



Pension regulations

The German version of the pension regulations, approved by the board of trustees, shall prevail in case of doubt or ambiguity.

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KEY TERMINOLOGY

OASI	Swiss Federal Old-Age and Survivors' Insurance
BVG	Swiss Occupational Pensions Act ("Bundesgesetz über die berufliche Alters-, Hinterlassenen- und Invalidenvorsorge")
BVV 2	Swiss Occupational Pensions Ordinance ("Verordnung über die berufliche Alters-, Hinterlassenen- und Invalidenvorsorge")
FZG	Swiss Act on the Vesting of Occupational Old Age, Survivors' and Disability Benefits ("Bundesgesetz über die Freizügigkeit in der beruflichen Alters-, Hinterlassenen- und Invalidenvorsorge")
IV	Swiss Disability Insurance ("Eidgenössische Invalidenversicherung")
PartG	Swiss Act on the Registered Partnership of Same-sex Couples ("Bundesgesetz über die eingetragene Partnerschaft gleichgeschlechtlicher Paare")
WEF	Promotion of Home Ownership using Occupational Pension Benefits
ZGB	Swiss Civil Code ("Zivilgesetzbuch")
Age	Difference between the current calendar year and the year of birth
Retirement assets/capital	Individual retirement account of the Insured Person/person entitled to a pension
Retirement credit	Annual credit on the retirement account, the level of which is stipulated in the pension plan
Retirement benefit	Retirement pension or retirement capital
Retirement provisioning	Savings process with respect to retirement
Inclusion / agreement	Basic agreement between the member enterprise and PKG, stipulating the rights and obligations
Disability	Full or partial inability to perform reasonable work in previous occupation or field of responsibilities due to impairment of physical, mental or psychological health. In the case of extended

	duration, reasonable work in another occupation or field of responsibilities shall be taken into consideration.
Termination / vested benefit	Entitlement to the acquired retirement assets upon departure from PKG (e.g. in the event of a change of position of employment)
Purchase / supplementary finance	Opportunity to make tax-exempt supplementary payments into the pension fund
Reported or relevant annual salary	Probable fixed AHV annual salary or in accordance with Regulations/pension plan
Duty of cooperation	A person who claims or draws disability benefits is obliged to participate actively in health checks (e.g. visits to doctors), medical follow-up checks (e.g. expert opinions) and reasonable reintegration measures (e.g. integration measures, retraining).
Ordinary retirement age	Age at which an entitlement to retirement benefits arises
Retirement	Actual ending of gainful employment when retirement benefits become due; may occur before or after the ordinary retirement age
Pension conversion rate	Relevant percentage rate for a retirement asset when determining the level of the annual pension
Risk contribution	Annual contribution for risk provisioning and administrative costs
Risk provisioning	Insurance against the economic consequences of death and disability
Security fund	Foundation which safeguards the statutory benefits of pension funds that have become insolvent and which provides grants in the event of unfavourable age structures
Savings contribution	Annual contribution to finance the retirement credit
Insured annual salary	Basis for the calculation of the benefits and contributions (in accordance with the pension plan)
Insurance year	Calendar year

Probable retirement benefit	Projected retirement benefit at the time of retirement (not guaranteed)
Pension certificate	Personal certificate detailing the salary, contributions and benefits
Pension plan	Basic document which defines the benefits and contributions agreed with PKG
Promotion of residential property	Opportunity to finance residential property for own use by deploying occupational pension assets

1. GENERAL PROVISIONS

1.1 Organisation of the occupational pension provision

The PKG Pension Fund with registered office in Lucerne (hereinafter known as “PKG”) is a foundation for the obligatory and supplementary occupational pension provisioning of small and medium-sized enterprises and organisations. As a collective organisation, its purpose is to protect the employees (hereinafter called “the Insured Persons” or “Insured Person”) of the member enterprises as well as their family members and survivors against the economic consequences of old age, death and disability in accordance with the provisions of these Pension Regulations.

PKG is a non-profit making organisation. Pursuant to the resolutions of the Board of Trustees, any possible surpluses are used to improve the benefits and to reduce the level of contributions as well as to establish reserves.

1.2 Pension Regulations

Together with the respective pension plan of the member enterprise, the Pension Regulations govern the occupational pension provisioning. They regulate the relationships between PKG and the member enterprises as well as the Insured Persons and the authorised beneficiaries. For the sake of simplicity, only the masculine form is used as a rule.

In addition, the regulations, resolutions and guidelines passed by the Board of Trustees and by the Management Committee are also applicable.

1.3 Relationship with the BVG

PKG guarantees the minimum benefits stipulated by the Swiss Occupational Pensions Act [Bundesgesetz über die berufliche Alters-, Hinterlassenen- und Invalidenvorsorge (“BVG”)] in its respective valid version. PKG is included in the register of occupational pension organisations and is a member of the security fund.

2. MEMBERSHIP OF THE ENTERPRISE

2.1 Membership agreement

The basis for the rights and obligations of the member enterprise is the membership agreement with PKG.

2.2 Pension commission

The member enterprise may appoint a pension commission. Its composition should satisfy the statutory requirements pertaining to parity. The pension commission takes membership-related pension decisions and elects its delegates (Art. 12.2).

2.3 Pension plan

The pension plan stipulates the benefits and contributions agreed with the member enterprise. Rules which deviate from these Regulations shall be valid only insofar as they are expressly recorded in the pension plan.

Pension plans must correspond to the principles of occupational pension provisioning. In other respects, the options pursuant to Art. 1d BVV 2 shall be available.

2.4 Pension accounts of the member enterprises

Member enterprises may form special reserves to finance contributions and benefit improvements, early retirement and cases of social hardship. PKG maintains separate accounts for these reserves.

2.5 Dissolution

The membership agreement may be dissolved at the earliest following the agreed duration, subject to adherence to a six-monthly period of notice to the end of the calendar year. Termination by the member enterprise shall be subject to the consent of the employees (or the employee representatives, if any, in accordance with Art. 10 lit. d of the Participation Act).

The PKG Pension Fund may dissolve the membership agreement without adherence to further notice periods if the employer grossly breaches its obligations within the framework of the occupational pension provisioning. In other respects, the provisions of the Regulations pertaining to the dissolution of the agreement and to partial liquidation as well as the cost regulations shall be applicable.

3. INCLUSION AND DEPARTURE OF INSURED PERSONS

3.1 Inclusion conditions

Persons are admitted to PKG who

- are employees of a member enterprise,
- have reached the age of 17,
- will draw a relevant annual salary (Item 4.1) that exceeds the obligatory entry threshold pursuant to BVG,
- have concluded a contract of employment which is unlimited or limited to more than three months, as well as
- are less than 70 per cent disabled and whose benefit cover is not maintained at the pension scheme which has an obligation to pay benefits pursuant to Art. 26a BVG.

Full-time or part-time employees whose relevant annual salary does not reach the obligatory entry threshold pursuant to BVG or employees pursuant to Art. 1j BVV 2 may be voluntarily insured insofar as this is agreed in the pension plan with the member enterprise. Art. 1j (Para. 3 and 4) BVV 2 apply in all other respects.

3.2 Self-employed persons

Self-employed persons may be included within the framework of the regulatory provisions. However, benefit cover shall commence only upon written confirmation of definitive inclusion by PKG.

3.3 Registration and inclusion

Inclusion shall be established at the time of the commencement of the employment relationship, insofar as the inclusion conditions pursuant to Item. 3.1 are fulfilled. If these conditions are fulfilled only at a later date, then this individual must be reported to PKG at this later date.

If a fixed-term contract of employment is extended without interruption beyond the duration of three months, inclusion shall take effect at the time of the agreement of the extension. Inclusion shall furthermore be performed if several successive positions of employment with the same employer extend beyond the duration of three months, and no interval is longer than three months. In this case, the employee is only insured from the beginning of the fourth working month in total; however, if it is agreed prior to the commencement of the first position that the period of employment will exceed three months, then the employee will be insured as of the commencement of the employment relationship.

The person who is to be insured must be registered with PKG at the latest 30 days following the commencement of the insurance obligation. The

corresponding registration form must be completed truthfully and must be signed by the employee and the Insured Person.

In accordance with Art. 3 and 4 FZG, the Insured Person is obliged to transfer the departure benefit from the previous pension scheme or any vested benefits to PKG on admission. In the event a transfer of vested benefits being made unlawfully, PKG can refuse acceptance.

3.4 Pension types

The risk provisioning against the consequences of death and disability shall be effective from the date of inclusion, although at the earliest from 1 January once the Insured Person has reached the age of 17, until departure, when the ordinary retirement age is reached or when premature retirement occurs.

Insured Persons who have reached the age of 24 shall be guaranteed a retirement pension from the following 1 January until their departure or until they reach the ordinary age of retirement or take early or deferred retirement, respectively.

Recipients of retirement and disability pensions will continue to receive survivors' pension benefits.

3.5 Departure

Departure from PKG shall take place in the event of the termination of the employment relationship or the lapsing of the inclusion conditions, insofar as no pensionable event has taken place. In the event of partial disability, the departure shall be in accordance with the extent of the remaining earning capacity.

The employer must report the departure to PKG in writing 30 days after the dissolution of the occupational benefits relationship at the latest.

Risk provisioning shall remain in force following the termination of the occupational benefits relationship until a new occupational benefits relationship is entered into, although for no longer than one month. Supplementary cover shall be waived in the event of retirement.

3.6 Duty to provide information

Employees, Insured Persons and authorised beneficiaries are obliged to provide all necessary information and to supply the required documentary substantiation. Persons who fail to comply with these obligations shall be liable for any resulting damages.

a) Health certificate

Insured Persons must upon request provide information about their state of health at the time of inclusion or in the event of benefit improvements. PKG, or any possible reinsurer, may demand that a medical examiner conducts checks, and may impose reservations for the risks of death and disability for limited periods of time. If, during the reservation period of no more than five years, an event (death or incapacity for work leading to subsequent disability or death) occurs, the cause of which is subject to a reservation, the benefits to be paid by PKG (including prospective survivors' benefits) will be reduced for life to the minimum benefits in accordance with the BVG.

If the risk assessment questions are answered wrongly or incompletely, PKG may terminate the risk provisioning for the supplementary portion, and may limit its disability and survivors' benefits to the minimum BVG benefits for life. The reimbursement of any benefits paid in excess shall be demanded. The termination entitlement shall expire three months after PKG has received reliable knowledge of the facts which provide justified grounds to conclude that the duty to provide information has been breached.

b) Pension certificate

Insured Persons shall each year be sent a personal certificate, detailing the insured salary, the contributions, the benefit entitlements and the termination benefit.

c) General information

PKG shall each year provide information in an appropriate manner about its organisation and funding as well as about the members of the Board of Trustees.

d) Reporting obligation

Authorised beneficiaries are obliged to inform PKG without delay and without being requested to do so of all changes which could have an influence on their benefits.

e) Proof of entitlement to benefits

At the request of PKG, authorised beneficiaries must provide all documents required to substantiate their entitlement to benefits.

4. CALCULATION PRINCIPLES FOR CONTRIBUTIONS AND BENEFITS

4.1 Salary definition

a) Relevant annual salary

The relevant salary which is to be reported corresponds to the probable AHV annual salary at the member enterprise, calculated in respect of the entire year. Salaries earned by Insured Persons working for one or more other companies at the same time can only be insured if the pension plan so allows. Occasional salary components such as overtime compensation, long-service gifts, supplements for Sunday and holiday work, shift allowances and such like, are not insured. The relevant salary can be determined in the pension plan in deviation of the above.

In the event of fluctuating income, the relevant annual salary corresponds to the last known AHV annual salary or the average AHV annual salary which is customary for the sector.

If the relevant annual salary sinks temporarily due to illness, accident, maternity, short-time working or for similar reasons, then the previous annual salary shall remain relevant during the period in which the employer is obliged to continue making salary payments pursuant to Art 8 Para. 3 BVG, unless the Insured Person demands the reduction of the relevant salary.

b) Insured annual salary

The insured annual salary is described in the pension plan, and is considered the basis of calculation for

- the risk provisioning benefits prior to retirement,
- the retirement assets,
- the contributions.

c) Salary of less than one year

If a person is not insured throughout the entire calendar year, the relevant salary is projected in respect to a whole year.

d) Unpaid leave

During unpaid leave, retirement provisioning continues for the Insured Person and the retirement assets continue to earn interest. At the request of the Insured Person and with the consent of the member enterprise the following may also be continued voluntarily:

- the risk provisioning or
- the retirement provisioning with continued accumulation of retirement credits, or
- the risk and retirement provisioning with continued accumulation of retirement credits

for a maximum of six months, provided the employment relationship is subsequently continued. An extension of unpaid leave for no more than twelve months can be separately arranged in the pension plan. Benefits will be collected by the member enterprise.

4.2 Salary reports

Salaries shall be recorded at the time of inclusion and on each 1 January, and the benefits and contributions shall then be recalculated accordingly. The annual salary report may also be submitted at a different point in time, on request. Salary changes of more than 10 per cent may also be reported and taken into account during the course of the year.

4.3 Relevant age

When it comes to calculating the benefits and contributions, the age is the difference between the respective calendar year and the year of birth.

The ordinary retirement age shall be determined in accordance with the rules of the BVG, in the absence of agreements to the contrary in the pension plan.

5. OVERVIEW OF PENSION BENEFITS

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6. DISABILITY BENEFITS

6.1 Determination of disability

Disability is established if an Insured Person is disabled within the meaning of Swiss Disability Insurance [Invalidenversicherung (“IV”)]. Cover is provided if the insured characteristic existed at the time of the commencement of the incapacity for work whose cause led to the disability.

The degree of disability is determined in accordance with the income reduction caused by the disability. It is essentially determined pursuant to the rulings of Swiss Disability Insurance and if necessary the rulings of the accident insurer.

6.2 Disability benefit

Insured Persons who become fully or partially disabled before retirement are entitled to a disability pension following the end of the entitlement to salary or substitute salary payments of any nature whatsoever amounting to at least 80 per cent of the former earnings and which are at least half financed by the

employer, as well as following the expiry of the waiting period agreed in the pension plan. The entitlement exists during the course of the disability, although only until the ordinary age of retirement is reached.

The entitlement to benefits comprises:

- a) a full disability pension if the Insured Person is at least 70 per cent disabled within the meaning of IV,
- b) a three-quarter pension if the Insured Person is at least 60 per cent disabled,
- c) a half-pension if the Insured Person is at least 50 per cent disabled,
- d) a quarter-pension if the Insured Person is at least 40 per cent disabled.

6.3 Disabled person's child's pension

Persons who draw disability pensions are entitled to a child's pension. The entitlement, duration and level thereof shall be correspondingly based upon the disability and orphan's pension provisions.

6.4 Continued provisioning and contribution waiver

Following the expiry of the waiting period agreed in the pension plan, Insured Persons who are unable to pursue gainful employment as well as persons who draw disability pensions are entitled to the contribution-free continuation of the risk and retirement provisioning. The contribution exemption is based upon the degree of invalidity (Item 6.2 Para. 2) or the degree of inability to work, insofar as no disability pension is paid. The provisions of Art. 26a BVG apply by analogy. During the waiting period, the contributions shall be paid by the member enterprise, even if the employment relationship has been dissolved. No waiver of contributions applies during IV integration measures. The contribution waiver for retirement provisioning remains due even during periods of unpaid leave with continued risk provisioning.

7. SURVIVORS' BENEFITS BEFORE RETIREMENT OR BEFORE REACHING ORDINARY RETIREMENT AGE

7.1 Spouses and registered partners

Surviving spouses or partners within the meaning of the Swiss Partnership Act [Partnerschaftsgesetz („PartG“)] shall be entitled to a spouse's pension following the death of the Insured Person or person entitled to a pension, if at the time of death they

- a) are responsible for the support of one or more children, or

- b) have reached the age of 45 and the marriage or registered partnership lasted at least five years; the duration of a life partnership in accordance with Item 7.2 is added to the duration of the marriage provided the surviving spouse fulfilled the requirements for entitlement to a partner's pension at the time of the marriage.

The spouse's pension may be insured without restrictions in the pension plan by means of a separate agreement (extended cover).

If the available retirement assets exceed the cash value of the spouse's pension, then the difference shall be paid out to the person who is entitled to the benefit.

The purchases included in the retirement assets, including repayment of amounts transferred as the result of divorce and any credit balance to finance premature retirement (Item 11.4) shall be paid out in addition to the spouse's pension. This rule also applies to the voluntary purchase amounts, repayment of amounts transferred as the result of divorce and amounts to finance premature retirement, which were paid into a former pension scheme. Proof that the payments have been made must be supplied by the persons who are entitled to make the claim.

Any difference between the available retirement assets and the cash value of the spouse's pension shall not be cumulated with the entitlement to the purchases included in the retirement assets.

In place of the spouse's pension, the available retirement assets may also be drawn.

Entitlement to a spouse's pension shall be established upon the death of the Insured Person or person entitled to a pension, although at the earliest after the continued payment of the full salary or of the substitute salary has ended, or upon expiry of the entitlement to a disability pension. Entitlement to a spouse's pension shall expire at the end of the month during which the person who is entitled to the benefit dies, marries, causes a new partnership to be registered, or during which a capital settlement is due.

This entitlement shall remain in place until retirement, although at the latest until ordinary retirement age has been reached. The entitlement to a spouse's pension for those who draw retirement pensions or persons who have passed the ordinary retirement age is defined in Item 8.2.

If the cash value of the spouse's pension exceeds the retirement assets, and if vested assets (Art. 4 FZG) were not transferred to PKG, then the spouse's pension shall be limited to no more than the level of the retirement assets in accordance with actuarial principles.

If the preconditions for a spouse's pension are not fulfilled, then a lump-sum death benefit pursuant to Item 7.5 shall be paid out, although amounting at least to three annual pensions.

The entitlement of the divorced spouse is determined by the provisions of Art. 20 BVV 2 (cf. Item 10.7 lit.d).

7.2 Life partners

Life partners, including those of the same gender, are entitled to benefits pursuant to Item 7.1, insofar as

- a) a written cohabitation agreement can be presented or a written beneficiary declaration was presented during the lifetime of the deceased, and
- b) both were unmarried, did not live in a registered partnership, there were no obstacles to the marriage pursuant to Art. 94–96 ZGB or no obstacles to registration pursuant to Art. 3 and 4 PartG, and
- c) they do not draw any survivors' benefits from occupational pension provisioning, and
- d) the surviving life partner
 - is responsible for the support of one or more joint children, or
 - has reached the age of 45 and the life partnership existed without interruption for the last five years prior to death.

Pursuant to Item 7.1 Para. 2, the life partner's pension may be insured without the restrictions set out under lit. d in the event that the life partnership existed without interruption for the past five years prior to death (extended cover). Entitlement to a life partner's pension shall be established upon the death of the Insured Person or person entitled to a pension, although at the earliest after the continued payment of the full salary or of the substitute salary has ended, or upon expiry of the entitlement to a disability pension. This entitlement shall remain in place until retirement, although at the latest until ordinary retirement age has been reached. The entitlement to a life partner's pension for those who draw retirement pensions or persons who have passed the ordinary retirement age is defined in Item 8.2. Insofar as the inclusion of accident cover for risk benefits has been provided for in the pension plan, such accident cover shall also apply to the life partner's pension.

Entitlement to a life partner's pension shall expire at the end of the month during which the person who is entitled to the benefit dies, marries, causes a new partnership to be registered, or during which a capital settlement is due.

7.3 Capital settlement

In the event of the marriage or registration of a new partnership, the person drawing a spouse's or life partner's pension before they have reached ordinary retirement age shall receive a capital settlement amounting to three annual pensions. Following the capital settlement, all further benefit claims vis-à-vis PKG shall lapse.

7.4 Orphan's pension

The children of the deceased person shall be entitled to orphans' pensions, foster children only if the deceased person had been under an obligation to support them. The orphan's pension shall be paid out until the respective child has reached the age of 18. If children are undergoing training or are themselves at least 70 per cent disabled, then their pension entitlement shall continue until the completion of the training or until they become able to pursue gainful employment, although at the most until they reach the age of 25.

Insofar as both parents have died, the orphan's pension shall amount to 200 per cent of the insured orphan's pension (double orphan's pension).

7.5 Lump sum payable at death

If no entitlement to a spouse's or life partner's pension or to benefits for divorced spouses arises following the death of an Insured Person, then a lump sum payable at death shall be due in accordance with the following order of precedence irrespective of inheritance law:

- a) to the spouse or the partner under a registered partnership
- b) to the life partner pursuant to Item 7.2, irrespective of their age, or the person who is responsible for the support of one or more joint children,
- c) to natural persons who were supported to a considerable extent by the Insured Person, insofar as a written beneficiary declaration was submitted during the lifetime of the deceased,
- d) to the children,
- e) to the parents,
- f) to the siblings,
- g) to the remaining statutory heirs, excluding the local community.

The prior group excludes the following groups from entitlement to benefits. The allocation shall be performed on a per capita basis if several persons are entitled to benefits within a group. Insured Persons can stipulate a different allocation per group by submitting a written declaration or testamentary disposition referring unmistakably to occupational pension provision to PKG. In substantiated cases PKG may stipulate a different allocation.

The lump sum payable to beneficiaries at death pursuant to lit. a-f corresponds to the retirement assets (without interest as of the commencement of incapacity for work) and any credit balance for early retirement acquired during the active insurance period pursuant to Item 11.4.

In the case of heirs pursuant to lit. g, the lump sum payable at death corresponds to the contributions paid in during the active insurance period, or one half of the lump sum payable at death. In this case, the waiver of contributions for disabled Insured Persons pursuant to the Regulations in accordance with Item 6.4 will not count towards the lump sum payable at death.

The entitlement to the lump sum payable at death shall remain in place until retirement, although at the latest until ordinary retirement age has been reached.

The payout shall cause any further entitlement to benefits vis-à-vis PKG to expire.

7.6 Additional lump sums payable at death

Additional lump sums payable at death may be insured by separate agreement in the pension plan. They shall also be paid out to spouses, registered partners or life partners who are entitled to a spouse's or life partner's pension. This entitlement shall remain in place until retirement, although at the latest until ordinary retirement age has been reached. It shall be paid out in accordance with the order of precedence pursuant to Item 7.5.

7.7 Forfeiture deadline

Claims pursuant to Item 7.2, 7.5 and 7.6 must be asserted in writing vis-à-vis PKG within three months following the death of the Insured Person, together with proof of entitlement to the benefits, as otherwise the entitlement to the lump sum payable at death shall expire.

8. RETIREMENT BENEFITS

8.1 Retirement pension

Once retirement age has been reached, Insured Persons as well as persons who draw disability pensions shall be entitled to a retirement pension until the end of the month following their death.

The annual retirement pension is calculated on the basis of the retirement assets (Item 8.5) multiplied by the pension conversion rate. The pension conversion rates are stipulated by the Board of Trustees and are shown in the Appendix to these Regulations. Insofar as not expressly excluded within the scope of extramandatory benefits in the pension plan, the retirement pension corresponds at least to the minimum provisions of the BVG.

8.2 Spouse's and life partner's pensions following retirement or after reaching ordinary retirement age and in the case of deferred retirement

A surviving spouse or registered partner of a retirement pensioner is entitled to a spouse's pension following the death of the pensioner, if at the time of death the spouse, they

- a) are responsible for the support of one or more children, or
- b) have reached the age of 45 and the marriage or registered partnership lasted at least five years.

Insofar as the extended cover pursuant to Item 7.1 Para. 2 is insured, it shall also apply to the spouse's and life partner's pension following retirement.

A surviving life partner of a retirement pensioner, including of the same sex, has the same entitlement to a pension as the surviving spouse or registered partner pursuant to Para. 1 insofar as

- a) a written cohabitation agreement can be presented or a written beneficiary declaration was presented during the lifetime of the deceased, and
- b) both were unmarried, did not live in a registered partnership, there were no obstacles to the marriage pursuant to Art. 94–96 ZGB or no obstacles to registration pursuant to Art. 3 and 4 PartG, and
- c) they do not draw any survivors' benefits from occupational pension provisioning, and
- d) the surviving life partner
 - is responsible for the support of one or more joint children, or
 - has reached the age of 45 and the life partnership existed without interruption for the last five years prior to death.

Insofar as the extended cover pursuant to Item 7.1 Para. 2 is insured, it shall also apply to the life partner's pension following retirement if the life partnership existed without interruption for the past five years prior to death.

In the case of deferred retirement or in cases in which the retirement benefit already due had not yet been paid out at the time of death, in the event of death the available retirement assets may also be drawn in place of the spouse's pension.

The level of the spouse's pension is 60 per cent of the retirement pension. The level of the relevant retirement pension is calculated on the basis of the retirement pension to which the Insured Person would have been entitled at the time of their death. The relevant criteria are the level of the retirement assets and the conversion rate at the time of death.

Entitlement to a spouse's pension shall expire at the end of the month during which the person who is entitled to the benefit dies, marries, causes a new partnership to be registered, or during which a capital settlement is due.

If the preconditions for a spouse's pension are not fulfilled, then a lump sum payable at death shall be paid out, amounting at least to three annual pensions. Entitlement to benefits is determined by Item 7.5.

If the marriage, the registered partnership or the commencement of the life partnership begins following ordinary retirement age, then the spouse's or life partner's retirement pension shall be reduced, taking the minimum BVG entitlement into account, as follows:

- 80 per cent up to the age of 66,
- 60 per cent up to the age of 67,
- 40 per cent up to the age of 68,
- 20 per cent up to the age of 69,
- 0 per cent from the age of 69.

8.3 Pensioner's child's pension

Persons who draw retirement pensions are entitled to a child's pension amounting to 20 per cent of the retirement pension. Entitlement to this benefit and the duration thereof shall be correspondingly based upon the provisions pertaining to the retirement pension and orphan's pension.

8.4 Capital settlement

Instead of the retirement pension, Insured Persons may request in writing to draw the retirement assets insofar as no disability has arisen prior to retirement which triggered a pension benefit from PKG. In the case of partial disability, the entitlement to a capital settlement will remain applicable to the active portion. All further benefit claims vis-à-vis PKG will lapse in accordance with the scope of the capital settlement.

The application for a capital settlement in respect of a part of or the whole retirement benefit must be sent to PKG in writing at the latest three months before retirement is taken, together with the consent of the spouse, registered partner or life partner. Official confirmation must be submitted to PKG verifying the confirmation of the spouse, registered partner or life partner.

8.5 Retirement assets

The retirement assets correspond to the level of the current retirement account. The following sums shall be credited to this:

a) At the time of inclusion

- termination benefits contributed by the Insured Person and the voluntary deposits;

b) At the end of the year, in the event of a provisioning event, or as at the date of termination

- regulatory retirement credits: the level of these is defined in the pension plan, although corresponding at least to the retirement credits pursuant to the BVG,
- the interest on the retirement assets defined by the Board of Trustees;
- the interest defined by the Board of Trustees on the termination benefits brought in and deposits;

c) Upon the resolution of the Board of Trustees

- Surplus payments and other grants.

When determining the level of interest, the Board of Trustees shall base its decision on the interest rate pursuant to the BVG and the financial situation of PKG. It may

- stipulate additional interest for the active Insured Persons, without taking into account preceding departures, or
- stipulate zero interest or minimum interest in accordance with the imputation principle.

8.6 Continued insurance cover for the previous insured earnings

Insured Persons whose salary is reduced by no more than half after the age of 58 may maintain the pension provisioning for the previous insured earnings up until the ordinary age of retirement. The financing of the contributions must be separately arranged in the pension plan.

8.7 Flexible retirement

Upon request, Insured Persons may arrange to take full or partial retirement from the age of 58 and up to the age of 70. A reduction of the original workload by at least 20 per cent entitles the Insured Person to draw the corresponding retirement benefit. The scope and timing of the reduction must conform with the drawing of the retirement benefit in question. Insofar as the retirement benefit is drawn as a lump sum pursuant to Item 8.4, two retirement steps are possible, subject to statutory or official regulations to the contrary.

In substantiated cases, different arrangements may be made within the statutory framework. In the event of premature or deferred retirement, the conversion rates stipulated by the Board of Trustees shall apply.

If the entitlement to retirement benefits is deferred until the end of gainful employment, the retirement provisioning may be continued with the consent of the employer.

During the retirement benefit deferment period, there is no longer any entitlement to disability benefits and additional lump sums payable at death pursuant to Item 7.6.

8.8 Financing premature retirement

Premature retirement and bridging benefits may be financed in advance in accordance with actuarial principles. Premature retirement and bridging benefits must be arranged separately in the pension plan.

8.9 Voluntary flexible retirement with external bridging pension

Insured Persons who withdraw from the pension scheme because they are drawing a bridging pension for flexible retirement from a corresponding organisation (for example, Stiftung FAR), may remain with PKG for retirement provisioning until ordinary retirement age. PKG will credit the retirement credits of the organisation in question to the Insured Person.

Continued insurance cover is only possible for as long as bridging benefits are being drawn. During continued insurance cover, the payment of retirement benefits and lump sum benefits pursuant to Item 9.2, 9.3 and 9.4 is not possible.

Disability and death insurance lapses for the duration of continued insurance cover. In the event of death, the available retirement assets pursuant to Item 7.5 become due or payment.

9. DEPARTURE AND PREMATURE PAYOUT

9.1 Termination benefit

Up until the ordinary age of retirement, Insured Persons are entitled to a termination benefit equivalent to the acquired retirement assets if the occupational benefits relationship is dissolved before the ordinary age of retirement is reached and if no provisioning event has yet occurred.

The termination benefit corresponds at least to the BVG retirement assets or the entitlements pursuant to Art. 15 and 17 FZG (Swiss Vested Benefits Act ("Freizügigkeitsgesetz")).

9.2 Utilisation of the termination benefit

The termination benefit must continue to be used for the provisioning of the departing Insured Person, and shall be remitted as follows:

- as a deposit to the pension scheme of the new employer, or
- as a deposit to a vested benefits account, or
- to take out a vested benefits policy.

9.3 Cash payout

Subject to the consent of their spouses, Insured Persons may demand a cash payout if

- they definitively emigrate from Switzerland (Art. 25f FZG remains reserved),
- they take up self-employed gainful employment and are no longer subject to the obligatory provisioning, or
- the termination benefit amounts to less than their own annual contribution.

9.4 Promotion of residential property

Insured Persons may, up to three years prior to ordinary retirement age, for the purpose of financing residential property for their own use,

- demand the premature withdrawal of their acquired retirement assets, or
- pledge the entitlement to vested benefits or pension benefits.

Premature withdrawal or pledging may not exceed the sum of the respective vested benefits up to the age of 50. Older Insured Persons may prematurely withdraw or pledge a sum amounting to up to one half of the vested benefits or the sum to which they would have been entitled at the age of 50. The further requirements and rights and obligations are set out in the leaflet on "Promotion of Home Ownership using Occupational Pension Benefits".

PKG shall inform the Insured Person about the consequences of the premature withdrawal or pledging.

9.5 Divorce

The termination benefits acquired during a marriage shall be divided in accordance with the provisions of divorce law (Art. 22 as well as 22a and b FZG). The portion belonging to the respective other spouse shall be transferred for their benefit to their pension or vested benefit fund. The resulting shortfalls in the pension benefits of the Insured Person may be repurchased by this person.

9.6 Cuts

Premature withdrawals, pledges and divorce law claims shall reduce the vested benefits and pension benefits to the corresponding extent.

10. COMMON PROVISIONS AND LIMITS

10.1 Establishment of claims to benefits

Subject to the provisions pertaining to the promotion of residential property, the entitlements to vested benefits or pension benefits may neither be assigned nor pledged before they fall due.

Entitlement to retirement and survivors' benefits shall commence on the first day of the month following the end of the employment relationship or following death, respectively. In the case of disability benefits, entitlement shall commence on the first day of the month following expiry of the waiting period agreed in the pension plan.

Risk benefits shall, at all events, fall due at the earliest following the expiry of the continued salary payment or substitute salary benefits (Item 6.2 Para. 1, Item. 7.1 Para. 5 And Item 7.2 Para. 2) or upon expiry of the entitlement to a disability pension.

In the event of late payment, the default interest rate is equal to the BVG minimum interest rate. In determining the commencement of default interest in respect of pension payments Art. 105 Para. 1 OR [Swiss Code of Obligations] applies; in respect of the payment of lump sum benefits, PKG is deemed to be in default once 30 days have elapsed after it became aware of the person entitled to benefits or after the presentation of all documentation required for the payment of benefits.

10.2 Level of the benefits

The level of the annual benefits is set out in the pension plan, and shall in each case be recorded in the pension certificate which is presented to the Insured Person. The pension conversion rates used to calculate the retirement, disability and survivors' benefits are defined by the Board of Trustees and are shown in the Appendix to these Regulations.

10.3 Assignment

Vis-à-vis third parties who are liable for the insured event, PKG at the time of the event shall assume the claims of the Insured Person, their survivors and further beneficiaries pursuant to these Regulations up to the level of the statutory benefits. In other respects, PKG may require the Insured Person or person entitled to benefits to assign his claims against liable third parties to PKG up to the amount of its obligation to pay benefits.

10.4 Precedence of the Pension Regulations

In cases of doubt, the Pension Regulations and the resolutions of the Board of Trustees shall take precedence over the pension plan and the latter shall take precedence over the personal pension certificate.

10.5 Payout provisions

a) Pensions

Annual pensions shall, as a rule, be paid out in the form of twelve monthly instalments at the start of the month. Payment shall commence in the month following the month in which entitlement to a salary or any substitute salary expires in whole or in part from the 16th of the month to the end of the month. Insofar as entitlement to a salary or any substitute salary expires from the 1st to the 15th of the month, payment will commence in the following month. The full pension shall be paid out in respect of the month in which the pension entitlement expires.

b) Capital settlement

In the event of there being special circumstances or in the event of negligibility pursuant to Art. 37 Para. 3 BVG, pension claims may be settled in the form of capital. Following the capital settlement, all further benefit claims vis-à-vis PKG shall lapse.

As a rule, capital settlements and lump sums payable at death shall be paid out in the form of a single sum.

c) Reimbursement obligation

Benefits which have been paid out without justification must be reimbursed. They may be offset by PKG against further benefits.

10.6 Adjustment in accordance with inflation

Current pensions may be adjusted by means of a resolution of the Board of Trustees in accordance with the reserves and the generated returns.

The obligation to adjust current pensions in accordance with statutory requirements shall be waived for as long as these exceed the minimum BVG benefits.

10.7 Offsetting, limiting and reduction of benefits

Benefits determined in accordance with the Regulations may be subject to change.

a) Taking third-party benefits into account

Third-party benefits shall be given precedence in every case, and shall be offset. All benefits being drawn at the time the question of benefit cuts arises shall be taken into consideration, in particular:

- Benefits from the Federal Old-Age, Survivors' and Disability Insurance or other state social insurance (Swiss or foreign)
- Benefits from accident and military insurance
- Benefits from per diem insurance policies for which the employer has paid at least one half of the premiums
- Salary and substitute salary payments (e.g. daily allowances from employment insurance)
- Benefits from own or other pension scheme
- Compensation payments made by the employer or any third party
- Income from the continued gainful employment of the person entitled to benefits or the income which they could reasonably generate

b) Avoidance of excessive insurance cover

PKG risk pensions in conjunction with offsettable third-party benefits shall be limited to 90 per cent of the relevant salary pursuant to Item 4.1 lit.a, taking account of the minimum statutory benefits. In the case of continued insurance of the previously insured earnings pursuant to Item 8.6, the previous relevant salary applies.

PKG can review the preconditions and scope of a cut in benefits at any time and adjust its benefits if there is a material change in circumstances.

c) Cuts

PKG does not make up for a refusal to pay benefits or for benefit reductions under accident or military insurance if the latter have imposed their refusal to pay benefits or their benefit reductions pursuant to Art. 21 ATSG ['Act on General Aspects of Social Security Law'], Art. 37 UVG ['Accident Insurance Act'], Art. 39 UVG, Art. 65 or 66 MVG ['Military Insurance Act'].

PKG may cut its benefits if the Insured Person or person entitled to benefits was responsible for his own death or disability or if the Insured Person refuses to accept integration measures. The statutory minimum benefits in accordance with the BVG can be refused or cut only if the OASI/IV cuts, withdraws or refuses a benefit.

d) Limits on statutory minimum entitlements

Only a statutory minimum entitlement exists

- between entry and written confirmation of inclusion of the Insured Person,
- to benefits if at the time of inclusion the cause of an illness which led to the disability or death already existed or was concealed (cf. Item 3.6 lit.a),
- to survivors' benefits for divorced spouses (Art. 20 BVV 2),

- to disability and survivors' benefits in the event of accident, insofar as these are not additionally insured in the pension plan; this limit does not apply to lump sums payable at death,
- in the event of PKG being obliged to provide an advance benefit, or in the case of disputed circumstances,
- to benefits in BVG pension plans,
- to benefits for which no provision is made in these Regulations.
- in the event of a breach of the duty of cooperation.

e) Polygamous marriages

If several spouse's or life partner's benefits are due, then a sum equivalent to a single spouse's or life partner's benefit shall be divided equally between the spouses or life partners. This consequently means that each surviving spouse or life partner shall receive a reduced spouse's or life partner's benefit, independently of the other surviving spouses or life partners.

11. FINANCING AND PURCHASE

11.1 PKG revenues

The following serve to cover the benefits and the costs associated with the administration:

- the assets of the PKG and the generated revenues,
- the ordinary contributions,
- the extraordinary contributions in accordance with the cost regulations,
- the deposits made by the Insured Persons,
- the voluntary grants.

11.2 Ordinary contributions

The ordinary contributions comprise the effective retirement assets and contributions towards the risk, administration and security fund costs, as well as to adjust the pensions in accordance with inflation.

a) Contribution obligation

The contribution obligation begins upon inclusion and ends upon death, departure or commencement of the retirement pension, notwithstanding Item 6.4.

b) Level

The composition and level of the ordinary contributions are defined in the pension plan. The contributions may be adjusted by PKG in the event of changed conditions.

c) Contribution payment

The contributions of the Insured Parties shall be deducted from their income and shall be remitted to PKG by the employer on a quarterly basis. The contributions of the employer correspond at least to the sum of the contributions of the Insured Persons. In respect of contributions which are not paid punctually, default interest as well as administrative costs for further extraordinary expenses shall be imposed from the respective due date. The default interest rate shall be at least 2 percentage points above the interest rate on the PKG retirement assets.

11.3 Transfer of termination benefits

Termination benefits transferred to PKG shall be used to accrue the personal retirement assets of the Insured Person.

11.4 Occupational pension purchases

The Insured Persons and the employers may make tax-exempted purchases at any time within the framework of the statutory provisions. The maximum purchase sum corresponds to the difference between the available retirement assets and the possible retirement assets including interest.

Purchases may only be made if any earlier withdrawal in the context of promoting home ownership using occupational pension assets has not yet been paid back in full or if the repayment of the premature withdrawal is no longer permissible by law. Repurchases in the event of divorce or legal dissolution of the registered partnership are exempt from this restriction.

The Insured Persons and the employers may furthermore make purchases in respect of premature retirement. In the event of premature retirement being waived, the regulatory target benefit may be exceeded by no more than 5 per cent. If, upon waiving premature retirement, the Insured Persons have exceeded the target benefit by more than 5 per cent, the accumulation of the retirement account will be suspended and no further savings contributions will be charged.

The pension benefits resulting from the purchases may not be drawn in capital form for three years.

The purchase may be financed in the form of a one-off deposit or in the form of annual contributions.

12. ADMINISTRATION

12.1 Board of Trustees and Management Committee

a) Duties

The Board of Trustees is the highest governing body of PKG and responsible for the overall management of PKG. It complies with the statutory duties pursuant to Art. 51a Abs. 1 and 2 BVG.

The Board of Trustees elects the Management Committee from amongst its members. This decides on all matters which are not reserved for other bodies in accordance with the law, the articles of association or the Regulations.

b) Composition

The Board of Trustees consists of at least ten members, with equal numbers of employer and employee representatives:

- The employer representatives of the delegates' meeting elect their members.
- The employee representatives of the delegates' meeting elect as many representatives as are required to ensure equal representation.

The period of office of the elected members is three years.

c) Constitution

The Board of Trustees shall constitute itself, and shall elect its Chairman and Deputy Chairman from amongst its members.

d) Meetings and resolutions

The Board of Trustees shall be convened by the Chairman in accordance with the business or at the request of one of its members. Each member of the Board of Trustees shall have one vote. Minutes of the resolutions must be kept.

e) Organisational Regulations

Further details are set forth in the Organisational Regulations.

12.2 Delegates' meeting

a) Duties

The delegates' meeting shall receive the statement of accounts drawn up by the Board of Trustees and shall elect

- the representatives of the employers on the Board of Trustees,
- the representatives of the employees on the Board of Trustees.

b) Composition

The member enterprises shall each elect one employer representative and one employee representative as delegates, taking account of the statutory requirements pertaining to equal representation.

c) Meetings and resolutions

Ordinary meetings take place every three years. They shall be convened by the Chairman of the Board of Trustees 20 days in advance, and shall also be presided over by the Chairman. One tenth of the member enterprises may demand that an extraordinary meeting be held, specifying the items on the agenda.

Each delegate shall have one vote. The meeting shall decide with a simple majority of all individuals present. Deputising is not permitted. In the event of a parity of votes, the ballot must be repeated. In the event of a renewed parity of votes, an arbitrator appointed by the supervisory authority shall decide.

Upon request, the meeting may decide to hold secret ballots or elections. Resolutions must be recorded in the minutes.

d) Organisational Regulations

Further details are set forth in the Organisational Regulations.

12.3 Auditing

The statutory auditor complies with the duties pursuant to Art. 52c BVG. The auditor's report shall be presented to the supervisory authority.

The pension insurance expert complies with the duties pursuant to Art. 52e BVG. He shall draw up a written report.

12.4 Duty of confidentiality

The members of the Board of Trustees and all of the persons responsible for management, administration, auditing or supervision shall be bound by a duty of confidentiality.

13. TRANSITIONAL AND FINAL PROVISIONS

13.1 Disability pensions

In the case of disability pensions, the transitional provisions lit. f pertaining to the BVG amendment shall apply.

13.2 Partial liquidation

A partial liquidation shall be performed in accordance with the provisions of Art. 53 b–d BVG, Art. 27 g and h BVV 2 (Ordinance No. 2 pertaining to the BVG) and the separate PKG regulations pertaining to contractual dissolution and partial liquidation.

13.3 Transitional provisions

pertaining to Item 7.1 and 7.2

The survivors' pensions which are already being paid out on 1 January 2008 shall cease at the end of the month during which the beneficiary dies, marries, enters into a new life partnership or receives a capital settlement. If the spouse's retirement pension promised in accordance with the previous regulations on 1 January 2008 is higher than the survivors' pension, then the higher retirement pension shall be paid out from the ordinary retirement age of the deceased person.

13.4 Restructuring measures

In the event of insufficient cover pursuant to Art. 44 BVV 2, the Board of Trustees in conjunction with the expert for occupational provisioning may impose reasonable measures to rectify this situation. The principle of proportionality must be observed.

If necessary, the following may for example be performed:

- restructuring contributions may be demanded, whereby the restructuring sum of the employer must be at least as high as that of the Insured Persons,
- restructuring contributions may be demanded from the pensioners, whereby the respective restructuring contribution may not be higher than the sum by which the current pension was voluntarily raised over the past ten years,
- the statutory minimum interest rate used to calculate the minimum statutory retirement assets may be undercut by 0.5 per cent for a maximum of five years,
- the interest rate for calculating the termination benefit pursuant to Art. 17 FZG may be reduced for the duration of insufficient cover to the rate at which the retirement assets earn interest; interest already credited will not be subject to cuts,

- premature withdrawals to amortise mortgage loans may be refused.

13.5 Amendments to the Regulations

The Board of Trustees may amend these Regulations at any time. They must take account of the statutory provisions and the objects of the foundation.

If provisions are missing from the Pension Regulations, then the Board of Trustees or the Management Committee must make an arrangement which corresponds to the pension provisioning purpose.

13.6 Disputes

In the event of disputes, these shall be settled by the court which Art. 73 of the Swiss Occupational Pensions Act (“BVG”) declares to have jurisdiction.

13.7 Liability

The assets of PKG shall be exclusively liable for the aforementioned liabilities. PKG refuses to accept liability for all consequences arising from the breach of obligations by the member enterprises, the Insured Persons or the persons entitled to benefits, and reserves the right to assert any losses that it incurs in this regard and to demand the repayment of any benefits which have been wrongfully rendered.

13.8 Dissolution and liquidation

In the event of the dissolution or liquidation of PKG, the procedures followed shall be in accordance with the provisions of the Foundation Deed and of the law.

13.9 Entry into force

The present Regulations shall come into force on 1 January 2015 and replace those of 1 January 2013.

Appendix to the Pension Fund Regulations

Pension conversion rates

Men					Women				
Age	Year				Age	Year			
	2016	2017	2018	2019		2016	2017	2018	2019
58	5.36%	5.35%	5.15%	4.95%	58	5.53%	5.50%	5.30%	5.10%
59	5.53%	5.50%	5.30%	5.10%	59	5.69%	5.65%	5.45%	5.25%
60	5.69%	5.65%	5.45%	5.25%	60	5.85%	5.80%	5.60%	5.40%
61	5.85%	5.80%	5.60%	5.40%	61	6.01%	5.95%	5.75%	5.55%
62	6.01%	5.95%	5.75%	5.55%	62	6.18%	6.10%	5.90%	5.70%
63	6.18%	6.10%	5.90%	5.70%	63	6.34%	6.25%	6.05%	5.85%
64	6.34%	6.25%	6.05%	5.85%	64	6.50%	6.40%	6.20%	6.00%
65	6.50%	6.40%	6.20%	6.00%	65	6.68%	6.55%	6.35%	6.15%
66	6.69%	6.55%	6.35%	6.15%	66	6.85%	6.70%	6.50%	6.30%
67	6.86%	6.70%	6.50%	6.30%	67	7.03%	6.85%	6.65%	6.45%
68	7.04%	6.85%	6.65%	6.45%	68	7.20%	7.00%	6.80%	6.60%
69	7.21%	7.00%	6.80%	6.60%	69	7.39%	7.15%	6.95%	6.75%
70	7.38%	7.15%	6.95%	6.75%	70	7.56%	7.30%	7.10%	6.90%

The Board of Trustees may bring the pension conversion rates into line with changed interest and life expectancy rates at any time.

Lucerne, 25 November 2015