

## Regulations

### of the Pictet Individual Pension Foundation (3<sup>rd</sup> Pillar A)

June 2024

These regulations are laid down by virtue of Article 11 of the bylaws of the Pictet Individual Pension Foundation (3<sup>rd</sup> Pillar A) (hereafter the “Foundation”) and the regulations in effect.

#### Article 1 – Purpose

Tied individual pension accounts entitle the accountholder to make tax-advantageous contributions, in accordance with Article 82 of the Swiss Federal Law on Occupational Retirement, Survivors’ and Disability Pension Plans (LPP) and the Swiss Federal Ordinance on Fiscal Deduction of Contributions to Recognized Pension Plans (OPP3).

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

#### Article 2 – Individual Account Opening

Upon receipt of the account opening application, the Foundation opens an individual account at Banque Pictet & Cie SA on behalf of the Pictet Individual Pension Foundation (3<sup>rd</sup> Pillar A) in favour of the applicant.

Several individual pension accounts may be opened for any one holder.

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

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

#### Article 3 – Choice of Investment Strategy

The accountholder is free to choose to invest in any one or more of the investment portfolios determined by the Foundation Board as well as the percentage amounts to be invested in each.

The accountholder must indicate to the Foundation in writing the percentage allocation of their pension assets to each of the investment portfolios. If the accountholder does not indicate to the Foundation the percentage allocation to each portfolio, all of the accountholder’s pension

assets will be invested in the LPP/BVG Short Mid-Term Bonds portfolio.

In electing to invest in any of these portfolios, the accountholder confirms that they are aware of the risks involved in such investments and that they alone incur the risks related to fluctuations in the market price of the assets held in the portfolios.

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

#### Article 4 – Description of the Portfolios

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

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

f) **LPP/BVG-40 ESG:** this portfolio may invest in all the asset classes authorised under OPP2. The equity portion of the portfolio must comprise between 30% and 50% of the total assets.

g) **LPP/ BVG-60 ESG:** this portfolio may invest in all the asset classes authorised under OPP2. The equity portion of the portfolio must comprise between 45% and 75% of the total assets and thus exceeds the limits laid down in Article 55 OPP2. Owing to the high portion of equity, this portfolio carries a higher risk than the other portfolios mentioned in letters a to f.

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

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

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

#### **Article 5 – Accountholders’ Ownership Rights**

The accountholders have an inalienable interest in a portion of the assets, as represented in the form of no par value shares of the investment portfolios that the accountholder has subscribed. One share entitles the holder to one share unit of the assets in the portfolio.

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

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

#### **Article 6 – Contributions**

The accountholder is at liberty to decide how often they wish to make contributions, but must abide by the minimum amount that the Foundation Board may impose.

In any event, the total annual contribution may not exceed the maximum amount allowed under Article 7(1) OPP3; exceptions, however, are made for transfers of larger amounts coming from recognized forms of retirement contributions. Any surplus amount will be immediately returned by the Foundation.

#### **Article 7 – Subscription**

When subscribing to shares in a portfolio, the account-

holder is issued with shares on the day following receipt of the payment.

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

#### **Article 8 – Redemption**

The accountholder may request the redemption of their units if they fulfil the conditions laid down in Articles 10 and 11 below.

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

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

#### **Article 9 – Modification of Investment Strategy**

The percentage allocation of the accountholder’s pension capital in the different investment portfolios may be modified by the accountholder at any time by way of written instructions.

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

#### **Article 10 – Payments and Duration of Pension Coverage**

The accountholder’s retirement benefits will be paid out to them at the time they reach the reference age set out in Article 13(1) LPP or, in the event of death, to their beneficiaries before said time pursuant to Article 13 below. If the accountholder can prove that they continue to be gainfully employed, payment of the benefits may be deferred up to a maximum of five years from the reference age. The accountholder may nonetheless request that their benefits be paid out five years before at the earliest before the reference age (Article 3(1) OPP3).

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

In the event of the accountholder’s death, and provided they issued no instructions to the contrary during their lifetime, the accountholder’s units will be redeemed one day following the day on which the Foundation learned of the accountholder’s death. These assets will be deposited to a separate account and earn interest at prevailing market conditions. The amount will be paid out when the deceased person’s estate is split up and distributed to their heirs.

#### **Article 11 – Anticipated Termination**

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

- a) the accountholder becomes entitled to a federal disability pension from the Swiss federal social security administration;
- b) the accountholder uses the pension benefits to repurchase benefits from a tax exempt pension plan or uses it for some other kind of recognised form of pension coverage;
- c) the accountholder relinquishes a former self-employed activity and engages in another self-employed activity;
- d) the accountholder leaves Switzerland for good;
- e) the accountholder becomes self-employed;
- f) the accountholder modifies or terminates their participation in the Foundation in order to use their pension benefits (capital) for the purchase or construction of residential property for their own use, participation of a residential property or the repayment of a mortgage loan as provided by Article 3(3) of the Ordinance on the Fiscal Deduction of Contributions to Recognized Pension Plans (OPP3).

The authorised forms of home ownership are ownership, co-ownership (namely ownership of a floor of a multi-floor dwelling), joint ownership by the accountholder and their spouse or registered partner and the independent and long-standing rights to build a residence on leased property (Article 2 (2) Swiss Federal Ordinance on the Encouragement of the Use of Pension Capital for Home Ownership (OEPL)).

The accountholder may only request payment of their pension benefits for said purposes once every five years.

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

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

#### **Article 12 – Assignment and Pledge**

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

#### **Article 13 – Beneficiaries**

The following persons are deemed to be beneficiaries:

- a) In the event of survival, the accountholder themselves;
- b) In the event of the accountholder's death, the following persons are deemed the beneficiaries in this order:
  1. the surviving spouse or surviving registered partner;
  2. direct descendants or persons whose maintenance

was largely provided by the unit holder, or who have been cohabiting with the unit holder for an unbroken period of at least five years immediately prior to the unit holder's death, or who has to provide for the maintenance of one of more joint children;

3. the deceased's parents;
4. the deceased's siblings;
5. other heirs.

The accountholder may designate, during their lifetime and in writing, one or more beneficiaries from among the persons mentioned in letter b, lit. 2, and determine their entitlements. If this has not been done, the accountholder's assets will be paid to the beneficiaries in equal shares.

The accountholder may alter, in writing, the order of beneficiaries mentioned in letter b, lit. 3 to 5, and determine their entitlements. If this has not been done, the accountholder's assets will be paid to the beneficiaries in equal shares.

The accountholder must, during their lifetime and in writing, provide the Foundation with the names of the persons indicated under letter b, lit. 2, whose support and maintenance was largely the responsibility of the accountholder. If no beneficiary is designated or the beneficiary is not designated in accordance with the provisions set forth under letter b, the Foundation will apply the general beneficiary clause mentioned in letter b.

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

#### **Article 14 – Disclosures to Accountholders**

The Foundation must confirm the following in writing:

- the opening of the account;
- receipt of the contribution or amount transferred from another tied individual pension institution;
- subscription instructions;
- redemption instructions; and
- the closing of the account.

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

At the start of every year, the Foundation sends each unit holder a statement of their account for the year elapsed. This/these statement(s) indicate(s) any withdrawal(s) made by the accountholder, as well as the total amount of their capital invested in each of the investment portfolios. Furthermore, accountholders who made contributions during the previous year also receive a statement for reporting purposes with the competent fiscal authority.

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

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

#### **Article 15 – Fees and Entry Fees**

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

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

An entry fee may be charged by the Foundation and paid to the intermediary as mentioned on the account opening application. This fee is charged on any capital contribution or any amount transferred from another tied individual pension institution.

#### **Article 16 – Liability**

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

Any damages resulting from the false identification of the accountholder or the use of forged or misleading information is charged to the accountholder, except in the event of gross professional misconduct on the part of the Foundation.

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

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

The Foundation reserves the right to conduct additional checks.

#### **Article 17 – Relations with the Foundation**

All correspondence that the accountholder sends to the Foundation must be sent to: Fondation Pictet en faveur de la prévoyance individuelle (3<sup>e</sup> Pilier A), Route des Acacias 60, 1211 Geneva 73.

Additional checks in accordance with the internal directives of Banque Pictet & Cie SA may be carried out for any

order received by the Foundation, including by telephone call. The transaction will be executed on the working day following confirmation that the said order is valid.

#### **Article 18 – Dormant Assets**

As at 1 January 2003, the Directives relating to the handling of dormant assets held at Swiss banks are also applicable to the assets held by 3rd Pillar A banking foundations.

As such, the unit holder must inform the Foundation of any change in name, marital status or address.

The Foundation reserves the right to periodically provide the Central Claims Office for Dormant Assets held at Swiss Banks with data pertaining to unit holders with dormant assets.

#### **Article 19 – Tax Obligations**

The withdrawal of any assets from an investment portfolio as set forth by Article 8 herein is subject to the fiscal obligations contained in the provisions of the Swiss federal law on anticipated taxes.

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

#### **Article 20 – Amendments**

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

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

#### **Article 21 – Place of Jurisdiction**

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

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

#### **Article 22 – Effective Date**

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

The Foundation Board