Moreover, the pension fund is entitled to engage any third parties for the fulfilment of its responsibilities under these rules and to disclose to them the personal data required for this purpose, including sensitive personal data.
4. All individuals involved in the implementation as well as the auditing or supervision of the pension provision are obliged to maintain confidentiality towards third parties as a matter of principle.

**Art. 24 Premature withdrawal, pledging (encouragement of the use of vested pension accrual for home ownership) \***

1. As long as according to his employment contract, the member is subject to the Swiss AHV and no later than three years before reaching the reference age, the member may exercise his right to withdraw a sum to be used to buy a home for his own use (but not for holiday or secondary residences). He may also pledge this amount or his entitlement to pension benefits for this same purpose. For members who are subject to the Liechtenstein AHV, advance withdrawals or pledging of pension assets for the purchase of residential property is not permitted.
2. Until the age of 50, the member may withdraw or pledge a sum equal to his termination benefit. Members aged over 50 may only withdraw the termination benefits that he could have claimed at the age of 50, or half of the termination benefit valid at the time of the withdrawal. If additional sums have been paid in for the purchase of benefits in the last three years before reaching the reference age, the resulting benefits may not be withdrawn in capital form.
3. The member may request information concerning the amount available to him for home ownership and the reductions to retirement benefits related thereto. The pension fund will draw his attention to the possibilities of restoring the level the reduced insurance coverage this implies and to his tax liabilities.
4. If a member makes use of the possibility of premature withdrawal or pledging, he must submit the contractual documents regarding the purchase or construction of residential property or the amortisation of mortgage loans, the rules and the rental or loan contract when purchasing participation coupons with the relevant building contractor and the corresponding documents in the case of similar participations. In the case of premature withdrawals, married members must also provide the certified signature of their spouse. In the case of pledging, the pension fund ascertains whether the pledge agreement with the financial institution bears the spouse's signature.
5. After the member has presented his application and once all documents have been submitted, the pension fund shall pay out the premature withdrawal on the next possible payment date (at the end of each month). For as long as the pension fund does not have

sufficient coverage, it may reduce for a limited time or by a limited amount or completely refuse to pay out premature withdrawals that serve to repay mortgage loans. The pension fund must inform members regarding the duration of such measures.

6. If the liquid assets are placed at risk by premature withdrawals, the pension fund may postpone the application. In the case of postponement, the applications made are dealt with in the order of reception.
7. In the case of a premature withdrawal, the retirement capital is reduced by the amount withdrawn. Members may (partially) repay the amount withdrawn in advance until they reach the reference age. The sum reimbursed is handled in the same way as sums used for the purchase of additional benefits. The BVG retirement capital is reduced on a pro rata basis in the case of a premature withdrawal and increased in the same proportion in the case of a (partial) reimbursement.

## **Art. 25 Divorce\***

1. In the case of divorce, compensation is granted for the pension entitlements acquired during the marriage. Such compensation is based on Art. 122 to 124e ZGB or Art. 12a BPVG and Art. 89b–89f Ehegesetz Liechtenstein. In the case of Swiss divorce decrees, the relevant date pursuant to the ZGB is the date on which the divorce proceedings were instituted at court. Pursuant to Art. 12a, para. 2 BPVG, the relevant date for Liechtenstein divorce decrees is the date of dissolution of the common household.
2. In the case of the divorce of an active or disabled member, the court may order the transfer of part of the vested benefit. The retirement capital, the BVG retirement capital (pro-rata reduction) and the insured benefits will be reduced to the same extent. Active members who are fully fit for work may, pursuant to Art. 7, compensate the reduction via voluntary purchases.
3. Where members are drawing a retirement pension on the relevant date, the court may order the pension to be split upon divorce. The pension portion of the divorced spouse will be converted into a life-long pension for the divorced spouse as per the date the divorce decree enters into force pursuant to Art. 19h FZV.
4. As a rule, the life-long pension will be transferred to the divorced spouse's pension fund or vested benefit institution. The pension fund and the divorced spouse may agree upon a one-time lump-sum transfer that is calculated according to the pension fund's actuarial principles.
5. Divorced spouses may request direct disbursement if they are entitled to a full disability pension or have reached the statutory minimum age for early retirement. If they have reached the reference age, the life-long pension will be disbursed directly. They may request transfer to their pension fund if they are still entitled to make purchases under the respective regulations.
6. Should the claim for a retirement pension arise during the divorce proceedings, the transferable portion of the vested benefit and the retirement pension will be reduced in accordance with Art. 19g FZV.
7. If the court grants members termination benefits from the divorced spouse's pension fund, such benefits are treated as purchases pursuant to Art. 8. The same applies to life-long pensions unless they are disbursed directly to the member.
8. The provisions under Art. 18 para. 2 apply analogously to the transfer of the portion of the vested benefits that must be transferred in the context of the pension compensation at the

applicable interest rates. In each case, the interest due date is based on the decree handed down or otherwise on the date on which the decree became legally binding.

9. The place of jurisdiction for divorce proceedings is the Swiss domicile of one of the parties. If there is no such jurisdiction, the court at the domicile of the Foundation (see Art. 1 para. 1; District Court Werdenberg-Sarganserland) shall have jurisdiction (Art. 64 para. 1bis IPRG<sup>7</sup>). Divorce decrees issued by a court outside of Switzerland must be reviewed by a Swiss court and any division of pension assets must be carried out by the Swiss court. The division determined by the Swiss court is binding on the pension fund. A division, which has been determined by a foreign court, cannot be executed by the pension fund.

This does not apply to divorce decrees issued by Liechtenstein courts. A division of pension assets by a Liechtenstein court is binding on the pension fund and requires no further review by a Swiss court.

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<sup>7</sup> Bundesgesetz über das Internationale Privatrecht (Federal Act on Private International Law)

## **F. Organisation**

### **Art. 26 Board of Trustees**

1. The supreme organ of the Foundation is the Board of Trustees. It consists of 6 members, i.e. 3 representatives of the company and 3 representatives from among the active members.
2. The three company representatives on the Board of Trustees are appointed by the management of the company. It is not mandatory that these representatives be members. The members elect their representatives from their number themselves, whereby only one representative from the founder company and the affiliated companies may be on the Board of Trustees.
3. The Board of Trustees is self-constituting, appointing from among its number a president and a vice-president.
4. The period in office is 3 years, and re-election is possible. Should the contractual employment agreement for a member of the Board of Trustees cease, his period in office on the Board of Trustees ends at the same moment. The substitute members complete the period of office of their predecessors.
5. Changes in personnel on the Board of Trustees and on the managing board must be reported to the supervisory authority promptly. Moreover, all other necessary notifications (e.g. commercial register) must be made punctually.

### **Art. 27 Business responsibilities**

1. The Board of Trustees carries out the business of the Foundation according to the legal prescriptions, the regulations of the charter of foundation, the rules of the Foundation and the instructions of the supervisory authorities. It ensures that the insurance affairs are conducted in accordance with the present rules.
2. The Board of Trustees meets as often as business issues require, but at least four times per year. In addition, every member can call a meeting in writing. A member who is absent may be represented by a member who is present upon presentation of a written proxy.
3. The Board of Trustees shall constitute a quorum if the majority of the employee representatives and the majority of the employer representatives are present. It decides by a simple majority of votes. A decision is only reached if at least one employee representative and one employer representative agree to the motion. The chairman shall vote with a single voice. In the event of a tie, motions shall be deemed rejected.

Circular resolutions shall be passed in writing or by e-mail and shall be admissible if no board member requests oral deliberation. For their validity, mutatis mutandis, the same requirements as in the previous paragraph must be met. Minutes of the decisions must be drawn up.

4. The Foundation provides initial and ongoing training for members of the Board of Trustees in order that they are familiarised with the executive tasks they are called upon to carry out.
5. The Board of Trustees may form committees for special tasks or may call upon further persons from outside the Board of Trustees as advisors.

6. The Board of Trustees appoints the pension fund's chief executive. This person must not be a member of the Board of Trustees. He takes part in the meetings of said in an advisory capacity.
7. The Board of Trustees designates those persons who have legal signatory powers for the fund, and specifies the type of signature authorisation.
8. Members of the Board of Trustees and the persons to whom it entrusts tasks must maintain the strictest confidentiality both within and beyond the company regarding information on the personal and financial situation of the various persons and their families to which they have access in this capacity. This confidentiality must be maintained even once their activity within the Foundation has ceased.

#### **Art. 28 Financial accounting, asset investment**

1. The pension fund's financial year is the calendar year.
2. The annual accounts and annual report on the completed financial year are submitted to the Board of Trustees for approval.
3. The assets of the Foundation must be managed according to legal prescriptions and recognised principles, meaning that in addition to the security of investments, the appropriate efforts are necessary with a view to achieving a reasonable yield and to the pension fund's requirements regarding liquid assets.
4. The Foundation grants no loans to the company and does not stand as security for the company. The Foundation is not allowed to accept assets or liabilities originating from the company. All other legal acts between the Foundation and the company require the approval of all member of the Board of Trustees in office.

#### **Art. 29 Auditing, supervisory authority**

1. The Board of Trustees designates a certified auditing agency for the annual examination of the management procedures, the financial accounting and the investment of assets. The auditing agency submits its report to the Board of Trustees.
2. Each year, the Board of Trustees commissions a certified pension fund actuary to draw up an actuarial report on the fund; this also applies to further legal certifications in accordance with the BVG or BPVG.
3. The supervisory authorities designated by law ensure that the Foundation complies with the legal prescriptions.
4. The Board of Trustees draws up Rules relating to asset investment.

#### **Art. 30 Use of freely available assets, adjustments to pensions as a result of inflation**

1. The Board of Trustees takes decisions, within the framework of the financial possibilities, regarding the use of the pension fund's freely available assets. The freely available assets must be defined in accordance with the legal provisions and the directives of the supervisory authority and assessed by the occupational benefits expert.
2. The pensions are adapted to inflation in accordance with the pension fund's financial possibilities: the Board of Trustees takes a decision on an annual basis regarding if and to what extent this is possible. This remains subject to Art. 36, para. 1 BVG.

**Art. 31 Measures in the case of insufficient coverage**

1. In the case of insufficient coverage, the Board of Trustees, in collaboration with the certified occupational pension schemes expert, defines the appropriate measures to be taken in order to resolve the situation. If necessary and in particular, the interest on the savings capital (Art. 5, para. 3), the financing and the benefits – including the current pensions – that exceed the benefits in accordance with the BVG, are adapted to the resources available.

If other measures do not achieve the objective, the pension fund may levy contributions from the members, the company and pensioners for the duration of the insufficient coverage in order to redress the situation.

The company's contribution must be at least equal to that of the sum of contributions on the part of the members. The pensioners' contribution may only be based on the portion of the current pension that was constituted during the ten years prior to the introduction of the said measures by means of increases not resulting from legislation or from the regulations. Contributions may not be levied on mandatory benefits for retirement, death and disability. The pensioners' contribution is offset against the current pensions.

2. If the measures described in para. 1 above prove insufficient, the pension fund may apply an interest rate that is lower than the minimum rate specified by the BVG for the duration of the insufficient coverage, but at the most during five years. The rate applied may not be more than 0.5 percentage points lower than the BVG minimum rate.
3. In the case of insufficient coverage, the company may place funds in a special, employer contribution reserve with declaration of renounced use, and may also transfer funds from the normal employer's reserves into this account. The funds transferred may not exceed the amount to which the fund is insufficiently covered, and do not bear interest.
4. The pension fund must inform the supervisory authorities, the company, the members and the pensioners regarding the insufficient coverage and the measures undertaken to redress the situation.

## **G. Final regulations**

### **Art. 32 Application of and modifications to the rules, disputes**

1. For questions that are not or not completely covered by these rules, decisions are made by the Board of Trustees in accordance with the charter of foundation.
2. These rules may be modified by the Board of Trustees as long as the modifications comply with the prescriptions of the legal and supervisory authorities. Modifications to the rules require the approval of all members of the Board of Trustees in office.
3. In case of dispute between a member or claimant and the Foundation that cannot be resolved internally, the procedures and authority applicable are those of the regulations of the BVG and the BPVG.

### **Art. 33 Dissolution of affiliation contracts, partial or total liquidation**

1. The dissolution of an affiliation contract on the part of the employer must be approved by the employees or, if applicable, by the entity representing the employees. The pension fund must notify the Substitute Occupational Benefit Institution of the dissolution.
2. The partial liquidation of the Foundation must comply with the provisions of the BVG and of the FZG. The prerequisites and the procedure can be found in the rules concerning partial liquidation.
3. The total liquidation of the Foundation must comply with the provisions of the BVG and of the FZG.

### **Art. 34 Validity, transitional provisions**

1. Based on the resolutions passed on 26 March 2026 and 16 June 2026, these Rules enter into force retroactively on 1 January 2026 and replace those of 1 January 2024.
2. Current and insured expected benefits for pensioners are not affected by these modified Rules.

In the case of exemption of savings contribution payments of disabled and partially disabled members, the insured salary and the contribution level at the onset of the incapacity for work applies.

The following transitional provisions apply for active members who were insured by the pension fund on 31 March 2003:

- a) The starting retirement capital corresponds to the present value of the accrued pension as per 31 March 2003, in accordance with the previous Rules.
- b) Should the retirement capital at age 65 in accordance with the previous Rules not be attained with the starting retirement capital and the future savings credits (based on the insured salary as at 31 March 2003 and an interest rate of 4%), the member will be granted an annual supplementary credit in francs (rounded). These supplementary credits will be treated in the same way as the savings credits, and allocated for the last time in the calendar year of the member's 59th birthday.
- c) Should the retirement pension as of age 65 in accordance with the previous Rules not be attained by means of the starting retirement capital, future savings credits and the supplementary credits (based on an interest rate of 4%), the member will receive a supplementary payment. This supplementary payment will be treated in the same way

as amounts for purchased benefits and – as long as the two following conditions are met – added to the retirement capital. Retirement takes place on the 65th birthday, and the retirement benefit is drawn as a pension.

3. For the calculation of the extent of the disability pension and the entitlement to disability pension, the Rules that are applicable are those that were valid when the incapacity to work leading to the disability began. The overcompensation calculation and the adjustments of pensions to inflation are excluded; for these, the applicable rules as of the respective effective date are decisive.
4. For all other new benefit claims, including new events concerning previous pensioners, i.e. death and replacement of a disability pension by a retirement pension, the present Rules apply.
5. For disability pensions already in effect as of 31 December 2004, no earned income or replacement income that could reasonably be expected to be realised is taken into account, but only the actually received earned income or replacement income.
6. For recipients of a disability pension whose pension entitlement arose before 1 January 2022 and who have not reached the age of 55 by this time, the previous pension entitlement continues to apply until the degree of disability changes due to a review pursuant to Art. 9 para. 3. If the application of Art. 9 para. 2 leads to an increase of the pension entitlement despite a decrease of the degree of disability, or to a decrease of the entitlement despite an increase of the degree of disability, the previous pension entitlement continues to apply even after such a review.
7. For recipients of a disability pension whose pension entitlement arose before 1 January 2022 and who have not reached the age of 30 by this time, the pension entitlement pursuant to Art. 9 para. 2 shall be applied no later than 31 December 2031. If, as a result, the amount of the disability pension decreases compared to the previous amount, the recipient of a disability pension shall be paid the previous amount until the degree of disability changes due to a review of the pension entitlement pursuant to Art. 9 para. 5.
8. For recipients of a disability pension whose pension entitlement arose before 1 January 2022 and who have not reached the age of 55 by this time, the application of Art. 9 para. 4 shall be postponed during the period of provisional continued insurance pursuant to Art. 26a BVG.
9. For recipients of a disability pension whose pension entitlement arose before 1 January 2022 and who have reached the age of 55 by this time, the provisions applicable until 31 December 2021 shall continue to apply.
10. For active members and (partially) disabled members who were insured by the pension fund on 31 December 2017, the following transitional provision applies:
  - a) For the portion of retirement capital which, at the time of retirement, corresponds to the value of the retirement capital on 31 December 2017, the conversion rates in accordance with Appendix 3 (Transitional provision conversion rates) apply.
  - b) In the case of a withdrawal (encouragement of home ownership, divorce, retirement capital), this portion is reduced on a pro rata basis.
  - c) For any reimbursement of the sum withdrawn, this portion is increased in the same proportion as the original reduction and for any reimbursement of withdrawals which were made before 1 January 2018, by the entire amount of reimbursement.
  - d) For the remaining portion of the retirement capital, the conversion rates in accordance with Appendix 2 apply.

Trübbach, 16 June 2026

Occupational Pension Foundation OC Oerlikon Balzers AG

Board of Trustees

## Appendix 1: Art. 7 Amounts that can be used to purchase benefits

Max. retirement capital in percentage of insured salary and according to the selected plan:

| Age | Retirement capital<br>in % of insured salary |              |            |
|-----|----------------------------------------------|--------------|------------|
|     | Basic plan                                   | Comfort plan | Super plan |
| 20  | 0                                            | 0            | 0          |
| 21  | 9                                            | 11           | 12         |
| 22  | 19                                           | 21           | 23         |
| 23  | 28                                           | 32           | 35         |
| 24  | 38                                           | 43           | 47         |
| 25  | 50                                           | 57           | 62         |
| 26  | 63                                           | 70           | 77         |
| 27  | 75                                           | 84           | 92         |
| 28  | 88                                           | 99           | 108        |
| 29  | 101                                          | 113          | 124        |
| 30  | 114                                          | 128          | 140        |
| 31  | 128                                          | 143          | 157        |
| 32  | 141                                          | 158          | 173        |
| 33  | 155                                          | 174          | 190        |
| 34  | 170                                          | 189          | 208        |
| 35  | 184                                          | 205          | 225        |
| 36  | 199                                          | 222          | 243        |
| 37  | 214                                          | 238          | 262        |
| 38  | 229                                          | 255          | 280        |
| 39  | 245                                          | 272          | 299        |
| 40  | 260                                          | 290          | 318        |
| 41  | 276                                          | 308          | 338        |
| 42  | 293                                          | 326          | 358        |
| 43  | 309                                          | 344          | 378        |
| 44  | 326                                          | 363          | 399        |
| 45  | 346                                          | 385          | 422        |
| 46  | 365                                          | 406          | 446        |
| 47  | 385                                          | 428          | 470        |
| 48  | 405                                          | 451          | 495        |
| 49  | 426                                          | 474          | 520        |
| 50  | 447                                          | 497          | 546        |
| 51  | 468                                          | 521          | 572        |
| 52  | 490                                          | 545          | 598        |
| 53  | 512                                          | 569          | 625        |
| 54  | 534                                          | 594          | 653        |
| 55  | 559                                          | 623          | 684        |
| 56  | 585                                          | 651          | 715        |
| 57  | 611                                          | 680          | 747        |
| 58  | 637                                          | 710          | 780        |
| 59  | 664                                          | 740          | 813        |
| 60  | 692                                          | 771          | 847        |
| 61  | 719                                          | 802          | 881        |
| 62  | 748                                          | 834          | 916        |
| 63  | 777                                          | 866          | 951        |
| 64  | 806                                          | 899          | 988        |
| 65  | 836                                          | 933          | 1024       |

Maximum amount that can be used to purchase benefits = maximum retirement capital less available retirement capital

## Appendix 2: Articles 9 and 10 Retirement benefits and premature retirement

Conversion rates based on age at retirement:

| Age | Conversion rates in % |
|-----|-----------------------|
| 58  | 4.09                  |
| 59  | 4.22                  |
| 60  | 4.35                  |
| 61  | 4.48                  |
| 62  | 4.61                  |
| 63  | 4.74                  |
| 64  | 4.87                  |
| 65  | 5.00                  |
| 66  | 5.13                  |
| 67  | 5.26                  |
| 68  | 5.39                  |
| 69  | 5.52                  |
| 70  | 5.65                  |

The rates should be interpolated exactly based on the actual age calculated to the nearest month.

## Appendix 3: Art. 34 para. 10 Transitional provision conversion rates

Conversion rates according to age and calendar year at the time of retirement:

|              | Conversion rate in % |      |      |      |      |      |      |               |
|--------------|----------------------|------|------|------|------|------|------|---------------|
| Year/<br>Age | 2024                 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | As of<br>2031 |
| 58           | 4.65                 | 4.58 | 4.48 | 4.41 | 4.32 | 4.23 | 4.14 | 4.09          |
| 59           | 4.79                 | 4.71 | 4.61 | 4.53 | 4.44 | 4.35 | 4.27 | 4.22          |
| 60           | 4.93                 | 4.84 | 4.74 | 4.65 | 4.56 | 4.47 | 4.40 | 4.35          |
| 61           | 5.07                 | 4.97 | 4.87 | 4.77 | 4.68 | 4.59 | 4.53 | 4.48          |
| 62           | 5.20                 | 5.10 | 5.00 | 4.90 | 4.80 | 4.71 | 4.64 | 4.61          |
| 63           | 5.33                 | 5.23 | 5.13 | 5.03 | 4.93 | 4.83 | 4.76 | 4.74          |
| 64           | 5.47                 | 5.36 | 5.25 | 5.15 | 5.05 | 4.95 | 4.89 | 4.87          |
| 65           | 5.60                 | 5.49 | 5.38 | 5.28 | 5.17 | 5.07 | 5.00 | 5.00          |
| 66           | 5.73                 | 5.62 | 5.51 | 5.41 | 5.30 | 5.20 | 5.13 | 5.13          |
| 67           |                      | 5.75 | 5.64 | 5.54 | 5.43 | 5.33 | 5.26 | 5.26          |
| 68           |                      |      | 5.77 | 5.67 | 5.56 | 5.46 | 5.39 | 5.39          |
| 69           |                      |      |      | 5.80 | 5.69 | 5.59 | 5.52 | 5.52          |
| 70           |                      |      |      |      | 5.82 | 5.72 | 5.65 | 5.65          |

The rates should be interpolated exactly based on the actual age calculated to the nearest month.

These conversion rates apply only to the portion of the retirement capital that corresponds to the transitional provision. For the remaining portion of the retirement capital, the conversion rates in accordance with Appendix 2 apply.

These conversion rates do not constitute any vested rights. The Board of Trustees may at any time resolve to adjust the conversion rates, taking into account the statutory requirements.

#### **Appendix 4: Art. 10 para. 2 Premature retirement**

| Number of full years worked <sup>8</sup> | Percentage used for financing lost retirement benefits at the expense of the company | Earliest possible start of compensation payment prior to reference age |
|------------------------------------------|--------------------------------------------------------------------------------------|------------------------------------------------------------------------|
| <=15                                     | 0.00                                                                                 | 3 years                                                                |
| 16                                       | 6.67                                                                                 | 3 years                                                                |
| 17                                       | 13.33                                                                                | 3 years                                                                |
| 18                                       | 20.00                                                                                | 3 years                                                                |
| 19                                       | 26.67                                                                                | 3 years                                                                |
| 20                                       | 33.33                                                                                | 3 years                                                                |
| 21                                       | 40.00                                                                                | 3 years                                                                |
| 22                                       | 46.67                                                                                | 3 years                                                                |
| 23                                       | 53.33                                                                                | 3 years                                                                |
| 24                                       | 60.00                                                                                | 3 years                                                                |
| >=25                                     | 66.67                                                                                | 4 years                                                                |

In the event of retirement at the member's request, a maximum of 66 2/3% of lost retirement benefits shall be financed at the expense of the company. The percentage used is the above rate depending on full years worked<sup>9</sup> at the time of premature retirement.

A compensation according to the above table shall continue to be paid no earlier than 3 years prior to the reference age in the case of an employment period of at least 16 years upon the termination of employment or no earlier than 4 years in the case of an employment period of 25 years or more. In the event of premature retirement before the aforementioned 3 or 4 years prior to the reference age, there is no entitlement to compensation for the difference.

Premature retirement is defined as retirement before reaching the reference age.

Upon reaching the reference age, termination of employment shall occur automatically and shall be treated like premature retirement at the member's request.

This provision shall be revoked on 31 December 2029 and shall for the last time apply to members who take premature retirement at their own request no later than 31 December 2029.

<sup>8</sup> Based on the years worked as communicated by the company (HR)

<sup>9</sup> Based on the years worked as communicated by the company (HR)