

Regulations

of the Pictet Vested Benefits Foundation (2nd Pillar)

June 2024

The regulations are laid down by virtue of Article 11 of the bylaws of the Pictet Vested Benefits Foundation (2nd Pillar) (hereafter the "Foundation") and the regulations in effect.

Article 1 – Purpose

The sole purpose of the vested benefits account is to invest vested benefits derived from vested benefit schemes and occupational pension schemes. The Foundation also accepts payments from other schemes whose purpose is to constitute or maintain pension assets, as well as from individuals, within the limitations provided by law.

The vested benefits account does not provide the holder with death and/or disability insurance.

Article 2 – Vested Benefits Account Opening

Upon receipt of the account opening application, the Foundation opens an individual account at Banque Pictet & Cie SA on behalf of the Pictet Vested Benefits Foundation (2nd Pillar) in favour of the applicant.

Up to two vested benefits accounts may be opened for any one holder.

The Foundation may decline an account opening application without having to indicate a reason, namely if the amount transferred to the Foundation is below the minimum amount that the Foundation Board may require.

The Foundation is entitled to inform Banque Pictet & Cie SA that a vested benefits account has been opened in favour of the holder and exchange any information with Banque Pictet & Cie SA that may be necessary for managing the account.

Article 3 – Choice of Investment Strategy

The accountholder is free to choose to invest in any one or more of the investment portfolios determined by the Foundation Board as well as the percentage amounts to be invested in each. The accountholder may also temporarily decide not to invest part or all of their pension assets.

The accountholder must indicate to the Foundation in writing the allocation of their pension assets. If the accountholder does not indicate to the Foundation the percentage allocation to each portfolio, none of the accountholder's pension assets will be invested.

In electing to invest in any of these portfolios, the account-

holder confirms that they are aware of the risks involved in such investments and that they alone incur the risks related to fluctuations in the market price of the assets held in the portfolios.

If the accountholder wishes to invest part or all of their assets in one or more of the portfolios described in Article 4, they must complete the "Member Profile Questionnaire" and return it to the Foundation.

Article 4 – Description of the Portfolios

The investment portfolios are managed in conformity with the investment limits laid down in the Swiss Federal Ordinance on Occupational Retirement, Survivors' and Disability Pension Plans (OPP2) and are characterised as follows:

- a) **LPP/BVG-Short-Term Money Market ESG:** This portfolio invests primarily in money market instruments and highly rated short maturity bonds. These investments are denominated or hedged in Swiss francs so that the exchange rate risk is non-existent or limited.
- b) **LPP/BVG-Short-Mid Term Bonds:** this portfolio may invest in bonds, debt instruments and cash denominated in CHF or foreign currencies; the average residual maturity of the portfolio does not exceed three (3) years and the maximum residual maturity of each investment does not exceed ten (10) years.
- c) **LPP/BVG-10 ESG:** this portfolio may invest in all the asset classes authorised under OPP2. The equity portion of the portfolio must comprise between 5% and 15% of the total assets.
- d) **LPP/BVG-25 ESG:** this portfolio may invest in all the asset classes authorised under OPP2. The equity portion of the portfolio must comprise between 15% and 35% of the total assets.
- e) **LPP/BVG-Multi Asset Flexible:** this portfolio may invest in all asset classes authorised by OPP2 and aims to generate a positive return in Swiss francs.
- f) **LPP/BVG-40 ESG:** this portfolio may invest in all the asset classes authorised under OPP2. The equity portion of the portfolio must comprise between 30% and 50% of the total assets.
- g) **LPP/BVG-60 ESG:** this portfolio may invest in all the asset classes authorised under OPP2. The equity portion of the portfolio must comprise between 45% and 75% of

the total assets and thus exceeds the limits laid down in Article 55 OPP2. Owing to the high portion of equity, this portfolio carries a higher risk than the other portfolios mentioned in letters a to f.

For ESG portfolios, environmental, social and governance criteria are integrated into the investment process.

In all these portfolios, assets may be invested directly in individual securities or in collective undertakings.

The Foundation Board reserves the right to modify the composition of these portfolios at any time, to liquidate them or to create new ones.

Article 5 – Accountholders’ Ownership Rights

The accountholders have an inalienable interest in their uninvested assets and a portion of the assets, as represented in the form of no par value shares of the investment portfolios that the accountholder has subscribed. One share entitles the holder to one share unit of the assets in the portfolio. Each share class of a portfolio is determined by the amount invested by the accountholder or the accountholder’s status (Article 14).

The net asset value (NAV) of each portfolio is the market value of the assets, less any liabilities. The NAV of one share is determined by taking the net asset value of the portfolio in question, divided by the total number of outstanding shares held by the accountholders on the given date. The NAV is calculated daily, based on the market prices from the previous business day.

Shares of the portfolios are issued and redeemed every banking business day. Shares are not issued or redeemed on public holidays in Switzerland or on days when the security exchanges or markets of the main countries where a portfolio invests assets are closed, or as a result of outstanding circumstances.

Article 6 – Subscription

When subscribing to shares in a portfolio, the accountholder is issued with shares on the day following receipt of the payment.

The subscription price is the NAV of one share as calculated two business days following the value date of the amount credited to the account.

Article 7 – Redemption

The accountholder may request the redemption of their share units if they fulfil the conditions laid down in Articles 9 and 10 below.

When redeeming shares in a portfolio, the accountholder is disinvested of their units on the day following receipt of the instruction, which must be sent in writing to the Foundation.

The redemption price is the net asset value of one share unit as calculated two business days following receipt of the redemption request.

Article 8 – Modification of the Allocation and Investment Strategy

The allocation of the accountholder’s assets and the investment strategy may be modified at any time by the accountholder. To do so, the accountholder must send written instructions to the Foundation, indicating the percentage allocation to each strategy.

The redemption and subscription price is the net asset value of one share unit as calculated two business days following receipt of the request to modify the percentage allocation.

Article 9 – Payments and Duration of Pension Coverage

The accountholder’s retirement benefits will be paid out to them at the time they reach the reference age set out in Article 13(1) of the Swiss Federal Law on Occupational Retirement, Survivors’ and Disability Pension Plan (LPP) or, in the event of death, to their beneficiary(ies) before said time pursuant to Article 12 below. If the accountholder can prove that they continue to be gainfully employed, payment of the benefits may be deferred up to a maximum of five years from the reference age. The accountholder may nonetheless request that their benefits be paid out five years before at the earliest before the reference age (Article 16(1) OLP). Payment may be deferred without proof of gainful employment until 31 December 2029.

The accountholder must expressly provide the Foundation with written proof of consent from their spouse or registered partner.

The amount due will be paid out to the beneficiary(ies) no later than fifteen (15) days after the value of the amount due and payable has been determined.

In the event of the accountholder’s death, and provided they issued no instructions to the contrary during their lifetime, the accountholder’s units will be redeemed one day following the day on which the Foundation learned of the accountholder’s death. The amount will be paid out when the deceased person’s estate is split up and distributed to their heirs.

Article 10 – Anticipated Termination

The accountholder’s capital may be withdrawn in advance if the pension coverage is terminated for one of the following reasons:

- a) the accountholder becomes entitled to a federal disability pension from the Swiss federal social security administration;
- b) the accountholder pays the amount held in their vested benefits account into a tax-free occupational pension scheme;
- c) the accountholder leaves Switzerland for good, subject to Article 25(f) of the Swiss Federal Law on Vesting in Pension Plans (LFLP);
- d) the accountholder becomes self-employed and is no longer subject to mandatory pension coverage;

e) the accountholder uses their pension capital in accordance with the provisions of the Swiss Federal Ordinance on the Encouragement of the Use of Pension Capital for Home Ownership (OEPL) and the implementing ordinances related thereto. The authorised forms of home ownership are ownership, co-ownership (namely ownership of a floor of a multi-floor dwelling), joint ownership by the accountholder and their spouse or registered partner and the independent and long-standing rights to build a residence on leased property (Article 2(2) OEPL). The accountholder may only request payment of their pension benefits for said purposes once every five years. For any accountholder over the age of 50, the maximum amount will be determined in accordance with the provisions of Article 5(4) of the Swiss Federal Ordinance on the Encouragement of the Use of Pension Capital for Home Ownership (OELP).

In the event of a), c) d), or e) above, the accountholder must expressly provide the Foundation with written proof of consent from the accountholder's spouse or registered partner.

The amount due will be paid out to the beneficiary(ies) no later than fifteen (15) days after the value of the amount due and payable has been determined.

Article 11 – Assignment and Pledge

It is prohibited for the accountholder to assign or pledge their pension capital in any form whatsoever; however, the right to pledge one's pension capital for the acquisition of residential property using retirement funds remains reserved.

For any accountholder below the age of 50, this amount is nonetheless limited to the amount of their vested benefits at the time of making the pledge. For any accountholder over the age of 50, the maximum amount is determined in accordance with the provisions of Article 5(4) of the Swiss Federal Ordinance on the Encouragement of the Use of Pension Capital for Home Ownership (OELP).

The accountholder must expressly provide the Foundation with written proof of consent from their spouse or registered partner.

Article 12 – Beneficiaries

The following persons are deemed to be beneficiaries:

- a. In the event of survival, the accountholder themselves;
- b. In the event of the accountholder's death, the following persons are deemed the beneficiaries in this order:
 1. survivors pursuant to Articles 19, 19a and 20 LPP;
 2. persons whose maintenance was largely provided by the accountholder, or who have been cohabiting with the accountholder for an uninterrupted period of at least five years immediately prior to the accountholder's death, or who has to provide for the maintenance of one of more joint children;
 3. children of the deceased who do not meet the conditions set forth in Article 20 LPP, parents or brothers

and sisters;

4. the remaining legal heirs, with the exception of public entities.

The accountholder may specify the rights of each of the beneficiaries at any time. The accountholder may include among the beneficiaries mentioned under letter b, lit. 1 those persons mentioned in lit. 2, by sending written instructions thereof to the Foundation. If this has not been done, the accountholder's assets will be paid to the beneficiaries in equal shares.

The accountholder must, during their lifetime and in writing, inform the Foundation of the names of the persons specified under letter b, lit. 2.

If no beneficiary is designated or the beneficiary is not designated in accordance with the provisions set forth under letter b, the Foundation will apply the general beneficiary clause mentioned in letter b.

The Foundation may reduce or refuse the benefit to a beneficiary if it is aware that the beneficiary intentionally caused the death of the accountholder. The resulting benefit will be attributed to the following beneficiaries in the order provided for in the letter b.

Article 13 – Disclosures to Accountholders

The Foundation must confirm the following in writing:

- the opening of the account;
- the receipt of the capital;
- subscription instructions;
- redemption instructions; and
- the closing of the account.

The accountholder is free to choose what information they wish to receive and how often. In accordance with the accountholder's wishes, the Foundation will periodically send account statements and portfolio performance reports.

At the start of every year, the Foundation sends each accountholder a detailed statement of their account for the year elapsed.

At the request of the accountholder, the Foundation provides the electronic communication services provided by Banque Pictet & Cie SA.

Any notice, confirmation or other information sent to the accountholder will be deemed to have been validly sent to the accountholder if it was sent to their last known address pursuant to the Foundation's records.

Article 14 – Fees

Banque Pictet & Cie SA bears the banking and administrative fees incurred by the Foundation.

When the account is opened, the accountholder will be given a list of the fees currently in force. However, the Foundation Board reserves the right to change these fees at any time. The accountholder will be notified of any changes made to the list of fees.

An entry fee may be charged by the Foundation and paid to the intermediary as mentioned on the account opening application. This fee is charged on any amount transferred from a vested benefits or pension scheme, other schemes whose purpose is to constitute or maintain pension assets, as well as from individual pension fund members, within the limitations provided by law.

The amount of CHF 1,000,000 required to be eligible for I shares is calculated based on the overall amount invested by the accountholder. If, following a withdrawal or conversion, the minimum amount of CHF 1,000,000 is no longer reached, the accountholder will be attributed P shares of the same portfolio(s).

Switching from one share class to another is allowed only at the time of paying in or withdrawing funds, and is free of charge.

Article 15 – Liability

The identity of the accountholder is verified based on the signature appearing on the account opening application and a copy of an identity document sent to the Foundation.

Any damages resulting from the use of a falsified or forged identification document or the use of falsified or misleading information in establishing their identity to the Foundation will be charged to the accountholder, except in the event of gross professional misconduct on the part of the Foundation.

Further, the Foundation is not liable to the accountholder or the beneficiary(ies) for any dispute that may arise as a result of their failing to act in accordance to the contractual or regulatory obligations in effect.

The accountholder, or the beneficiary(ies), as the case may be, is/are/may be required to provide the Foundation with proof of their claim(s) vis-à-vis the Foundation.

The Foundation reserves the right to conduct additional checks.

Article 16 – Relations with the Foundation

All correspondence that the accountholder sends to the Foundation must be sent to: Fondation Pictet de libre passage (2^e Pilier), 60, Route des Acacias, 1211 Geneva 73.

Additional checks in accordance with the internal directives of Banque Pictet & Cie SA may be carried out for any order received by the Foundation, including by telephone call. The transaction will be executed on the working day following confirmation that the said order is valid.

Article 17 – Dormant Assets

Pursuant to Article 24(b) LFLP and 19(c) OLP, the Foundation must maintain regular contact with the accountholders.

As such, the accountholder must inform the Foundation of any change in name, address or marital status, or if they join a new occupational pension plan within the meaning of Article 4(2) LFLP.

The Foundation reserves the right to periodically provide the Central Claims Office for 2nd Pillar Pension Plans with data pertaining to accountholders with whom it has become impossible to maintain regular contact as per the provisions cited hereinabove.

In any event, ten (10) years after the reference age, the assets held in dormant vested benefit accounts will be transferred to the Guarantee Fund (Article 41(3) LPP).

If the accountholder's date of birth cannot be established with certainty, the assets held by the Foundation that have remained dormant (i.e. no contact with the accountholder or any of their heirs) for ten (10) years will be transferred to the Guarantee Fund.

Article 18 – Tax Obligations

The withdrawal of any assets from an investment portfolio as set forth by Article 7 must be reported for tax purposes, in compliance with the Swiss Federal Law on Anticipated withholding Taxes.

Amounts paid out by the Foundation to persons domiciled outside of Switzerland are subject to source-levied withholding taxes.

Article 19 – Disclosure Obligation

The provisions on the splitting of pension assets in cases of divorce require the Foundation to disclose to the Central Claims Office for 2nd Pillar Pension Plans the names of all persons with pension assets that were under the Foundation's management in December of the previous year (Article 24(a) LFLP).

Article 20 – Amendments

The Foundation Board may modify any of the provisions contained herein at any time upon approval of the supervisory authority.

The accountholders will be informed of any change made to these regulations.

Article 21 – Place of Jurisdiction

Any dispute arising from the interpretation or execution of the provisions of the regulations contained herein will be referred to the competent courts as per Article 73(1) LPP.

In the event of a dispute, the Foundation is authorised to deposit the pension benefits in consignment in accordance with Article 96 of the Swiss Code of Obligations.

Article 22 – Effective Date

These regulations take effect on 1 June 2024 and replace the previous regulations.

The Foundation Board