

REGULATIONS

PKE - CPE
ENERGY PENSION
FOUNDATION

Valid from 1 January 2011



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REGULATIONS

PKE - CPE ENERGY PENSION FOUNDATION

I. General Provisions

Art. 1

Terms and definitions

All gender-specific terms used in these Regulations shall be deemed to refer to persons of both sexes.

The following terms and definitions apply in these Regulations:

a) General

Foundation	PKE-CPE Vorsorgestiftung Energie (PKE-CPE Energy Pension Foundation, PKE-CPE Fondation de prévoyance Energie, PKE-CPE Fondazione di previdenza Energia);
Affiliation agreement	Contract governing the affiliation of a company to the Foundation;
Insured benefit plan	Contract which sets out the applicable salary specifications as well as pension and contribution rates;
Companies	Firms affiliated to the Foundation by means of an affiliation agreement;
Employees	Staff members who have an employment relationship with a company;
Insured member	Employee insured by the Foundation;
Insured salary	Salary on the basis of which contributions and insured benefits are calculated (Art. 8 and 10 ff.);
Retirement age	Retirement age is 65 for both men and women;
Retirement	Retirement may be taken between the ages of 58 and 65;
Spouse	Refers to persons who are married within the meaning of ZGB and to persons in a registered partnership within the meaning of PartG;
Partner	Person in a registered partnership within the meaning of PartG.

b) Laws and ordinances

AHV	Swiss Federal Old Age and Survivors' Insurance;
IV	Swiss Federal Disability Insurance;
BVG	Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans;
BVV2	Ordinance on Occupational Retirement, Survivors' and Disability Pension Plans;
FZG	Swiss Federal Law on Vesting in Pension Plans;
ZGB	Swiss Civil Code;
OR	Swiss Code of Obligations;
PartG	Swiss Federal Law on Registered Same-sex Partnerships.

Art. 2

Foundation

- (1) Under the name of "PKE-CPE Vorsorgestiftung Energie" (PKE-CPE Energy Pension Foundation, PKE-CPE Fondation de prévoyance Energie, PKE-CPE Fondazione di previdenza Energia) and based in Zurich, a Foundation exists within the terms of Art. 80 ff ZGB, Art. 331 OR and Art. 48 para. 2 BVG.
- (2) The Foundation has the objective of providing pension coverage to the employees of affiliated companies in the event of old age and disability, and to the survivors of these employees after their death. Legal persons under private and public law and public legal entities that are operating in the following sectors can become affiliated companies:
 1. Energy production companies (electricity, gas, other energies)
 2. Energy distribution and energy trading companies and their suppliers
 3. Service companies in the energy sector
 4. Energy research and development companies
 5. Energy engineering companies and other companies operating mainly in the energy technology sector
 6. Water supply companies and other companies working in the water management sector
 7. Associations and organizations in the energy sector
 8. Companies that have emerged from already affiliated companies (e.g. following restructuring, spin-offs)
 9. Selected companies from other sectorsThe Foundation provides the mandatory retirement, survivors' and disability benefits in accordance with the BVG and has been entered in the register for occupational pension plans for this purpose.
- (3) The Foundation operates a pension fund in accordance with the provisions of these Regulations at its own expense and risk. It may reinsure individual risks with a Swiss insurance company.
- (4) The Foundation operates the following occupational pension plans:
 - a) Basic insurance
 - b) Coverage of variable salary components (Bonus Plan)
 - c) Savings plan for pre-financing of early retirement (Saving 60).In all cases, the basic insurance provides at least the minimum benefits in accordance with the BVG. It manages a "shadow account" for each insured member, in which the retirement savings accrued for that person and their minimum entitlements pursuant to the BVG may be viewed at any time.

Art. 3

Enrolment in the Foundation

- (1) Employees are covered by the Foundation if they have reached their 17th birthday but have not yet reached retirement age and their annual salary (Art. 5) is greater than the minimum amount specified in the insured benefit plan, subject to paragraph 2 below.

Coverage begins upon commencement of employment, but at the earliest on 1 January after the insured member reaches their 17th birthday.
- (2) The following are not covered by the Foundation:
 - a) employees whose main occupation, either employed or self-employed, is performed outside the company;
 - b) employees who are at least 70% disabled as defined by the IV;
 - c) employees whose employment contracts have been concluded for a maximum of three months; should the term of the contract be extended to a total of more than three months at a later date, the insurance obligation will commence at the point in time when the contract is extended.The Foundation does not voluntarily insure employees who have employment relationships with more than one employer (Art. 46 BVG).

Art. 3a

Collective purchases and deposits

Collective purchases and deposits are made to provisions, fluctuation reserves and surplus funds, and are governed by regulations on collective purchases and deposits issued by the Foundation Board.

Art. 4

Disability

- (1) An insured member is deemed to be disabled if they are no longer able to perform their former occupation or another occupation corresponding to their knowledge and ability for health reasons (accident, sickness, old age or infirmity), and their employment relationship is terminated before retirement or their salary reduced for this reason.
- (2) The decision of the Swiss Federal Disability Insurance serves as the basis for recognition of incapacity to work and specification of the degree of disability. If the degree of disability is 70% or more, the insured member is deemed to be fully disabled.
- (3) In the event of special circumstances, the Foundation may require that the insured member's state of health and capacity to work be assessed by a medical examiner it has appointed. In this case, the reduction in income caused by the disability and compared with the former salary is decisive for the specification of the degree of disability.

- (4) The Foundation is entitled at any time to obtain a medical report on the state of health of a disabled insured member. If an insured member does not cooperate with any such examination or is not willing to accept any form of employment which presents itself and which is deemed reasonable in respect of their knowledge and ability and their state of health, the Foundation may suspend, reduce or refuse to provide disability benefits.

Art. 5

Insured salary

The basic annual salary, the insured salary, the coordination amount and any maximum and minimum amounts are specified in the insured benefit plan for the individual affiliated companies. The insured benefit plan states the salary components which are to be insured and those which are not to be insured. This is to be stipulated within the individual companies by a committee or body comprised jointly of employees and employers. The Foundation must be informed of the details required for specifying the benefits in accordance with the BVG.

Art. 6

Retirement credits and retirement savings

- (1) An individual retirement savings account is opened for each insured member. This contains the retirement savings, which consist of
- a) the retirement credits with interest
 - b) the entry benefits transferred in with interest
 - c) the voluntary deposits with interest
 - d) any other deposits with interest
- (2) Each calendar year, retirement credits in the amount of the savings contributions made to the insured benefit plan are credited to the retirement savings account of each insured member who is at least 25 years old.
- (3) The retirement savings account is managed in accordance with the following rules:
- a) The interest rate is set on an annual basis by the Foundation Board. The interest rate may be below the BVG minimum interest rate if the financial situation requires it.
 - b) Interest is calculated at the end of each calendar year based on the amount of retirement savings available at the beginning of the year, taking account of any entry benefits, deposits and early withdrawals. The retirement credits for the calendar year in question are added to the retirement savings without interest.
 - c) If an insured member leaves the Foundation during the course of a calendar year, the interest is calculated based on the amount of retirement savings available at

the beginning of the year, taking account of any entry benefits, deposits and early withdrawals for the period of time which has elapsed. The retirement credits corresponding to the insurance period which has elapsed in the calendar year in question are added to this.

- (4) After the death of an active or disabled insured member, the retirement savings continue to be increased with retirement credits and interest until retirement age. The retirement credits are calculated on the basis of the insured salary applicable at the time of death.
- (5) In the event of full disability, the retirement savings continue to be increased with interest and retirement credits throughout the duration of the disability until retirement age. The retirement credits are calculated on the basis of the insured salary applicable upon onset of the incapacity to work.
- (6) In the event of partial disability, the retirement savings available at the time when the disability pension commences are divided into two components corresponding to the degree of disability. The retirement savings corresponding to the disabled component are continued as for a fully disabled insured member, and the retirement savings corresponding to the active component are continued as for an active insured member.

Art. 7

Coverage of variable salary components (Bonus Plan)

- (1) Companies can cover variable salary components by means of a Bonus Plan. Conclusion of a Bonus Plan is dependent upon the company being affiliated to the Foundation or the PKE Energy Pension Fund Cooperative.
- (2) In agreement with the insured members, the company specifies which groups of insured members are subject to the plan. Contributions and benefits are determined in accordance with these Regulations and the Bonus Plan concluded with the individual company.
- (3) Deposits and contributions accrue interest from the date of receipt at a rate to be determined by the Foundation Board on an annual basis.

Art. 7a

Pre-financing of early retirement (Saving 60)

- (1) After purchasing the full benefits under the Regulations, insured members may maintain an additional Saving 60 savings account. This savings account is intended to reduce or balance out any pension reduction resulting from early retirement.
- (2) Deposits or contributions may only be paid into the Saving 60 additional account provided the additional account does not exceed the present value of the retirement pen-

sion, the AHV bridging pension and the retirement credits for the period between retirement and age 65.

- (3) The company may participate in the costs of early retirement, either in full or in part.
- (4) If the pension reduction on the basis of early retirement has been purchased, the contribution obligation for retirement contributions ceases at the latest on the date when the insured member could take retirement with the same retirement pension that they would receive on regular retirement at age 65. In the event of continued employment, the retirement pension may not exceed the maximum benefit target at age 65 by more than 5%. Any savings which exceed this 5% limit shall be forfeited to the Foundation.
- (5) Deposits and regular contributions shall accrue interest from the date of receipt at a rate to be determined by the Foundation Board on an annual basis.
- (6) The Saving 60 savings account is used on retirement to provide a pension increase or a lump sum payment. In the event of permanent full disability, the savings on this account shall be paid out to the insured member. In the event of death before retirement, payment shall be made in accordance with Art. 16 (Lump sum death benefit).
- (7) Sections IV (Termination of the Pension Relationship) and V (Special Provisions) are applicable to the Saving 60 savings account, but not section III (Benefits Provided by the Foundation).

II. Foundation Revenue

Art. 8

Contributions

- (1) The annual savings and risk contributions are calculated as a percentage of the insured salary. The amount and division of the savings and risk contributions between the insured member and the company are specified in the insured benefit plan. The Foundation may grant a discount on the risk contributions if and insofar as the risk trends permit this.
- (2) If required by the financial situation, the Foundation Board may stipulate administration costs and restructuring contributions. The administration cost contributions are divided between the insured member and the company in the same ratio as the risk contributions pursuant to the insured benefit plan. The division of the restructuring contributions is agreed between the insured member and the company.
- (3) The company shall bear at least half of all contributions.
- (4) The insured members' contributions shall be deducted in monthly instalments from their salaries by the company and transferred to the Foundation together with the company's contributions.

- (5) The obligation to make contributions shall commence on enrolment in the Foundation and continue for as long as the salary or substitute salary is being paid, but until retirement age is reached at the longest. If an insured member becomes fully disabled, the obligation to make contributions shall cease for the duration of this disability. If they become partially disabled and continue in their employment relationship with the company, the contributions to be made shall be based on the new insured salary.
- (6) In the event of a deficit, the Foundation Board may levy contributions from pensioners to remedy the deficit insofar as this is legally permitted.
- (7) All contributions shall be paid by the company to the Foundation within 15 days of issue of the invoice at the latest. In the event of any delay in payment, interest on arrears of 5% per year shall additionally be charged from the 16th day. Amounts outstanding for more than three months will be notified to the supervisory authority.

Art. 9

Entry benefits, deposits

- (1) The termination benefit from previous pension plans is to be transferred to the Foundation as entry benefits.
- (2) The insured member must allow the Foundation to review the statements of the termination benefit from previous pension plans.
- (3) The insured member must notify the previous vested benefits institution of their enrolment in the Foundation. The vested benefits institution must transfer the pension plan capital to the Foundation on the insured member's enrolment in the Foundation.
- (4) An insured member may make additional purchases. The maximum purchase amount permitted is specified in the insured benefit plan. The maximum amount permitted for purchasing benefits shall be reduced by any vested benefit assets which the insured member has not transferred to the Foundation. For formerly self-employed individuals, the maximum amount permitted for purchasing benefits is reduced by their pillar 3a assets that exceed the threshold stated in Art. 60a para. 2 BWV2.
- (5) If early withdrawals have been made for home ownership, voluntary purchases may only be made once the amounts withdrawn have been repaid. If the age limit for a repayment has been exceeded according to Art. 24 para. 8, a purchase may be made. In that case, the maximum purchase amount permitted is reduced by the amount of the early withdrawal.
- (6) For persons who have moved to Switzerland from abroad and who have never previously been affiliated to a pension plan in Switzerland, the annual purchase amount may not exceed 20% of the insured salary during the first five years

following enrolment in a Swiss pension plan. After the five years, purchases may be made in accordance with the provisions above.

- (7) Transfers of vested benefits on divorce (Art. 25) may be repurchased at any time.
- (8) The entry benefits and voluntary deposits shall accrue interest from the date of deposit.
- (9) The companies undertake to compensate any reduction in the retirement pension of their insured members due to the reduction of the technical interest rate by means of a one-time deposit, provided that this is included in the pension plan.

III. Benefits Provided by the Foundation

Art. 10

Insured benefits

- (1) The Foundation provides insured members and their survivors with the following benefits:

Retirement pension, retirement capital, child's pension, bridging pension	(Art. 11)
Disability pension supplemented with a child's pension	(Art. 12)
Spouse's pension or spouse's settlement	(Art. 13)
Partner's benefits	(Art. 14)
Orphan's pension	(Art. 15)
Lump sum death benefit	(Art. 16)
- (2) The insurance benefits listed above are provided under the express restrictions of Arts. 4 and 21. Under pension plans in accordance with the BVG, the minimum benefits stipulated by the BVG are guaranteed (cf. Art. 2 para. 4).
- (3) Each insured member receives a statement on a regular basis showing the insured benefits and the termination benefit.

Art. 11

Retirement pension, retirement capital, child's pension, bridging pension

- (1) Entitlement to a retirement benefit commences if the insured member retires after reaching their 58th birthday, but at the latest on reaching their 65th birthday. The retirement benefit is paid out in the form of a retirement pension and/ or retirement capital.
- (2) The amount of the retirement pension is calculated using the retirement savings available at the time of retirement and the conversion rate (see Appendix, subject to Art. 33 para. 3). The amount of retirement savings remaining after any lump sum withdrawal or reduced on drawing a bridging pension (para. 4) shall serve as the basis for this calculation.

- (3) On the retirement of an insured member who is not disabled, all or part of the available retirement savings (subject to para. 5) may be drawn as retirement capital. If purchases were made during the last three years prior to retirement, the benefits thus obtained may not be withdrawn in the form of capital. The insured member must send the Foundation written notification, jointly signed by their spouse, of their wish to draw a capital payment at the latest one year before reaching retirement age, otherwise the insured member's right to make such a request shall lapse.
- (4) The recipient of a retirement pension may request payment of a bridging pension for the period during which they are not yet in receipt of an AHV retirement pension. This pension is agreed for a fixed period and may not exceed the amount of the maximum AHV retirement pension. The available retirement savings shall be reduced as detailed in the Appendix (subject to Art. 33 para. 3).
- (5) If the recipient of a retirement pension has children who would be entitled to claim orphans' pensions on their death (Art. 15), the insured member may claim a child's pension for each of these children corresponding to 20% of the retirement pension they receive.

Art. 11a

Partial retirement

- (1) If, in agreement with the company, an insured member reduces their level of employment by at least 20% after reaching their 58th birthday, they may request partial retirement. Art. 11 applies accordingly to the partial retirement pension or partial retirement capital and to the AHV bridging pension. The share of the retirement savings which corresponds to the level of partial retirement shall serve as the basis for determining the partial retirement pension or partial retirement capital. The maximum amount of the bridging pension is reduced in accordance with the level of partial retirement.
- (2) The share of the retirement savings which corresponds to the reduced level of employment is continued as for an insured member with full employment, pursuant to Art. 6. The insured salary is calculated pursuant to Art. 5 on the basis of the annual salary that continues to be earned. Contributions and the obligation to make contributions are determined pursuant to Art. 8 on the basis of the insured salary calculated in this way.
- (3) Partial retirement may take place at most once a year, whereby the level of employment must be reduced by at least 20% for at least one year and must continue to be at least 20%. Partial retirement involving withdrawal of partial retirement capital may take place once at most before full retirement is taken.

Art. 12

Disability pension, child's pension

- (1) If an insured member becomes disabled before retirement pursuant to Art. 4, they are entitled to a disability pension if
 - a) they are at least 40% disabled and were insured by the Foundation upon onset of the incapacity to work which resulted in disability, or
 - b) they suffer from a congenital defect and were at least 20% but less than 40% unable to work on commencing employment, and were at least 40% insured when the incapacity to work resulting in disability worsened, or
 - c) they became disabled as a minor and were therefore at least 20% but less than 40% unable to work on commencing employment, and were at least 40% insured when the incapacity to work resulting in disability worsened.
- (2) An insured member is entitled to
 - a) a full disability pension if they are at least 70% disabled;
 - b) a three-quarter pension if they are at least 60% disabled;
 - c) half a pension if they are at least 50% disabled;
 - d) a one-quarter pension if they are at least 40% disabled.
- (3) The amount of the full disability pension is specified in the insured benefit plan.
- (4) The disability pension shall be paid until death or the disability no longer applies, but at longest until the insured member reaches retirement age. At this time the disability pension is replaced by the retirement pension. The retirement pension is calculated in accordance with the provisions of Art. 11 on the basis of the continued retirement savings available upon reaching retirement age and the conversion rate which applies upon reaching retirement age.
- (5) Entitlement to the disability pension is deferred for as long as the company continues to pay the salary or a substitute salary is paid which is equivalent to at least 80% of the lost salary and at least half of which is financed by the company.
- (6) If a disabled insured member has children who would be entitled to claim orphans' pensions on their death (Art. 15), the insured member may claim a child's pension for each of these children corresponding to 20% of the disability pension they receive.
- (7) If a partially disabled insured member leaves the Foundation, they will continue to receive the partial disability pension and any associated children's pensions. In addition, a termination benefit pursuant to Art. 18 ff. is paid for the component that corresponds to their ability to work. The survivors' benefits that continue to be insured are calculated on the basis of the partial disability pension.

Art. 13

Spouse's pension, spouse's settlement

- (1) In the event of the death of a married insured member or recipient of a retirement or disability pension, the surviving spouse shall receive a spouse's pension provided that
 - a) they are responsible for supporting one or more children, or
 - b) they are over the age of 35 and the marriage lasted for at least five years.If the surviving spouse does not fulfil either of these requirements, they will receive a one-time settlement of three times the annual amount of the spouse's pension. A settlement of the same amount will be granted if the spouse's pension ceases due to the spouse's remarriage. If the marriage did not last for at least five years, but the spouse was living together with the insured member in the same household or residence at the time of their death, the surviving spouse is entitled to a partner's pension if the other requirements pursuant to Art. 14 are fulfilled.
- (2) The amount of the spouse's pension is specified in the insured benefit plan for the time before and after retirement or retirement age. At the time when the insured member or recipient of a retirement or disability pension would have reached retirement age, the amount of the spouse's pension is re-determined. It is calculated on the basis of the retirement pension derived from the retirement savings which continue to accrue as per Art. 6 para. 4. In the event of death after retirement, the spouse's pension is calculated on the basis of the retirement pension paid at the time of death.
- (3) The divorced spouse of the deceased insured member shall receive the obligatory BVG minimum benefits provided that the marriage lasted for at least ten years and that a pension or a capital settlement for a life-long pension was awarded in the divorce decree. However, the obligatory BVG minimum benefits may be reduced by the amount by which they, together with the benefits from other insurances (particularly the AHV or IV) exceed the entitlement under the divorce decree.

Art. 14

Partner's benefits

- (1) Subject to the same conditions as those applicable to the spouse (Art. 13), the non-married partner designated by the insured member or recipient of a retirement or disability pension, whether of the same or different sex, is entitled to a survivor's pension in the amount of the spouse's pension, provided that
 - a) the partner is over the age of 35 and can prove that they lived together continuously in a domestic relationship with the deceased insured member in the last five years

- before their death or are responsible for supporting one or more joint children, and
 - b) a written application is submitted with the relevant proofs to the Foundation at the latest three months after the death of the insured member or recipient of a retirement or disability pension.
- (2) The partner's pension shall cease upon the marriage of the surviving partner and a lump-sum settlement amounting to three times the annual partner's pension will be paid out.
- (3) Partners of married insured members or recipients of a retirement or disability pension are not entitled to a partner's pension. There is also no entitlement to a partner's pension if
- a) the domestic relationship did not commence at least five years prior to the insured member's attainment of retirement age, or
 - b) the beneficiary is receiving a spouse's or partner's pension.

Art. 15

Orphan's pension

- (1) In the event of the death of an insured member or a recipient of a retirement or disability pension, each of their children and foster children for whose support the insured member was substantially responsible shall receive an orphan's pension. This pension shall be paid until the child reaches their 18th birthday. For children who are still in education or who are unable or not fully able to work due to a physical or psychological infirmity, the pension entitlement shall continue until they reach their 25th birthday.
- (2) In the event of the death of an insured member or recipient of a disability pension, the orphan's pension is equivalent to 20% of the insured or current disability pension at the time of death. At the time when the insured member or recipient of a disability pension would have reached retirement age, the orphan's pension shall be re-determined. It is equivalent to 20% of the retirement pension derived from the retirement savings which continue to accrue as per Art. 6 para. 4. In the event of the death of a recipient of a retirement pension, the orphan's pension is equivalent to 20% of the current retirement pension.

Art. 16

Lump sum death benefit

- (1) If an insured member dies and the accrued retirement savings are greater than the single premium for benefits for the spouse, partner, divorced spouse and children, a lump sum death benefit is payable. This is equivalent to the accrued retirement savings less the single premium to finance the benefits for the spouse, partner, divorced spouse and children.

- (2) If a recipient of a retirement or disability pension dies, the lump sum death benefit is equivalent to 300% of the annual retirement pension, less the retirement or disability pension payments already drawn.
- (3) The following are entitled to the lump sum death benefit, independently of inheritance law, according to the following order of eligibility:
- a) the spouse and children of the deceased who are entitled to an orphan's pension;
 - b) in the absence of beneficiaries designated under a), the persons for whose support the deceased was substantially responsible or the person who lived together continuously in a domestic relationship with the deceased in the last five years before their death or who is responsible for supporting one or more joint children, provided that they are not already receiving a spouse's or partner's pension;
 - c) in the absence of beneficiaries designated under a) and b), the remaining children, in their absence, the parents, in their absence, the siblings of the deceased;
 - d) in the absence of beneficiaries designated under a), b) and c), the other legal heirs, excluding the public purse, in the amount of one half of the lump sum death benefit.

Persons designated under b) are only eligible if they submit a written application with the relevant proofs to the Foundation at the latest three months after the death of the insured member or recipient of a retirement or disability pension.

- (4) The insured member or recipient of a retirement or disability pension may alter the beneficiary groups listed in para. 3 at any time by sending written notification to the Foundation, as follows:
- a) if there are persons as designated under para. 3 b), the beneficiaries designated under para. 3 a) and b) may be merged in a single group.
 - b) if there are no persons as designated under para. 3 b), the beneficiaries designated under para. 3 a) and c) may be merged in a single group.

The notification must be submitted to the Foundation while the insured member or recipient of a retirement or disability pension is alive.

- (5) The insured member or recipient of a retirement or disability pension may specify the entitlements of the beneficiaries within a beneficiary group (paras. 3 and 4) as they wish by submitting a written notification to the Foundation. If no notification is received, the lump sum death benefit will be divided equally among all beneficiaries within a beneficiary group. The notification must be submitted to the Foundation while the insured member or recipient of a retirement or disability pension is alive.

Art. 17

Conditions regarding payment

- (1) Subject to para. 2, the following provisions apply to the commencement and cessation of pensions:
 - a) A disability pension shall be paid on issuance of the legally valid IV decision. The commencement and duration of the pension shall correspond to the IV decision.
 - b) A retirement pension shall be paid from the time of retirement until the death of the recipient of the retirement pension.
 - c) A pension for a surviving spouse or partner shall first be paid in the month following the death of the insured member or recipient of a retirement or disability pension; it shall be paid for the lifetime of the beneficiary but at longest until the surviving spouse or partner remarries. In the latter case, the surviving spouse or partner shall receive a final settlement equivalent to three times the annual amount of the spouse's pension.
 - d) An orphan's pension shall first be paid in the month following the death of the insured member or recipient of a retirement or disability pension; it is paid for as long as the entitlement continues pursuant to Art. 15.
- (2) Pensions shall be transferred in monthly instalments to the bank or post office account specified by the beneficiaries. If a person who is entitled to a pension lives abroad, the domicile of the Foundation shall be the place of performance. The full monthly pension instalment is paid for the month in which the pension entitlement ceases.
- (3) The Foundation may replace the pension with a one-time capital settlement if the retirement pension amounts to less than 5% of the maximum AHV retirement pension, the spouse's pension less than 3%, or the orphan's pension less than 1%. The capital settlement is calculated on an actuarial basis. On payment of the capital settlement, all other entitlements of the insured member or their survivors vis-à-vis the Foundation shall lapse.

IV. Termination of the Pension Relationship

Art. 18

Due date of payment, interim cover

- (1) If the pension relationship is terminated by the insured member or the company without there being any entitlement to insured benefits from the Foundation in accordance with the above provisions, the insured member leaves the Foundation and is entitled to a termination benefit in accordance with the following provisions. Insured members who are given notice for economic reasons and have reached their 58th birthday may remain insured in the Foundation either with or without the obligation to make contributions.

- (2) The termination benefit shall be payable upon the date the person leaves the Foundation. From this time onward it shall accrue interest at the minimum interest rate pursuant to the BVG. If the Foundation does not transfer the termination benefit within 30 days of receiving the necessary details, it shall subsequently accrue interest at the rate of interest on arrears specified by the Federal Council.
- (3) The insured member remains insured for death and disability for one month after termination of the pension relationship, but at longest until commencement of a new pension relationship.
- (4) If the Foundation is obliged to pay survivors' or disability benefits after it has transferred the termination benefit, the termination benefit must be refunded to the Foundation to the extent necessary to pay the survivors' or disability benefits. Survivors' or disability benefits shall be reduced by the extent to which the refund falls short of the amount due.

Art. 19

Amount of termination benefit

- (1) The termination benefit shall be equivalent to the available retirement savings (defined contribution principle). The minimum amount pursuant to Art. 17 FZG shall be adhered to when calculating the termination benefit.
- (2) If the insured member has not yet paid a part of the voluntary deposit, this unpaid part with interest is deducted from the termination benefit pursuant to para. 1.
- (3) Risk, administration cost and restructuring contributions pursuant to Art. 8 paras. 1 and 2 shall not be taken into account when calculating the minimum benefit.
- (4) During any deficit period and insofar as the rate of interest on the retirement savings is lower than the BVG minimum interest rate, the minimum amount pursuant to Art. 17 FZG shall also be calculated using the interest rate for the retirement savings.

Art. 20

Use of termination benefit

- (1) If the insured member joins a new pension plan, the Foundation shall transfer the termination benefit to the new pension plan.
- (2) Insured members who do not join a new pension plan must notify the Foundation whether the termination benefit is to be transferred
 - a) to a Swiss life insurance company or the pool for vested benefit policies in order to set up a vested benefit policy, or
 - b) to an account which is blocked for pension purposes with a vested benefit foundation.

If this information is not received, the termination benefit will be transferred with interest to the Substitute Pension

Plan no earlier than six months and no later than two years after termination.

- (3) The insured member may request cash payment of the termination benefit if
- they leave Switzerland and the Principality of Liechtenstein permanently (subject to the restrictions applicable to a move to an EU member state, Iceland or Norway),
 - they become self-employed and are no longer subject to obligatory occupational pension coverage, or
 - the termination benefit amounts to less than their annual contribution.

Cash payment to an insured member who is married or in a registered partnership is only permitted if the spouse or the other registered partner consents in writing.

Art. 20a

Partial liquidation

Requirements and procedures in connection with partial liquidation are governed by separate regulations on partial liquidation issued by the Foundation Board.

V. Special Provisions

Art. 20b

Unpaid leave

- (1) The insurance shall remain in force without change during any period of unpaid leave if the risk contributions continue to be paid by the insured member and the company throughout the period of leave.
- (2) The risk contributions are to be paid as a one-time contribution at the commencement of the period of leave for the entire period of leave.
- (3) If the risk contributions are not paid, the insurance coverage shall continue throughout the first month of the period of leave. If an insured event occurs after the end of this month but before the insured member recommences work, the insured member shall be entitled to the termination benefit calculated as at the commencement of the period of leave and increased with interest for the period which has elapsed since.
- (4) If payment of contributions is resumed in full after the period of leave has ended, the retirement savings shall continue to accrue with retirement credits and interest from this time onwards.

Art. 21

Deduction of benefits provided by third parties, benefit reductions

- (1) If, in the event of the disability or death of an insured member, the benefits provided by the Foundation together with other qualifying income generate a pension income of

more than 100% of the insured member's last full annual salary (including all allowances) for the insured member and their children, or a pension income of more than 80% for the insured member's survivors, the pensions to be paid by the Foundation shall be reduced until the stated limit is no longer exceeded. The retirement benefits shall be reduced in the same way if benefits are also provided by accident insurance or military insurance.

- (2) Qualifying income is considered to be benefits of the same type and for the same purpose that are paid out to the beneficiary on the basis of the event giving rise to the benefit, such as:

- a) Benefits from the AHV/IV (and/or Swiss or foreign social insurance) with the exception of long-term care allowances;
- b) Benefits from military insurance or from obligatory accident insurance;
- c) Benefits from other insurances for which at least half of the premiums have been financed by the company;
- d) Benefits from pension plans and vested benefit institutions.

In addition, any continuing employment income or replacement income that is or could reasonably be earned by recipients of disability benefits shall be taken into account. One-time capital benefits shall be converted into pensions on an actuarial basis in accordance with the actuarial principles of the Foundation. Exceptions to this are compensatory damages and similar settlements that need not be taken into consideration.

- (3) In all cases, at least the minimum benefits required by the BVG and its regulations for calculation shall be provided.
- (4) If the AHV/IV, military insurance or accident insurance reduces, refuses or withdraws benefits because the beneficiary has caused the disability or death of the insured member through gross negligence or in another culpable manner, the Foundation may also correspondingly suspend, reduce or refuse to provide benefits. The Foundation is not obliged to compensate for the reduction or refusal of benefits from military insurance or accident insurance.
- (5) The Foundation may require that a person claiming a survivors' or disability benefit cede their claim against liable third parties arising from the insured event to the Foundation in the amount to which the Foundation is obliged to provide benefits.

Art. 22

Foreclosure, pledging and assignment

The benefits provided by the Foundation are exempt from foreclosure insofar as this is legally permitted. The entitlement to benefits may not be pledged or assigned before the benefits become due, subject to Art. 24. Any agreements to the contrary are invalid.

Art. 23

Information and reporting obligation

- (1) Insured members and pension recipients must provide the Foundation with truthful information about all circumstances materially relevant to the insurance coverage, such as changes in marital status and family relationships, without being specifically requested to do so.
- (2) At the request of the Foundation, pension recipients must provide evidence of survival. Disabled persons must provide information regarding any other pension and/or earned income they receive.
- (3) Insured members and beneficiaries are obliged to provide the Foundation with the necessary information and documents requested and to submit documents relating to benefits, reductions or refusals issued by other insurance institutions or third parties as mentioned in Art. 21. In the event of a refusal, the Foundation may suspend, reduce or refuse to provide benefits according to its best judgement.
- (4) The Foundation disclaims all liability for any adverse consequences that may result from violation of the aforementioned obligations for insured members or their survivors. Should any losses arise for the Foundation from such a violation, the person or persons responsible may be held liable.

Art. 24

Residential property: early withdrawal, pledging

- (1) Up to three years before the entitlement to retirement benefits commences, the active insured member may claim an amount to fund the purchase of residential property for their own use or to repay a mortgage loan on such residential property. The insured member may also pledge this amount or their entitlement to pension benefits for the same purpose.
- (2) Up to the age of 50, the insured member may withdraw or pledge an amount up to the equivalent of their termination benefit. After the age of 50, the insured member may withdraw an amount up to the equivalent of the termination benefit to which they would have been entitled at age 50, or half of the termination benefit calculated at the time of the withdrawal. If purchases have been made during the last three years prior to the withdrawal, the benefits thus obtained may not be taken as an early withdrawal.
- (3) An early withdrawal may be made every five years at most, and must be at least CHF 20,000. Early withdrawals are to be taxed immediately, and result in an entry being made in the Land Register.
- (4) The insured member may submit a written application requesting information about the amount available to them as a withdrawal for residential property and the reduction in benefits associated with any such withdrawal. The Foun-

ation will also notify the insured member of the possibility of repurchasing the resultant gaps in insurance coverage and the relevant tax obligations.

- (5) If an insured member takes advantage of the withdrawal or pledge option, they must submit the contract documents relating to the purchase or construction of the residential property or the repayment of the mortgage loan, the regulations and/or the rental or loan agreement on acquisition of shares in a residential cooperative with the respective house-building association and the respective deeds for similar types of co-ownership. For insured members who are married, the written consent of the spouse must also be provided.
- (6) In the event of liquidity shortages, early withdrawals may be deferred for up to six months and then provided in accordance with the following priority schedule and in the order in which they were claimed:
 - a) for the construction or purchase of residential property;
 - b) for acquiring a share in residential property (e.g. shares in a residential cooperative, shares in a tenants' joint stock company);
 - c) for repayment obligations in respect of existing mortgages;
 - d) for voluntary repayment of existing mortgages.

In the event of a deficit, restrictions may be imposed on payment of the early withdrawal in terms of time or amount, or payment may be refused entirely if the early withdrawal is requested for the purpose of repaying a mortgage loan.

- (7) If an early withdrawal is made, the retirement savings will be reduced by the amount of the early withdrawal.
- (8) The early withdrawal must be repaid if:
 - a) the residential property is sold,
 - b) legal entitlements to such residential property are granted which are equivalent to a sale from an economic perspective, or
 - c) no pension benefits are payable on the death of the insured member.

The insured member may repay the early withdrawal in full or in part (at least CHF 20,000) at any time. Repayment must or may take place:

- a) up to three years before entitlement to retirement benefits commences,
 - b) until another insured event occurs, or
 - c) until cash payment of the vested benefits is made.
- The insured member may request a refund of tax paid from the relevant cantonal tax authority within three years.
- (9) The Foundation may charge a fee compensating it for processing early withdrawals.

Art. 25

Divorce

In the event of divorce or the dissolution of a registered partnership, the transferral of a part of the retirement benefits to the pension plan of the divorced spouse or partner, as ordered by the court, leads to a reduction of the retirement savings by the amount transferred. The insured member may repurchase the resultant reduction in benefits by making deposits pursuant to Art. 9.

VI. Organization of the Foundation

Art. 26

Foundation Board

- (1) The Foundation Board shall consist of four or more members, but must always have an even number of members. Employees and the employer are to be equally represented on the Foundation Board.
- (2) The Foundation Board shall constitute itself.
- (3) The term of office is three years; re-election is permitted. If the employment relationship of a Foundation Board member with the company is terminated, their position on the Foundation Board shall end at the same time. A member's term of office shall also end on reaching their 70th birthday. Foundation Board members appointed during a term of office shall take over the remaining term of office of their predecessor. Employer's and employees' representatives are appointed by the affiliated companies in accordance with the regulations of the Foundation on the election of Foundation Board members, subject to appropriate representation from the Board of Directors of PKE Energy Pension Fund Cooperative with one employer's and one employees' representative.
- (4) The Foundation Board shall be convened as often as business requires. It is qualified to make decisions by means of a vote if the majority of members are present. It adopts its resolutions with a simple majority of the members present. The Chairman also casts a vote. In the event of a tied vote, the agenda item will be discussed at another meeting. If votes are tied again, the agenda item will be decided upon by an external arbitrator. Circular resolutions are permitted, provided that they are approved by all members.
- (5) The Foundation Board members and all persons entrusted with the administration of the Foundation are obliged to maintain professional secrecy pursuant to Art. 86 BVG in respect of information relating to the personal and financial circumstances of the insured members and the companies of which they gain knowledge in the course of their activity. This obligation to maintain professional secrecy shall continue even after their activity at the Foundation or the company has ended.

Art. 27

Responsibilities of the Foundation Board

- (1) The Foundation Board shall manage the business of the Foundation in accordance with the law, the provisions of the deed of foundation, and the directives issued by the supervisory authority. The Foundation Board makes all decisions which are necessary to achieve the purpose of the Foundation, and issues the necessary implementation provisions.
- (2) The Foundation Board represents the Foundation to the public and designates those persons who represent the Foundation with legally binding effect. These persons do not need to be members of the Foundation Board.
- (3) Subject to the law and the deed of foundation, the Foundation Board is authorized to delegate the management or individual parts thereof to one or more persons, members of the Foundation Board or third parties. To this end, the Foundation Board issues Organization Regulations and sets up the corresponding contractual relationships.
- (4) In particular, the Foundation Board is responsible for the following:
 - Specifying the company guidelines and fundamental strategy;
 - Specifying the organization of the Foundation, in particular the issuing and amendment of regulations (such as the Foundation Regulations, Organization Regulations, Investment Regulations, regulations on partial liquidation, regulations on collective purchases and deposits, regulations on insurance administration);
 - Specifying the aims and principles and regulating the execution and supervision of investments (investment strategy, investment policy, investment guidelines);
 - Drawing up rules for the exercise of shareholders' rights;
 - Specifying the aims and principles of its insurance areas (insurance strategy, insurance policy);
 - Establishing actuarial principles, including the technical interest rate, after consulting with insurance experts;
 - Establishing the interest rates for all insured benefit plans;
 - Deciding on restructuring measures;
 - Specifying the principles and structure of accounting, financial control, risk management and financial planning, insofar as these are required for the management of the Foundation;
 - Appointing and dismissing the chairman and members of executive management;
 - Concluding and terminating management and service contracts with PKE Energy Pension Fund and approving changes and supplements to such contracts;
 - Overall supervision of the persons entrusted with the management of the Foundation, namely in respect of

compliance with the law, the deed of foundation, the Regulations and directives;

- Deciding on the admission and exclusion of members;
- Specifying the election procedure for appointing Foundation Board members;
- Producing the annual report, the operating account and balance sheet as well as the actuarial balance sheet and deciding on the use of surpluses and results;
- Approving the annual budget;
- Appointing the auditors and external experts;
- Appointing an expert to audit and issue an expert opinion on the actuarial bases every five to ten years;
- Duty to report excessive debts and capital loss.

Art. 28

Accounting, investments

- (1) The financial year is the calendar year. The Foundation's accounts are closed on 31 December each year.
- (2) The annual financial statements and the annual report are to be issued within six months of the end of the financial year at the latest.
- (3) The Foundation's assets are to be managed in accordance with recognized principles where, aside from the security of the investment, an appropriate return is to be aimed for and the Foundation's liquidity requirements are to be taken into account.
- (4) The Foundation Board specifies the investment strategy.

Art. 29

Auditing

- (1) The Foundation Board shall appoint the auditors. The auditors are responsible for conducting an annual audit of the management, accounting and investments of the Foundation and for submitting a written report to the Foundation Board.
- (2) An actuarial balance sheet is to be drawn up on a regular basis by a recognized occupational pensions expert.

Art. 30

Information for insured members

- (1) Notifications from the Foundation for the insured members shall be issued by letter or circular letter to the companies for the attention of the latter and for presentation to the insured members, and by publication on the Internet.
- (2) The annual report, annual financial statements and any changes to the Regulations shall be communicated to the insured members in an appropriate form.

VII. Final Provisions

Art. 30a

Deficit, restructuring measures

- (1) If the actuarial balance sheet shows a deficit, the Foundation Board shall take the necessary restructuring measures.
- (2) The Foundation Board may take the following restructuring measures in the following sequence:
 - a) Calculation of the minimum amount pursuant to Art. 17 FZG with the interest rate for retirement savings pursuant to Art. 19 para. 4;
 - b) Restrictions on early withdrawals pursuant to Art. 24 para. 6;
 - c) Levying administration cost and restructuring contributions pursuant to Art. 8 para. 2;
 - d) Levying contributions from pension recipients pursuant to Art. 8 para. 6 insofar as this is legally permitted;
 - e) Reducing the interest rate below the BVG minimum interest rate for the obligatory BVG minimum benefits.

Art. 31

Omissions in the Regulations, cases of hardship

If there are issues which are not or not fully governed by these Regulations, the Foundation Board shall make a decision in keeping with the deed of foundation. In special cases it may deviate from the provisions within these Regulations if their application would lead to hardship for the affected person or persons, and such deviation corresponds to the purpose and objectives of the Foundation.

Art. 32

Disputes

In the event of disputes between an insured member or a beneficiary and the Foundation that cannot be resolved internally, a ruling is issued by the cantonal insurance court. The place of jurisdiction is the Swiss domicile or residence of the defendant or the location of the company where the insured member is or was employed. In the event of an appeal, the provisions of the BVG shall apply.

Art. 33

Entry into force, changes to the Regulations

- (1) These Regulations were approved by the Foundation Board at their meeting on 6 December 2010 and shall enter into force on 1 January 2011. They replace the previous version of the Regulations dated 14 December 2006 with amendments dated 24 May 2007, 20 September 2007 and 6 June 2008.
- (2) These Regulations may be amended by the Foundation Board within the framework of legal or supervisory provisions. Any change to the Regulations may affect both the future benefits to be provided by the Foundation and pensions already in payment. However, under no circumstances may any such change cause the pension fund assets to be used for anything other than their intended purpose of providing pension coverage for employees of the company.
- (3) For insured members and pension recipients belonging to a company which was affiliated to the former Sub-Fund 100 on 31 December 2009 and for pension recipients who belonged to the former Sub-Fund 100 on 31 December 2009, the transitional provisions regarding the former Sub-Fund 100 as detailed in the Appendix shall apply.

Zurich, 6 December 2010

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