

Pension Fund Regulations

Lealta Foundation for vested pension benefits

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Pension Fund Regulations

Relying on Article 9 of the Charter of Lealta Foundation for vested pension benefits (hereafter «Foundation»), the Board of Trustees hereby adopts the following Pension Fund Regulations (hereafter «Regulations»):

General provisions

Art. 1 Organisation and purpose of the Foundation

- 1 Lealta Foundation for vested pension benefits is a foundation established in accordance with Articles 80 et. seq. ZGB/CC, having its registered office in Schwyz.
- 2 The Foundation is registered with the commercial register and is subject to the oversight of ZBSA, the regulatory authority for BVG/LPP occupational benefit institutions and foundations in Central Switzerland (hereafter «Regulatory Authority»).
- 3 The Foundation is organised in accordance with its Rules of Procedure.
- 4 In the context of occupational benefits, the purpose of the Foundation is to safeguard and increase the value of mandatory and extra-mandatory vested pension benefits. Accordingly, the Foundation accepts transfers of termination payments and vested pension benefits (hereafter «pension assets») to the extent permitted by law.
- 5 The Foundation may also offer insurance cover against death and disability risks.

Art. 2 Content of Regulations

These Regulations govern the rights and obligations of the account-holder and the beneficiaries vis à vis the Foundation.

Art. 3 Account-keeping banks

Liberty shall choose the account-keeping banks, which must be subject to the regulatory oversight of the Swiss Financial Market Supervisory Authority (FINMA), taking into account security, quality and cost criteria. The list of banks shall be published on www.leadta.ch or may be obtained from the Foundation.

Art. 4 Relationship with account-holders

- 1 The Foundation shall conclude a pension agreement with each account-holder regulating the pension relationship.
- 2 The account-holder shall fill in an application to open a vested benefits account.
- 3 The Foundation shall open and maintain a vested benefits account in the name of each account-holder.

- 4 A termination payment may be transferred by an account-holder's former occupational benefits institution to no more than two vested benefits institutions (Article 12(1) FZV/OLP). An account-holder may change vested benefits institution or form of pension provision at any time (Article 12(2) FZV/OLP).
- 5 Only pension assets from tax-exempt occupational benefit or vested benefits institutions may be credited to the vested benefits account. Subsequently, only termination payments or vested pension benefits from an occupational benefit institution or another vested benefits institution, or repayments pursuant to Article 30d BVG/LPP may be credited to the account.
- 6 The following amounts in particular can be credited to the vested benefits account:
 - a) entry transfers of termination payments from occupational benefits institutions;
 - b) entry transfers of vested termination benefits from other vested benefits institutions;
 - c) repayments of withdrawals in connection with the encouragement of home ownership;
 - d) any pension-sharing settlements received following a divorce or the court dissolution of a registered partnership;
 - e) interest and income from securities.
- 7 The following amounts in particular shall be charged to the vested benefits account:
 - a) transfers of pension assets to other occupational benefit or vested benefits institutions;
 - b) withdrawals by the account-holder in accordance with legal provisions;
 - c) partial withdrawals (pension-sharing settlements) following a divorce or the dissolution by a court of a registered partnership;
 - d) fees and costs charged by the Foundation, agents and representatives in accordance with the Fee Schedule or by written agreement;
 - e) risk premiums, if any.
- 8 If there is an agreement between the account-holder and an insurer pursuant to Article 1(5), the account-holder shall be liable to the Foundation for the amount of the insurer's risk premium, if any. In such cases, the Foundation shall be entitled to debit the risk premium to the account-holder's pension account. If the pension assets are fully invested in securities, the Foundation may sell securities for an amount corresponding to the risk premium and debit the aforesaid pension account accordingly.
- 9 If the cash balance is insufficient, the Foundation may sell any of the account-holder's available security investments up to

the amount of fees and costs and risk premiums, if any, and charge his vested benefits account accordingly.

10 The Foundation may refuse an application to open an account with no need to give reasons.

Art. 5 Interest

- 1 The interest rate on vested benefits accounts is set by the Board of Trustees. The interest rate applicable at any time is published on www.leadta.ch or can be obtained from the Foundation.
- 2 Interest is credited at the end of each calendar year. Interest is credited proportionally to the retirement assets and other pension assets.
- 3 If an account-holder leaves the Foundation in the course of a year, interest for the current year will be credited pro rata temporis up to the departure value date.

Art. 6 Securities deposit

- 1 At the account-holder's request, the Foundation shall open and keep a securities deposit in the account-holder's name for each vested benefits account.
- 2 The custodian banks shall be selected by the Foundation in agreement with the account-holder. They shall always be selected based on security, quality and cost criteria. Pursuant to Art. 19a(3) FZV/OLP, securities shall only be deposited with banks or securities dealers who are subject to FINMA oversight.
- 3 Profits and losses from securities savings are divided proportionally between the retirement assets and other pension assets.

Art. 7 Asset management

- 1 For pension assets managed in the framework of a securities deposit in accordance with Article 6, there is no claim to minimum interest or to the preservation of asset value. The account-holder alone bears the investment risk.
- 2 The Foundation, consultant or asset manager shall inform the account-holder about the investment-related risks.

Benefits

Art. 8 Ordinary winding-up of account and securities deposit (retirement benefit)

- 1 The retirement benefit may be paid to the account-holder at the earliest five years before the reference age under Article 13(1) BVG/LPP (hereafter «reference age»). The retirement benefit falls due on reaching the reference age. Payment of the retirement benefit may be deferred for a maximum of five years

after the reference age if the account-holder can evidence gainful employment. Account-holders who have deferred payment of their retirement benefit must inform the Foundation in writing immediately when they give up gainful employment.

- 2 Account-holders who would have to withdraw their retirement benefit between 2024 and 2029 in accordance with paragraph 1 because they have reached or exceeded the reference age and are no longer gainfully employed may defer payment of their retirement benefit until 31 December 2029 but for no more than five years after they reach the reference age.
- 3 To wind up the account or withdraw the retirement benefit, the account-holder shall apply in writing on the ad hoc form. Account-holders who are married or bound by a registered partnership may not wind up their account or withdraw their pension assets without the written consent of their spouse or registered partner, whose signature must be officially certified. If such consent cannot be obtained, or is unreasonably withheld, the account-holder may turn to the courts.
- 4 In case of winding up in accordance with paragraph 1, benefits shall in principle be disbursed in cash. At the account-holder's request, however, securities may, if deliverable, be transferred from the account-holder's security deposit to his private assets or to another occupational benefit or vested benefits institution.

Art. 9 Disability benefit

- 1 The pension assets may be paid out in cash at the account-holder's request if the account-holder is drawing a full disability pension from the Federal Disability Insurance (IV/AI) and has no disability risk insurance.
- 2 Premature payment in accordance with paragraph 1 is only permissible subject to the following formalities and documents:
 - a) for account-holders who are single, a certificate of civil status. The Foundation may also request authentication of the account-holder's handwritten signature by a notary or by other means;
 - b) an officially authenticated signature of the account-holder's spouse or registered partner (Art. 16(3) FZV/OLP). If consent cannot be obtained, or if it is unreasonably withheld, the account-holder may turn to the court;
 - c) for divorced account-holders, a copy of the divorce decree;
 - d) for dissolved registered partnerships, the dissolution certificate issued by the court;
 - e) for widowed account-holders, a copy of the family record book or a family certificate.
- 3 If a disability benefit is paid in accordance with paragraphs 1 and 2, payment shall in principle be made in cash. At the account-holder's request, however, securities may, if deliverable, be transferred from the account-holder's security deposit to his private assets or to another occupational benefit or vested benefits institution.

Art. 10 Death benefit

- 1 If an account-holder dies, the pension assets shall be disbursed as a lump-sum death benefit. The following persons qualify as beneficiaries, within the meaning of Article 15(1)(b) FZV/OLP, irrespective of inheritance law, in the following order:
 - a) the deceased's survivors, within the meaning of Articles 19, 19a and 20 BVG/LPP; failing them;
 - b) natural persons who were substantially dependent on the account-holder for maintenance, or the person who shared a common life with the account-holder for an uninterrupted period of at least five years immediately prior to the account-holder's death, or who must support one or more of their own children; failing them;
 - c) the children of the deceased who do not satisfy the conditions under Article 20 BVG/LPP; failing them,
 - d) his parents; failing them;
 - e) brothers and sisters; failing them;
 - f) other legal heirs, excluding public bodies.
- 2 The entitlement referred to in paragraph 1(b) is subject to the condition that the account-holder shall have designated the persons concerned to the Foundation electronically (via the online portal) or in writing during his life-time.
- 3 An account-holder may, electronically (via the online portal) or by written notice to the Foundation, decide the proportional distribution among the entitled persons within the individual classes of beneficiary. He may also extend the group of beneficiaries under paragraph 1(a) by adding persons from paragraph 1(b), and extend the group of beneficiaries under paragraph 1(c) by adding persons from paragraph 1(d and e) or alter the order of beneficiaries under paragraph 1(c) to 1(e).
- 4 The electronic (via the online portal) or written designation referred to in paragraphs 2 and 3 must be filed with the Foundation during the account-holder's lifetime. The account-holder may revoke the designation at any time in writing or by will (with specific reference to occupational benefits).
- 5 The Foundation may reduce or refuse to pay benefits to a beneficiary and shall not be bound by the account-holder's electronic (via the online portal) or written designation under paragraphs 2 to 4 above if the Foundation becomes aware that the beneficiary intentionally caused the account-holder's death. The released benefit shall accrue to the next beneficiaries pursuant to paragraph 1 above, subject to any declaration by the account-holder to change the beneficiaries in accordance with paragraphs 3 to 4 above.
- 6 Beneficiaries shall be required to provide proof to the Foundation that an event justifying termination has occurred. If there are several beneficiaries and their individual entitlements are not clearly determined, they shall agree the distribution between them or the distribution will be decided with the consent of all the beneficiaries. Otherwise, each shall receive an equal share.

Art. 11 Premature winding-up of the account and securities deposit arrangement

- 1 The premature transfer of pension assets is admissible if the account-holder uses the pension assets to buy into a recognised occupational benefit or vested benefits institution. If the account-holder joins a new occupational benefits institution, the Foundation must transfer the pension capital to the new occupational benefits institution in order to maintain the pension protection. If the vested pension benefit acquired by the account-holder in the Foundation is higher than the entry pension benefit calculated under the occupational benefits institution, the account-holder may use the unused vested pension benefit (surplus) in accordance with Article 13(1) FZG/LFLP to maintain the pension protection in the Foundation or in another vested benefits institution.
- 2 Premature cash disbursements shall be admissible if:
 - a) the account-holder leaves Switzerland permanently, subject to Article 25f FZG/LFLP;
 - b) the account-holder becomes self-employed as a main occupation and is no longer subject to compulsory occupational benefits insurance. The account-holder must apply to withdraw the pension assets within one year of becoming self-employed. The outgoing self-employed may in that case use the termination payment to invest in his business;
 - c) *[repealed]*
 - d) the pension assets (balance on the vested benefits account and securities deposit) are less than the account-holder's extrapolated annual contribution in his prior pension plan.
- 3 Premature payment in accordance with paragraph 2 is permissible subject to the following formalities and documents:
 - a) for account-holders who are single, a certificate of civil status; the Foundation may also request authentication of the account-holder's handwritten signature by a notary or by other means;
 - b) an officially authenticated signature of the account-holder's spouse or registered partner (Article 5 FZG/LFLP). If consent cannot be obtained, or if it is unreasonably withheld, the account-holder may turn to the court;
 - c) for divorced account-holders, a copy of the divorce decree;
 - d) for dissolved registered partnerships, the dissolution certificate issued by the court;
 - e) for widowed account-holders, a copy of the family record book or a family certificate.
- 4 In case of winding up in accordance with paragraphs 1 and 2, benefits shall in principle be disbursed in cash. At the account-holder's request, however, securities may, if deliverable, be transferred from the account-holder's security deposit to his private assets or to another occupational benefit or vested benefits institution.

- 5 In the following cases, the vested benefits account or securities deposit will be wound up or partially wound up ex officio without an explicit termination of the account-holder's pension agreement or investment mandate:
- a) if a pledge within the meaning of Article 30b BVG/LPP is enforced;
 - b) *[repealed]*
 - c) pursuant to a court ruling following a divorce or the dissolution of a registered partnership.

account-holder must provide the Foundation with all necessary information and deliver the evidence requested by the Foundation. Depending on the circumstances, the Foundation shall make available an ad hoc form containing particulars about the reason for withdrawal, payment instructions and the documents required in each case. Documents must be provided in one of the three official languages (German, French or Italian) or in English. The account-holder or beneficiaries shall bear the cost of any necessary translations. The formal conditions indicated on the forms constitute an integral part of these Regulations.

General provisions on benefits

Art. 12 Disbursement of benefits

- 1 The benefit is payable exclusively in the form of a lump sum (cash or securities) no later than 90 days after receipt of all requisite documents for the disbursement. The amount of the benefit shall in each case correspond to the balance of the vested benefits account plus interest and/or the proceeds from the sale of claims in the framework of securities deposit, less any fees. If a securities investment cannot be liquidated in time for a payout date (e.g. liquidation of an ETF or suspended fund redemption), the securities investment will be transferred as part of the retirement or termination payment. If it is not possible to transfer this position to the financial institution of the account-holder's choice (in case of an insured event) or to the new occupational benefits or vested benefits institution (in the event of a termination benefit), the illiquid portion of the pension assets or termination benefit will be transferred after the position has been liquidated. Default interest cannot be claimed from the Foundation on the illiquid investment (the account-holder must bear any existing market risk).
- 2 If purchases were made with the previous occupational benefits institution, the corresponding benefits may not be withdrawn as a lump sum in the following three years.
- 3 Benefits that are improperly received shall be repaid to the Foundation with interest. Repayment may be waived if the beneficiary acted in good faith and repayment would cause great hardship. The decision shall lie with the Board of Trustees.
- 4 If an insured person neglects their maintenance obligations, the Foundation may be required to notify the cantonal specialist debt collection agency when any lump-sum benefit falls due, the pledging of pension assets and the realisation of these pension assets. The agency may then initiate proceedings to secure these maintenance payments (Article 24^{bis} FZG/LFLP). As long as payment of a lump-sum benefit is blocked under Article 24^{bis} FZG/LFLP following a notification or by virtue of the ensuing proceedings to secure maintenance payments, no default interest is due.

Art. 13 Withdrawal of benefits

- 1 To withdraw the pension assets or retirement benefit, the

- 2 If vested benefits and retirement benefits are payable, the Foundation shall, after the account-holder's payment application is approved, order the sale of the claims in the securities deposit. In the event of the account-holder's death, the order shall be issued immediately after the Foundation receives written notice of the account-holder's death accompanied by an official death certificate.
- 3 The Foundation reserves the right to make any additional enquiries and/or to request supplementary documents at the account-holder's expense where necessary to establish the asserted claim. In the event of a dispute concerning the entitled parties, the Foundation may deposit the pension assets or retirement benefit in accordance with Article 96 OR/CO.

Art. 14 No pledge or assignment

The entitlement to benefits from the Foundation may not be assigned or pledged before the benefits fall due, subject to Articles 15 and 16.

Other benefits

Art. 15 Encouragement of home ownership

- 1 The account-holder may pledge or withdraw his pension assets to finance the purchase of a residential property under the encouragement of home ownership scheme for:
 - a) purchase and construction of residential property for personal use;
 - b) participation in home ownership for personal use;
 - c) repayment of mortgage loans.
- 2 Pension assets may be pledged up to the reference age.
- 3 Pension assets may be withdrawn or repaid up to five years before the reference age (Article 13(1) BVG/LPP), whereby the repayment of funds withdrawn in advance is possible until the reference age is reached.
- 4 Withdrawals are possible every five years.
- 5 As a rule, the amount which may be withdrawn or pledged is equal to the total pension assets. Account-holders over the

age of 50 may only withdraw the vested termination benefit to which they were entitled at the age of 50, or half of the vested termination benefit when the pledge or withdrawal is made.

- 6 If the account-holder is married or bound by a registered partnership, the withdrawal, each subsequent creation of a mortgage lien and any pledge shall be subject to the consent of the spouse or registered partner, whose signature must be officially certified. If the spouse's or partner's consent cannot be obtained, or if it is unreasonably withheld, the account-holder may turn to the courts.
- 7 The BVG/LPP and WEFV/OEPL (Ordinance on the Use of Pension Assets for the Encouragement of Home Ownership) shall apply in all other respects and must be complied with at all times.

Art. 16 Divorce or dissolution of a registered partnership

- 1 In case of a divorce or the dissolution of a registered partnership, the court may decide that a portion of the pension assets acquired by the account-holder during the marriage or partnership shall be paid to the spouse's or partner's occupational benefits or vested benefits institution and offset against the divorce claims designed to secure the spouse's or partner's pension benefits.
- 2 The Foundation shall transfer that portion to the spouse's or partner's occupational benefits or vested benefits institution in accordance with the divorce decree. The Foundation cannot pay a divorce pension.
- 3 Only judgments of Swiss courts shall be recognised by the Foundation with regard to pension-sharing settlements.
- 4 The Foundation must only accept a termination payment or a lifelong pension share in accordance with Article 124a ZGB/CC on behalf of a beneficiary account-holder if the account-holder cannot make any further purchases into his occupational benefit institution. The modalities for the transfer of the pension-sharing portion to the Foundation shall be regulated in accordance with Article 19j FZV/OLP.
- 5 In the framework of a divorce or the dissolution of a registered partnership, the Foundation shall, on request, communicate the calculation of the termination benefit to be divided to the competent court. The Foundation shall be bound by the final ruling of the court.
- 6 Until it has proof that the pension claims of the beneficiary spouse have been satisfied, the Foundation reserves the right to request additional documents to appraise the case. Until such documents are provided, the Foundation may defer or deny the account-holder's application for payment.

Other provisions

Art. 17 Fee Schedule

Costs and fees are set forth in the Fee Schedule.

Art. 18 Obligation to inform

- 1 The Foundation shall send the account-holder a confirmation when the vested benefits account is opened, and an account statement at the beginning of each year for the previous year, indicating all the transactions on the account, including interest, charges and fees, and the balance of the pension asset account on 31 December.
- 2 The Foundation shall send the account-holder a confirmation when the securities deposit is opened, and a statement of assets at the beginning of each year indicating the value of the securities deposit account on 31 December.
- 3 The account-holder shall automatically communicate any changes in address, name or civil status to the Foundation. If the account-holder is married, he shall also communicate the date of his marriage to the Foundation. The Foundation declines any responsibility for any consequences arising from a belated communication, or from the communication of incomplete or incorrect particulars. Notices to the account-holder shall be deemed valid when sent to the last address filed with the Foundation.
- 4 The account-holder shall address all correspondence directly to the Foundation or its regional offices. The Foundation's address and those of its regional offices are published on www.leadta.ch.

Art. 19 Obligation to report to the tax authorities

- 1 The Foundation shall report any payments of pension assets to the tax authorities if required by law or by official federal or cantonal ordinance.
- 2 If the account-holder is a foreign resident when the benefits are paid, the Foundation shall deduct the withholding tax directly from the pension assets to be paid.

Art. 20 Central Office for the 2nd Pillar

- 1 If, at maturity of the pension assets, the Foundation has no clear payment instructions from the account-holder, or if the beneficiaries are not clearly known, the pension assets will be reported to the Central Office for the 2nd Pillar, but will remain with the Foundation until further notice.
- 2 Ten years after the reference age (Article 13(1) BVG/LPP), any assets on the account-holder's vested benefits accounts shall be transferred to the BVG/LPP Guarantee Fund. The pension assets shall also be transferred to the Guarantee Fund if the account-holder's date of birth cannot be established with certainty, and the Foundation has not heard from the account-holder or his heirs for ten years.

Art. 21 Liability

The Foundation is not liable to the account-holder for any consequences arising from the account-holder's failure to comply with his legal, contractual and regulatory obligations. The account-holder or any other beneficiary shall bear any losses arising from the failure to recognise legitimation deficiencies and forgeries, provided the Foundation exercised the customary due diligence. The Foundation reserves the right to assert claims for any losses incurred as a result and to demand repayment or to offset any benefits unduly paid (Article 35a BVG/LPP).

Art. 22 Omissions in the Regulations

If any provision on any specific point has been omitted from these Regulations, the Board of Trustees shall adopt an appropriate rule in line with the object of the Foundation.

Art. 23 Amendments

The Board of Trustees may decide to amend these Regulations at any time. The Foundation shall inform account-holders in an appropriate manner about any amendments to these Regulations. The currently valid version is available at www.leadta.ch or may be obtained from the Foundation.

Art. 24 Language and equality

All regulations shall be construed and interpreted in the German-language version. Words in the male form shall apply indifferently to men and women.

Art. 25 Jurisdiction and governing law

These Regulations are governed by Swiss Law. Disputes between the account-holder, any other beneficiaries and the Foundation shall be subject to the jurisdiction of the courts in accordance with Article 73 BVG/LPP. Otherwise the place of jurisdiction for all types of proceedings shall be Schwyz, which shall also be the place of performance and debt recovery for account-holders and contractual partners not resident or domiciled in Switzerland.

Art. 26 Validity

These Regulations shall come into force on 1 January 2024; they cancel and supersede the prior Regulations of 1 December 2023.

Schwyz, 27 March 2024

Board of Trustees, Lealta Foundation for vested pension benefits