

Vested Benefits Regulations

Preamble

Pursuant to the Deed of Foundation of the HBL Vested Benefits Foundation and the applicable statutory provisions governing the preservation and continuation of occupational pension provision upon leaving a pension scheme, the Board of Trustees hereby issues the following Vested Benefits Regulations. For the sake of clarity, the term 'pension scheme member' is used consistently; it encompasses persons of all genders who hold a vested benefits account or are entitled to a vested benefits payment from the Foundation.

Art. 1 Purpose and Principles

1. These Regulations govern the preservation, administration and payment of vested benefits by the HBL Vested Benefits Foundation (hereinafter referred to as the 'Foundation') in relation to pension scheme members and their beneficiaries.

2. The legal basis comprises, in particular:

- the Federal Act on Occupational Old-Age, Survivors' and Disability Pension Provision (BVG),
- the Federal Act on the Portability of Benefits in Occupational Old-Age, Survivors' and Disability Pension Schemes (FZG),
- the Ordinance on the Free Transfer of Pension Rights in Occupational Old-Age, Survivors' and Disability Pension Schemes (FZV),
- the Ordinance on the Promotion of Home Ownership through Occupational Pension Funds (WEFV),
- the Deed of Foundation of the HBL Vested Benefits Foundation,
- the Organisational and Operational Regulations (OGR),
- the Fees and Costs Regulations, and any investment provisions.

3. The purpose of the Vested Benefits Foundation is to safeguard the occupational pension provision of persons who leave a pension scheme without immediately joining a new one, or whose vested benefits are transferred to a vested benefits institution for other reasons.

4. Mandatory provisions of the Act and Ordinance take precedence over the provisions of these Regulations.

Art. 2 Group of pension beneficiaries and accrual of the vested benefits

1. Beneficiaries within the meaning of these Regulations are persons whose vested benefits are transferred to the Foundation under the Vesting Benefits Act (FZG) and the Vesting Benefits Ordinance (FZV).

2. A vested benefit arises in particular where:

- the insured person leaves a pension scheme (pension fund or collective foundation) without immediately joining a new pension scheme;
- an existing vested benefits payment is transferred from another

vested benefits institution to the Foundation;

- as part of a divorce, a portion of the pension assets attributable to the Foundation (pension rights equalisation) is transferred.

3. The pension relationship with the Foundation is established by:

- the Foundation's acceptance of the vested benefits in accordance with its admission conditions, and
- the crediting of the vested benefits amount to a vested benefits account held with the Foundation.

4. The Foundation manages vested benefits relationships within the framework of its umbrella structure. To this end, it collaborates with distribution partners (in particular Hypothekarbank Lenzburg AG, other Finstar banks, independent asset managers and fintech partners). However, the HBL Vested Benefits Foundation is always the contractual partner of the pension beneficiary with regard to the vested benefits.

5. The pension scheme member may hold several vested benefits accounts with the Foundation, insofar as this is permitted by law. The Foundation may, for organisational reasons, set a maximum number of vested benefits accounts per pension scheme member.

Art. 3 Forms of pension provision (vesting account and vesting deposit)

1. The Foundation determines the banks with which the vested benefits assets may be invested. To this end, it cooperates in particular with Hypothekarbank Lenzburg AG and other Finstar banks.

2. Within the framework of a vested benefits arrangement, the Foundation maintains:

- a vested benefits account (account solution) and/or
- a vested benefits account with a securities solution, which is linked to a vested benefits custody account (securities custody account).

3. From a banking perspective, the accounts and custody accounts are held by the relevant partner bank, but remain, in economic terms, the property of the Foundation for the benefit of the pension scheme members and their beneficiaries.

4. The pension scheme member chooses from the Foundation's product range:

- the account type (account only or account with a securities solution),
- and, where applicable, the investment strategy or pension investment product for the vested benefits account.

The details (investment strategies, product features, risk profi-

les, costs) are set out in the relevant product documentation, fact sheets and the investment regulations.

5. In the case of pure account solutions, the Foundation may stipulate a notice period (e.g. 30 days). The period begins to run as soon as all documents necessary to substantiate the claim have been received by the Foundation.

Art. 4 Additional VB data

1. Upon receipt of a vested benefits payment, the Foundation records the data required by law (additional vested benefits data) which it receives from the previous pension or vested benefits institution.

2. The Foundation is entitled to request supplementary information from the previous pension or vested benefits institution, insofar as this is necessary for processing the matter in accordance with the law and the regulations.

Art. 5 Interest, Investment Returns and Risk

1. An interest rate determined by the account-holding bank in consultation with the Foundation Board is applied to the vested benefits account. Interest is calculated annually in arrears and added to the pension balance as at 31 December of the financial year.

2. The invested vested benefits assets are subject to the opportunities and risks associated with the selected securities investments. There is no guarantee of capital preservation or a minimum rate of return. Any losses shall be borne by the pension scheme member's vested benefits balance.

3. The Foundation may discontinue or replace investment strategies or investment products. In such cases, it shall inform the pension scheme members concerned and offer them an alternative investment option. Should no choice be made within the specified period, the Foundation may determine a replacement strategy in accordance with the investment regulations or product terms and conditions.

Art. 6 Purpose of the vested benefits and due date upon joining a new pension scheme

1. The vested benefits serve primarily to maintain occupational pension provision until the pension scheme member joins a new pension scheme or another solution in accordance with the FZG is chosen.

2. If the pension beneficiary joins a new pension scheme, the Foundation is obliged to transfer the vested benefits (including the relevant supplementary vested benefits data) to the new pension scheme, unless the pension beneficiary expressly chooses another solution provided for by law.

3. The Foundation transfers the vested benefits at the request of the pension scheme member or at the request of the new

pension scheme. It may require the necessary supporting documents (e.g. confirmation of enrolment, QR payment slip, details of the new pension scheme).

4. The transfer of the vested benefits to a new pension scheme or another vested benefits institution marks the end of the vested benefits relationship with the HBL Vested Benefits Foundation.

Art. 7 Maturity upon reaching the reference age and deferral

1. The vested benefits generally become due upon the pension beneficiary reaching the AHV reference age, provided that the vested benefits have not been transferred to a new pension institution or vested benefits institution by that date.

2. The pension beneficiary may apply for payment of the vested benefits no earlier than 5 years before reaching the AHV reference age.

3. The Foundation may defer payment for pension scheme members who have reached the AHV reference age and continue the vested benefits relationship, provided that the pension scheme member:

- proves that they are still in gainful employment or
- requests a deferral on other legally permissible grounds.

However, the deferral must end no later than 5 years after reaching the AHV reference age; after that, the vested benefits become payable.

4. The Foundation may require a formal application for the deferral, as well as appropriate supporting documentation (e.g. pay-slips, AHV statement, confirmation from the employer or the tax authorities).

5. Transitional provision: A pension scheme member who would otherwise be required to draw their retirement benefit between 2024 and 2029 because they have reached or exceeded the reference age and are no longer in employment may defer the payment until 31 December 2029, but for no longer than five years beyond reaching the reference age.

6. The option of partial withdrawals is subject to statutory requirements and the Foundation's procedures. The Foundation may specify minimum amounts, the maximum number of partial withdrawals and other conditions.

Art. 8 Cash payments before reaching the reference age

1. A cash payment of the vested benefits before reaching the reference age is only permitted in the cases provided for by law, in particular where:

- the pension scheme member leaves Switzerland permanently (subject to any restrictions on emigration to EU/EFTA states),
 - the pension beneficiary takes up self-employment and is no longer subject to compulsory occupational pension provision.
- The cash payment is only possible within one year of taking up

self-employment,

- the vested benefits do not exceed a de minimis amount defined by law or regulation (de minimis rule),
- the conditions for a lump-sum payment in connection with disability are met,
- other statutory grounds for a lump-sum payment exist.

2. The Foundation checks whether the statutory requirements are met. In particular, it may request the following evidence:

- a confirmation of departure from the residents' register or tax return,
- evidence of taking up self-employment (e.g. AHV registration, entry in the Commercial Register or VAT registration),
- confirmation from a new pension scheme that no pension relationship exists,
- IV decisions, medical certificates, tax documents or other suitable documents.

3. For pension scheme members who are married or in a registered partnership, the written consent of the spouse or registered partner is required for cash payments.

4. If pension purchases were made with the previous pension scheme, the resulting benefits may not be withdrawn by the pension scheme member in the form of a lump sum within the next three years.

5. The Foundation may reject cash withdrawals on grounds of safeguarding the pension scheme's objectives or in the event of doubts regarding the eligibility criteria, or may defer them pending clarification.

Art. 9 Home Ownership Scheme (WEF)

1. The vested benefits may be used, within the framework of the statutory provisions on home ownership promotion (WEF), for owner-occupied residential property, in particular for:

- the purchase or construction of residential property for personal use,
- shares in residential property for personal use (e.g. co-operative shares),
- repayment of mortgage loans on owner-occupied residential property.

2. Home ownership support may be provided through:

- early withdrawal of vested benefits or
- pledging of the vested benefits or the entitlement to future pension benefits.

3. In the case of WEF early withdrawals used to finance residential property registered in the land register, the Foundation may, in accordance with statutory requirements, have a restriction on disposal (annotation) entered in the land register. The Foundation will arrange for the annotation to be removed once the statutory conditions have been met (e.g. repayment of the WEF early withdrawal, occurrence of a definitive pension event).

4. The details (in particular, eligible properties, obligations to provide evidence, land registry annotation, repayment obligations upon sale, and limitation periods) are governed by the statutory provisions and the 'WEF Information Sheet: Vested Benefits Foundation', which forms an integral part of these regulations.

5. In the case of pension scheme members who are married or in a registered partnership, the written consent of the spouse or registered partner is required for early withdrawals and pledges.

Art. 10 Transfer to new pension or vested benefits institutions

1. The Foundation shall transfer the vested benefits, upon written application by the pension scheme member or at the request of the new pension scheme, to:

- a new occupational pension scheme (pension fund), or
- another vested benefits institution (vested benefits foundation or vested benefits policy).

2. The Foundation shall provide the receiving institution with the information relevant to the correct continuation of the pension provision.

3. Partial withdrawals or partial transfers are only permitted insofar as they are compatible with the statutory requirements and the safeguarding of the pension scheme's purpose.

4. The vesting relationship with the Foundation ends upon the full transfer of the vested benefits.

Art. 11 Death and Beneficiary

1. If the pension scheme member dies before the vested benefits have been transferred or paid out as a retirement benefit, the vested benefits become payable as a death benefit.

2. The following persons are deemed to be beneficiaries:

- 1) In the event of the policyholder's survival: the policyholder
- 2) In the event of death:
 - a. the survivors as defined in Articles 19, 19a and 20 of the BVG,
 - b. natural persons who were substantially supported by the pension scheme holder, or the person who lived with the pension scheme holder in a continuous domestic partnership for the last five years prior to their death or who is responsible for the maintenance of one or more joint children,
 - c. the children of the deceased who do not meet the conditions set out in Article 20 of the BVG; in their absence, the parents; in their absence, the siblings;
 - d. the remaining statutory heirs, to the exclusion of the state.

If several persons are beneficiaries under paragraph 2(a), the surviving spouse or registered partner is entitled to three-quarters of the vested benefits – unless the pension scheme member has stipulated otherwise. Children as defined in Article 20

of the BVG are entitled to one-quarter of the vested benefits. The person who lived in a domestic partnership with the pension scheme member must provide the Foundation, following the death of the pension plan holder, with written proof of an uninterrupted cohabitation during the last five years. If the Foundation has not been informed of the existence of a cohabiting partner, it shall assume that no such partner exists. The Foundation is not obliged to actively search for the partner. This also applies to persons who were supported to a significant extent by the pension scheme member, as well as to persons who are responsible for the maintenance of a joint child. Among the beneficiaries referred to in clause 2. b., only those persons known to the Foundation at the time of payment of the death benefit will be taken into account.

3. The Foundation may require the policyholder to provide a list of beneficiaries or grant them the option, within the limits of the law, to:

- to designate beneficiaries from within the categories provided for by law,
- to determine the shares to be allocated amongst the beneficiaries.

4. The death benefit will be paid out upon receipt of all documents required to establish entitlement. In particular, the Foundation may require:

- an official death certificate,
- a certificate of inheritance or equivalent official documents,
- evidence regarding the beneficiaries (e.g. marriage or civil partnership certificate, proof of cohabitation, evidence of maintenance).

5. Any person who has intentionally caused the death of the policyholder shall be excluded from receiving the benefit, provided that no payment has yet been made by the Foundation at the time it becomes aware of the circumstances.

Art. 12 Payment, Assignment, Pledging and Attachment

1. The Foundation shall pay out vested benefits only in accordance with the statutory provisions and these Regulations. Payments contrary to the purpose of the scheme are excluded.

2. The assignment or pledging of claims arising from the vested benefits is permitted only within the framework of the Home Ownership Scheme (WEF). Any assignment or pledging beyond this scope is invalid vis-à-vis the Foundation.

3. Seizures, attachment measures or orders by courts or authorities mandated by law shall be enforced in accordance with mandatory statutory provisions. In doing so, the Foundation shall assess whether and to what extent the vested benefits are subject to attachment.

4. The Foundation may require proof of the beneficiary's identity and bank account details for each payment and is entitled to re-

quest further documentation in order to fulfil its legal obligations (in particular withholding tax, reporting obligations and anti-money laundering regulations).

The payment is made in Swiss francs to an account specified by the beneficiary. In the case of payments abroad, charges and exchange rate fluctuations may be borne by the beneficiary.

5. The payment of the vested benefits is subject to the reporting obligation in accordance with the Federal Act on Withholding Tax and to taxation under federal and cantonal law.

Art. 13 Fees and Costs

1. The Foundation may charge fees and costs for the administration of vested benefits, the management of vested benefits accounts and custody accounts, for payments, transfers, WEF advance withdrawals and pledges, withholding tax deductions, and other services.

2. The nature and amount of the fees, as well as any adjustments thereto, are set out in the HBL Vested Benefits Foundation's Fees and Costs Regulations, which form an integral part of this pension arrangement.

3. Fees may be debited from the vested benefits account or deducted from the vested benefits balance upon withdrawal.

Art. 14 Data processing, information and communication channels

1. The Foundation processes the personal data of pension scheme members and beneficiaries in accordance with statutory requirements and its data protection notice. This includes, in particular, identification, contact, contractual and benefit data, as well as account and custody account data.

2. The Foundation may engage service providers to fulfil its duties, namely:

- Hypothekarbank Lenzburg AG,
- Finstar AG (as a subsidiary of Hypothekarbank Lenzburg AG),
- other Finstar banks,
- domestic IT and outsourcing partners, insofar as permitted by law. Data processing generally takes place in Switzerland.

3. Communication with pension scheme members may take place in writing by post, by telephone or electronically (e.g. e-banking, partner app, email). The Foundation may prescribe or exclude certain communication channels.

4. Information is deemed to have been validly served:

- when sent by post: upon dispatch to the address last known to the Foundation,
- when made available electronically via e-banking or the partner app: at the time it becomes accessible.

5. The pension scheme member is obliged to notify the Foun-

notification immediately of any changes to their address and of any significant changes to their personal circumstances (in particular marital status, place of residence, beneficiary arrangements, or a change of pension scheme) without delay.

Art. 15 Applicable law and jurisdiction

1. All legal relationships between the pension scheme member and the Foundation are governed exclusively by Swiss law.

2. The place of jurisdiction is the Foundation's registered office. For pension scheme members resident in Switzerland, the pension scheme member's Swiss place of residence may also be available as a place of jurisdiction, insofar as mandatory law so provides.

Art. 16 Amendments to the Regulations / Mandatory Law

1. The Board of Trustees may amend these Regulations at any time, whilst safeguarding the pension scheme members' existing legal entitlements, provided that this is necessary to safeguard the Foundation's purpose or to implement amended statutory, regulatory or tax provisions.

2. Amendments to the Regulations shall be brought to the attention of the competent supervisory authority.

3. The Foundation shall inform pension scheme members of any material amendments to the Regulations in an appropriate manner (e.g. via the website, e-banking, the partner app or in writing).

4. Mandatory statutory and regulatory provisions take precedence over the provisions of these Regulations. If a change in the law results in a conflict, the statutory provision shall apply directly until the Regulations have been amended.

Art. 17 Entry into force

These Regulations shall come into force on 1 March 2026.