



Pension fund regulations

Tellico Vested Benefits Foundation

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Based on Art. 9 of the Articles of Association of the Tellco Vested Benefits Foundation (hereinafter the «Foundation»), the Board of Trustees issues the following pension fund regulations:

1 General provisions

1.1 Purpose

The purpose of this occupational pension plan is to preserve and grow the mandatory and non-mandatory vested benefits of the insured.

1.2 Content and scope of the regulations

These regulations specify the rights and obligations between the insured and / or claimant and the Foundation.

1.3 Vested benefits

Based on Art. 4(1) of the Swiss Vested Benefits Act («VBA» – Freizügigkeitsgesetz, FZG) and Art. 4 of the Foundation deed, the Foundation receives pension assets (vested benefits) from employee pension funds or vested benefits institutions on behalf of employees. Subsequent payments are possible, provided that these represent termination benefits from an employee pension fund or retirement capital from another vested benefits foundation. The insured themselves may pay funds into the account to repay pledges or advance withdrawals under the promotion of home ownership scheme pursuant to Art. 30d of the Federal Act on Occupational Old Age, Survivors' and Invalidity Pension Provision («OPA» – Bundesgesetz über die berufliche Alters-, Hinterlassenen- und Invalidenvorsorge, BVG).

2 Vested benefits accounts

2.1 Opening of a vested benefits account

The vested benefits account is opened in the name of the insured.

2.2 Pension assets

The vested benefits account is credited with:

- a) Termination benefits or vested benefits brought into the Foundation from employee pension funds or vested benefits institutions pursuant to Art. 1.3 of these regulations
- b) Vested benefits or pension brought into the Foundation as a result of the division of pension rights under Art. 22c(2) of the VBA
- c) Lump-sum payment to be paid in as a result of a divorce decree under Art. 124e(1) and Art. 124d of the Swiss Civil Code (ZGB)
- d) Repayments of funds withdrawn to finance home ownership
- e) Interest
- f) Securities income.

Vested benefits transferred in or a pension resulting from a divorce decree will be credited to the retirement savings under the plan, to the statutory minimum retirement savings and other pension assets in the same proportion as charged to the pension fund of the spouse who is obliged to make the transfer.

The vested benefits account is debited with:

- a) Pension assets or vested benefits transferred to another pension fund or vested benefits institution
- b) Vested benefits paid out pursuant to a decree of divorce
- c) Withdrawals by the insured in compliance with the statutory provisions, such as withdrawals to finance
 - i) the purchase or construction of residential property for own use
 - ii) the purchase of shares in residential property, or
 - iii) the repayment of mortgage loans on such residential property
- d) Fees charged by the Foundation
- e) Fees related to the investments (fees, brokerage fees, stamp duty, custody account and administration fees)
- f) Referral and / or advisory fees with the express written consent of the insured.

2.3 Interest

- a) The interest rate for the vested benefits accounts is determined by the Board of Trustees.
- b) Interest is credited at the end of every calendar year or when the account is closed.
- c) Interest is credited on a pro rata basis to the statutory minimum retirement savings and other pension assets.

3 Securities investment model

3.1 Vested benefits custody account

- a) The insured can instruct the Foundation to invest all or part of the balance of their vested benefits account in securities. The Foundation opens a maximum of two vested benefits custody accounts per individual insured.
- b) The Foundation appoints the custodian.

3.2 Claim to interest and preservation of capital value

The insured do not have any claims to interest payments or the preservation of the value of the vested benefits invested in the vested benefits custody account. The insured alone bears the investment risk. Income and losses from securities investments are allocated on a pro rata basis to the statutory minimum retirement savings and other pension assets.

3.3 Securities investments

- a) OPO 2 strategy funds
The insured instruct the Foundation to buy or sell the collective investments offered by the Foundation in compliance with the applicable investment regulations at their own risk. Only strategy funds in the form of collective investment schemes that are supervised by the Swiss Financial Market Supervisory Authority (FINMA) or have been licensed for sale in Switzerland by FINMA or have been set up by Swiss investment foundations are permitted.
- b) Other funds
The insured instruct the Foundation to buy or sell the collective investments offered by the Foundation in compliance with the applicable investment regulations at their own risk. Investment is only permitted in funds in the form of collective investments schemes subject to FINMA supervision or funds approved by FINMA for distribution in Switzerland or funds established by Swiss investment foundations.
- c) Bonds and fixed-term deposits
Bonds with a direct or indirect federal or cantonal guarantee, Swiss mortgage bonds, medium-term notes and time deposits from banks subject to FINMA supervision; debt instruments must be denominated in Swiss francs; there are no limits on the number of individual borrowers.
- d) External asset management
External asset management by banks, securities traders, fund management companies or asset managers of Swiss collective investment schemes subject to supervision by FINMA is permitted. A written agreement regarding the management of the assets must be concluded; this agreement must explicitly demand mutatis mutandis compliance with Art. 49 to 58 of the Swiss Occupational Pensions Ordinance («OPO 2» – Verordnung über die berufliche Alters-, Hinterlassenen- und Invalidenvorsorge, BVV 2).

3.4 Monitoring of investment guidelines

- a) External asset managers must at all times comply with the investment guidelines pursuant to Art. 71(1) of the OPA, Art. 49 to 58 of the OPO 2 and Art. 19, 19a of Swiss Vested Benefits Ordinance («VBO» – Freizügigkeitsverordnung, FZV) as well as the investment regulations of the Foundation. The Foundation carries out spot checks to confirm compliance with these regulations.
- b) The Foundation is authorised at all times to implement all measures (purchase and sale of securities, etc.) required to re-establish compliance with the statutory and regulatory provisions.

4 Closing of the vested benefits account or custody account

4.1 Regular retirement

The vested benefits can be paid out to the insured at the earliest five years before or at the latest five years after he / she reaches the regular retirement age pursuant to Art. 13 of the OPA. If the insured is married or lives in a registered partnership, payment of the retirement benefit is only permitted if the spouse or registered partner gives his / her consent by means of a certified signature. If the insured cannot obtain such consent, or if such consent is denied, he / she can bring the matter before civil court.

4.2 Early closing

- a) The vested benefits account and / or custody account can be closed before retirement age
 - i) if the insured is disabled as defined in Art. 5.2(a) of the regulations
 - ii) in the event of death
 - iii) if a request to this effect is submitted by the insured:
 - who will be leaving Switzerland permanently, but not to take up residence in Liechtenstein
 - who will become self-employed and will no longer be subject to the mandatory employee benefits insurance
 - whose current vested benefits amount to less than his / her annual contribution to the employee benefits insurance
 - who will use his / her pension assets to:
 - purchase or build residential property for own use
 - purchase shares in residential property, or
 - repay mortgage loans on such residential property
 - iv) if the pension assets are transferred to another pension scheme or vested benefits institution.
- b) In the event of payments pursuant to Art. 4.2 lit a sublit. iii the total vested benefits are due. Subject to the following provision, partial payments are not possible. The insured cannot request the cash payment of their OPA retirement assets if they continue to be mandatorily insured for the risks of old age, death and disability under the statutory provisions of a member state of the European Union or Iceland or Norway.

4.3 Payment formalities

Vested benefits are only paid out if the Foundation is in possession of the following documents:

- a) Officially certified certificate of marital status for unmarried insured
- b) Officially certified signature of the spouse for married insured or the registered partner for insured living in a registered partnership for payments that require by law the consent of the spouse of registered partner
- c) Copy of the divorce decree for divorced insured
- d) Court order regarding the dissolution of a registered partnership.

4.4 Tax liability upon payment

- a) The payment of vested interests must be reported to the tax authorities to the extent required by law or official orders of the federal and cantonal governments.
- b) If the insured is domiciled abroad at the time of the payment, the Foundation will levy a withholding tax and deduct it directly from the vested benefits to be paid out.

4.5 Transferred assets

On request of the insured the Foundation can also transfer the securities in his / her vested benefits custody account, provided that the securities can be delivered and such a transfer is legally permitted.

5 Pension benefits

5.1 Benefits on maturity

The claim to a retirement benefit arises when the insured reaches the age given in Art. 4.1 of these regulations. The pension benefit consists of the accrued vested benefits.

5.2 Disability benefits

The pension benefit consists of the vested benefits if the insured draws a full disability pension from the Federal invalidity insurance and the risk of disability is not additionally insured.

5.3 Death benefits

If the insured dies before the retirement benefit is due, the vested benefits capital falls due for payment. The vested benefits capital is paid to the following persons in the following order, regardless of the provisions of inheritance law:

- a) The surviving spouse or the surviving registered partner and, to the extent that they have a claim to survivors' benefits in accordance with the OPA, the orphans and foster child- ren; if none,
- b) individuals who have received substantial financial support from the insured person, any individual who has been cohabiting with the insured person on a continuous basis for a period of least five years prior to his or her death, or is required to support one or more of the couple's children financially or; if none,
- c) children who do not have a claim to survivors' benefits in accordance with the OPA; if none,
- d) the parents; if none,
- e) the siblings; if none,
- f) the other legal heirs, to the exclusion of the community.

The insured can stipulate the amounts to be paid to each of the beneficiaries within a group of beneficiaries and extend the group of people mentioned under a) to include those under b) in writing.

6 Other provisions

6.1 Assignment and pledge of assets

- a) The insured can request a payment to finance residential property for own use up to five years before reaching the regular retirement age.
- b) The insured can pledge his / her claim to vested benefits to finance residential property for his / her own use up to the same date.
- c) Advance withdrawals and pledges are governed by the statutory provisions.

6.2 Assignment and pledge of assets

Entitlements to benefits may not be assigned or pledged before they fall due. The provisions of Art. 6.1 are reserved.

6.3 Liability

The Foundation is not liable to the insured for any consequences of the insured's noncompliance with statutory, contractual or regulatory obligations.

6.4 Notifications to the insured

Notifications to the insured are deemed to have been properly served if they are sent to the last address recorded by the Foundation.

6.5 Dormant accounts

- a) If the Foundation does not receive any clear payment instructions from the insured when the benefits fall due or the Foundation does not know the identities of the beneficiaries, the assets are reported to the second-pillar central authority but remain with the Foundation until further notice.
- b) Assets held in dormant vested benefits accounts and custody accounts are transferred to the OPA Guarantee Fund 10 years after the insured has reached the regular retirement age.

6.6 Fees

According to the Foundation's Fees and Charges Policy, the Foundation can charge fees for its activities. These will be debited from the vested benefits account.

6.7 Data protection provisions

Certain aspects of IT will be performed by subsidiaries (including subsidiaries abroad). There may be rare occasions on which employees from these subsidiaries are able to view personal data from Switzerland. However, the physical storage location for personal data will remain in Switzerland.

6.8 Amendments to the regulations

The Board of Trustees can amend these regulations at any time.

6.9 Entry into force

These regulations enter into force on 1 May 2024 and replace the previous regulations of 12 June 2018.

Schwyz, 30 April 2024

Tellco Vested Benefits Foundation

The Board of Trustees



Daniel Greber
President



Daniel Gresch
Member