

# General Pension Scheme of the SAirGroup (GPS)

**2001 edition**

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## **Regulations**

Note:

This document is a translation of the original German text.

In all matters of interpretation, the original German shall prevail.



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**Regulations**

## A Introductory stipulations

### Art. 1 – Trust principles

#### 1.1 Name

There shall exist, under the name “Allgemeine Pensionskasse der SAirGroup / General Pension Scheme of the SAirGroup” (hereinafter referred to as the GPS), a trust established by SAirGroup through a public Deed of Trust dated October 9, 1953, in accordance with Article 80ff. of the Swiss Code of Civil Law, Article 331 of the Swiss Code of Obligations and Article 48, Paragraph 2 of the Swiss Federal Law on the Occupational Old Age, Survivors’ and Disability Benefit Plan.

#### 1.2 Object

The object of the Trust is to provide an occupational pension scheme against the financial consequences of old age, death or disability within the framework of the Swiss Federal Law on the Occupational Old Age, Survivors’ and Disability Benefit Plan (BVG) and its implementation provisions for those members of SAirGroup and its subsidiary companies who are not covered by special insurance schemes for flying personnel, and for their relatives and/or survivors.

- a) The Trust may also provide old age, death or disability benefits beyond the minima specified by law.
- b) The personnel of a company financially affiliated to SAirGroup may also be included in the GPS, provided sufficient resources are made available to the GPS to cover such membership, and provided such membership does not adversely affect the rights of existing insurees. Any inclusion of the personnel of such a financially affiliated company shall be based on a written agreement to this effect, which shall also be presented to the supervisory authorities.

#### 1.3 Scope

- a) The GPS shall provide in all cases the minimum benefits prescribed by law.
- b) All benefits shall be calculated on a “defined contributions” basis, i.e. the amount of benefit paid shall be based on the insuree’s total savings capital.

#### 1.4 Rights and obligations

The rights and obligations of insurees are laid down in the present Regulations. The Board of Trustees may, with the agreement of SAirGroup, also issue special or additional provisions for particular insuree groups.

### Art. 2 – Gender, terms and abbreviations used

#### 2.1 Gender

All references to persons in these Regulations shall be taken to refer to both women and men.

#### 2.2 Terms and abbreviations used

**AHV:** the Swiss Federal Old Age and Survivors’ Insurance (the Swiss state old-age pension scheme)

**BVG:** the Swiss Federal Law on the Occupational Old Age, Survivors’ and Disability Benefit Plan (the law covering occupational pensions)

**GPS:** the General Pension Scheme of the SAirGroup  
**insuree:** any employee insured under the GPS in accordance with these Regulations

**IV:** the Swiss Federal Disability Insurance scheme  
**ordinary retirement:** retirement entitling the insuree to draw a GPS old-age pension

**statutory retirement:** retirement entitling the insuree to draw an AHV Swiss state old-age pension.

### Art. 3 – Membership

#### 3.1 Admission

All employees who are liable for AHV contributions will be admitted to the GPS, with the exception of those detailed in 3.2 below. New insurees will be admitted upon the entry into effect of their contract of employment. Insurees will not, however, be provided with coverage against death or disability until the January 1 following their 17th birthday, and will not be provided with coverage for old age until the January 1 following their 24th birthday.

#### 3.2 Refusal of admission

GPS membership will generally not be available to:

- employees who have already reached the statutory retirement age;
- employees whose annual salary does not exceed the “coordination deduction” stipulated in the BVG;
- employees with limited contracts of employment lasting three months or less (if employment is extended beyond three months, the employee will be admitted to the GPS at the time such extension is agreed);
- employees who are either already compulsorily insured for a main occupation elsewhere or are mainly self-employed;
- persons who are at least two-thirds disabled as defined by the IV state disability insurance;
- employees not permanently active in Switzerland who are adequately insured abroad, provided such personnel apply for the appropriate exemption from GPS admission.

The employees mentioned above may still be admitted to the GPS if they can provide proof of special circumstances warranting such admission.

#### 3.3 Retention of membership following salary reduction

Should the annual salary of an employee who has been a GPS member for at least five years decline, on a non-temporary basis, to an amount at which the employee need no longer be compulsorily insured, GPS coverage may be continued on a voluntary basis at a level to be agreed with the employer concerned.



**3.4 Part-time salaries earned elsewhere**  
Salaries earned from employers who are not members of the GPS cannot be insured under the GPS.

**3.5 Transfers outside Switzerland**  
All Swiss nationals transferred outside Switzerland must remain GPS members. Personnel employed locally outside Switzerland may join the GPS by arrangement with SAirGroup, subject to local social security customs and procedures.

## Art. 4 – Insured salary

### 4.1 Basis of calculation

- a) The salary insured under the GPS shall amount to twelve monthly salaries less the coordination deduction. GPS coverage does not extend to any allowances or to any salary components which are insured under a separate management insurance scheme (such as the SAir-Group “Kaderversicherung” Management Insurance Scheme).
- b) In the case of employees paid on an hourly basis, the insured salary shall be determined on the basis of the average income for the occupation concerned and/or the average income earned by the employee over the previous twelve months, less the coordination deduction.
- c) In the case of temporary employees (paid on a monthly or hourly basis) or of part-time employees whose work is either seasonal or spread over several months, the insured salary used to determine risk-related pensions will be the average income as stated in the contract of employment for the previous twelve months.

### 4.2 Interruption

In the event of a temporary loss of salary through unpaid leave, military service or similar, the insured salary will remain unchanged provided the appropriate contributions continue to be paid. The provisions of 5.2c below shall also apply.

### 4.3 GPS insurees employed locally outside Switzerland

- a) The insured salaries of GPS insurees employed locally outside Switzerland will be determined by the GPS in consultation with SAirGroup and with due regard to the social security conditions prevailing in the countries concerned. These calculations may differ from those for Swiss-based GPS insurees, but the same basis must be used for all GPS insurees within a particular country. All insurees’ GPS accounts will be maintained in Swiss francs.
- b) In the case of GPS insurees employed locally outside Switzerland, all references in these Regulations to Swiss state insurance institutions (AHV, IV etc.) shall be taken to

refer to equivalent local legal provisions and social security institutions.

### 4.4 Coordination deduction

- a) In order to pay due regard to that part of the insuree’s salary which is covered by the state AHV/IV insurance schemes, a “coordination deduction” shall be made from the insuree’s salary to arrive at the salary insured under the GPS (the “insured salary”). The coordination deduction shall amount to 20 per cent of the total salary amount, up to a maximum of CHF 6300 a year.
- b) Any arrangements with financially affiliated companies which deviate from the above shall be laid down in the relevant affiliation agreements. The coordination deduction may not, however, exceed 20 per cent of the employee’s salary or the minimum AHV oldage pension (CHF 12 360 for 2001). For death and disability risks, the coordination deduction specified in a) shall remain unchanged.

## B Financing

### Art. 5 – Contributions

#### 5.1 Contribution amounts

- a) The contributions to be paid for GPS old-age provident care amount to 16 per cent of the employee’s insured salary, to be paid jointly by the employer and the employee. The proportions to be paid by employer and employee shall be determined by their own contractual agreements, though the employer must pay at least half of these contribution amounts.
- b) In addition to the above, the employer shall also pay a premium amounting to 1.33 per cent of the insured salary (i.e. the 12-month annual salary less the coordination deduction) as an overall contribution to the GPS trust capital. These amounts shall be used to partially cover risk-related pensions.

#### 5.2 Length of payment

- a) GPS contributions shall continue to be paid until an event occurs for which GPS benefits will be paid or until termination of the insuree’s employment.
- b) In cases of partial disability, GPS premiums shall continue to be paid on the salary still received. Such payments shall continue until the employee retires, unless employment is terminated before such date.
- c) In cases of temporary suspension of employment, contributions can continue to be paid up to an amount ensuring coverage of the previous insured salary for up to twelve months. In cases of reduction to part-time

working, additional contributions may similarly be paid for a period of up to ten years, provided contributions had been made for at least five years prior to such reduction. In cases of early retirement proposed by the company, the employer and/or the employee may make additional contributions to ensure coverage of the previous insured salary, with no restrictions on the Trust's part. All such contributions shall be paid via the employer.

### 5.3 Supplementary employer contributions

The employer is entitled to make additional contributions to effect across-the-board or specific enhancements to GPS benefits. In all such cases, however, the employer shall specify, at the time they are paid in, the use to which such contributions shall be put.

## Art. 6 – Deposits from vested benefits / buying-in of provident benefits

### 6.1 Deposits from vested benefits

Any insuree transferring to the GPS from another occupational pension scheme must deposit any vested benefits they bring into the GPS. All such amounts will be credited to the insuree's individual savings capital and used to finance their subsequent provident benefits.

### 6.2 Buying-in of provident benefits

All insurees are entitled to make contributions to the GPS at any time with a view to enhancing their own GPS benefits and/or buying-in future provident benefits. The maximum amount which can be deposited in this way shall be the difference between the current savings capital at the time such payment is made and the theoretical savings capital which the insuree would have accumulated if they had joined the GPS on the January 1 following their 24th birthday. These calculations shall also pay due and full regard to any vested benefits transferred from previous occupational pension schemes and any advance withdrawals effected to purchase residential property. The theoretical savings capital amounts at various ages are shown as percentages of the insured salary in Appendix II to these Regulations.

## Art. 7 – Interest paid on deposits and contributions

All interest on individual old-age pension contributions is paid "in arrear", i.e. at the end of the period in which they are made. Vested benefit deposits, purchases of provident benefits and any supplementary contributions made by the employer or the employee, however, earn interest from the date they are paid in. Interest will continue to be paid until GPS benefits begin to be paid or until the corresponding capital is transferred. The Board of Trustees may fix an interest rate that is higher than the minimum required by law.

## Art. 8 – Suspension of contribution payments

Should financial conditions permit, the Board of Trustees may temporarily reduce the contributions paid by the employer and employee. The missing contributions shall be offset by funds from the GPS's disposable trust capital.

## C General benefit provisions

### Art. 9 – Scope of benefits paid

#### 9.1 Pensions and lump-sum settlements

- a) The GPS pays pensions and lump-sum settlements. The details of such payments are described in the articles below. Should the minimum benefits prescribed by law be higher than those described in these Regulations, the legal minima shall prevail.
- b) Pensions may not be converted into lump-sum settlements once they have begun to be paid. Similarly, lump-sum amounts may not be converted into pensions once they have been paid out.

#### 9.2 Cases of hardship

In cases of emergency or hardship, the Board of Trustees is empowered to grant further benefits at its own discretion, within the overall parameters imposed by the object of the Trust.

## Art. 10 – Advance withdrawals and pledged amounts

### 10.1 Advance withdrawals

No insuree may receive any GPS benefit payments in anticipation of future benefits to which they will be entitled. The sole exceptions to this shall be the advance withdrawals permitted by law to finance the acquisition of residential property, and any transfers into spouses' occupational pension schemes ordered by the courts in respect of divorce settlements.

All advance withdrawals for acquiring residential property must be requested in writing and, in the case of married couples, must be signed by both partners. All such withdrawals will result in a reduction in all benefits payable under these Regulations in line with the amount of the advance withdrawal together with its accrued interest. All advance withdrawals will be subject immediately to tax.

Advance withdrawals can be repaid into the GPS at any time up to three years before the insuree's ordinary retirement. Any corresponding tax refund requests must be lodged by the insuree within three years of such repayment, or the entitlement to such refunds will lapse. Advance withdrawals may not be repaid once a GPS pension has begun to be paid.

Should the use of funds withdrawn in advance no longer comply with the legal requirements (e.g. the property is sold or used for another purpose, or the insuree dies without leaving any survivors entitled to GPS benefits), the advance withdrawal must be repaid. Should the insuree leave the GPS, the GPS must provide all the relevant information on advance withdrawals and/or pledged GPS amounts to the new recipients of the insuree's vested benefits.

#### 10.2 Pledged amounts

GPS savings capital can be pledged to help purchase residential property as provided for under the law. Such pledges shall only be valid, however, if the GPS has been informed in writing of such intention. The pledging of GPS savings amounts will not lead to any reduction in the benefits due: such benefits will only be reduced (and the corresponding pledged amounts subjected to taxation) if the amounts pledged are actually used to pay the amounts they cover. In such cases, future GPS benefits will be reduced using the same procedure as for advance withdrawals, as described in 10.1 above.

### Art. 11 – Adjustments to pensions

All survivors' and disability pensions paid in accordance with the BVG will be adjusted to take account of increases in the cost of living in accordance with the relevant legal provisions and the instructions of the Swiss Federal Council. Pensions may also be increased by the Board of Trustees, within the GPS's financial possibilities.

### Art. 12 – Coordination with other insurance schemes

Should the total amount of benefits paid by the GPS in the event of death or disability plus the benefits paid by other provident funds, AHV/IV, accident or military insurance or social security schemes outside Switzerland exceed 100 per cent of the insuree's last salary on which AHV contributions were paid, the GPS benefits will be reduced to a level at which this 100-per-cent amount is no longer exceeded.

For the purposes of such calculations, one-off settlements and capital payments received from other insurance schemes will be converted into pensions of equivalent value using actuarial principles.

## D Provident benefits paid by the GPS

### Art. 13 – Old-age pensions

#### 13.1 Ordinary retirement age

- a) The ordinary retirement age for insurees shall be 63, i.e. upon reaching their 63rd birthday. Up to January 1, 2005, the ordinary retirement age for female insurees shall be 62, i.e. upon reaching their 62nd birthday.
- b) Exceptions can be made to these age limits for particular categories of personnel. However, the additional costs arising from such exceptions may not be borne by the GPS.

#### 13.2 Commencement and duration

The GPS old-age pension will be paid from the moment the insuree retires, and will continue to be paid until the death of the insuree or until replaced by a survivor's pension as defined in 13.5 below.

#### 13.3 Amount

The amount of the old-age pension will be based on the individual savings capital accumulated by the insuree by the time the pension begins to be paid. This amount will be converted into a pension using the conversion factors shown in the table in Appendix I.

#### 13.4 Bridging pension

Provided the employer has concluded the relevant agreement, the GPS old-age pension will be supplemented by a monthly "bridging pension" financed by the employer and paid via the GPS from ordinary retirement until the insuree reaches the age at which the state AHV old-age pension begins to be paid. This bridging pension shall amount at most to the maximum AHV pension payable at the time pension payments begin. The bridging pension amount shall remain constant throughout its payment period. In the event of early retirement as defined in 13.7 below, the bridging pension will be spread over the longer payment period, with a corresponding pro-rata reduction in the pension amount paid.

The bridging pension will continue to be paid until the insuree reaches the statutory AHV retirement age. The bridging pension will cease to be paid, however, on the death of the insuree in cases in which no survivor's pension is payable as described in 13.5 below.

Any pensions paid by the Swiss Federal Disability Insurance (IV) and/or any accident insurance scheme will be taken into account when calculating the bridging pension amount.

#### 13.5 Survivor's pension

Should an insuree receiving a GPS old-age pension die leaving a spouse or long-time partner entitled to GPS pension benefits, their survivor

shall receive a survivor's pension amounting to 85 per cent of the deceased's previous old-age pension for the rest of their life, provided the insuree's savings capital was converted into an old-age pension at the time such pension payments began using the conversion factors for married insurees shown in Appendix I.

#### **13.6 Children's benefits for recipients of GPS old-age benefits**

All recipients of GPS old-age benefits (in the form of a pension and/or a lump-sum amount) are entitled to receive children's benefits in accordance with the provisions for orphans' pensions. The children's benefits for recipients of GPS old age benefits shall amount to 10 per cent of the insuree's last insured salary, up to a maximum of CHF 5400 a year.

#### **13.7 Early retirement**

Insurees who are five years or less away from ordinary retirement may, if they wish, elect to retire early and draw a reduced GPS old-age pension. The pension amount will be based on the insuree's individual GPS savings accumulated by the time such early retirement is taken and the individual conversion factor shown in the table in Appendix I.

#### **13.8 Release from duties**

Insurees released from their duties before they reach ordinary retirement age will continue to have their GPS contributions paid by the employer up until their ordinary (or early) retirement.

#### **13.9 Gradual retirement**

Insurees may also partially or gradually retire, subject to the approval of their employer.

#### **13.10 Lump-sum settlement**

Insurees may, instead of a pension, choose to receive a one-off lump-sum payment corresponding to their individual savings capital on which the pension would otherwise be paid. The insuree shall have no further claims on the GPS once such a lump-sum payment has been made.

The insuree may also choose to have part of their savings capital paid as a lump sum and part converted into a GPS pension. In such cases, the pension part may not amount to less than CHF 14 400 a year. Any married insuree wishing to receive part or all of their savings capital in the form of a lump-sum payment must also produce their spouse's written agreement to such payment.

## **Art. 14 – Disability pensions**

#### **14.1 Entitlement**

A disability shall be considered to exist if an insuree is forced to wholly or partially give up gainful employment before reaching ordinary retirement age as a result of a medically-attested sickness, infirmity or injury. The acknowledgement of a disability for GPS purposes will essentially be

based on the degree of disability established by the Swiss Federal Disability Insurance (IV) authorities. Partial disability pensions will not be granted for disabilities of less than 25 per cent.

#### **14.2 Full and partial disability pensions**

A full disability pension will be paid to any insuree who is at least two-thirds disabled as defined by the Swiss Federal Disability Insurance (IV) authorities.

In cases of partial disability, the GPS benefits paid will be reduced from a full disability pension in proportion to the degree of disability.

In the event of any changes to the income earned by the insuree and/or benefits received from other insurance schemes, the GPS disability pension will be adjusted accordingly.

#### **14.3 Commencement**

Disability pension payments will commence upon the termination of the insuree's contractual salary payments (including sickness benefit insurance), but not until the state IV disability pension begins to be paid. Should the IV decide not to pay such a disability pension, the GPS may decide to pay a temporary pension to the insuree, provided the insuree's disability is attested by a GPS medical referee.

#### **14.4 Duration**

A disability pension will be paid for life. It will, however, be terminated or reduced if the insuree fully or partially recovers their ability to work. The payment of a disability pension may also be limited to any period specified when the disability is originally acknowledged.

#### **14.5 Amount**

A full disability pension shall amount to 6.5 per cent of the projected savings capital. The "projected savings capital" is the savings capital that the insuree would have accumulated by their 63rd birthday, assuming an annual interest rate of 1.5 per cent.

The full disability pension shall amount at least to the pension that would be provided by converting the savings capital accumulated by the time pension payments begin into a pension using the old-age pension conversion factors shown in Appendix I.

#### **14.6 Savings capital in the event of partial disability**

In the event of partial disability, the insuree's savings capital will be divided into two parts.

One part will be used to finance the partial disability pension. This part will continue to be administered as if the employee were fully disabled, in case the insuree returns to full employment at a later date.

The other part will be administered in the same way as the savings capital for any insuree in full employment.

Should the insuree leave the GPS before old-age pension benefits become due, the insuree will enjoy vested benefit rights on the savings capital accumulated by the time the disability pension began to be paid on a pro-rata basis, depending on the degree of partial disability, and on the savings capital accumulated through contributions paid on that part of the employee's subsequent part-time salary insured under the GPS.

#### 14.7 Children's benefits

In addition to the ordinary disability pension, the children of disabled insurees shall be entitled to children's benefits under the GPS. The entitlement to and amount and duration of these children's benefits shall be based on the provisions for orphans' allowances; but these children's benefits will cease to be paid upon termination of the disability pension on which they are based. In the case of disability pensions paid for a specific period of time, the payment of these associated children's benefits shall be at the discretion of the GPS. Children's benefits paid in connection with partial disability pensions will be reduced in line with the degree of disability of the insuree.

#### 14.8 Survivor's pension

Should a fully-disabled insuree die leaving a spouse or partner entitled to GPS pension benefits, their survivor shall receive a survivor's pension amounting to 85 per cent of the deceased's previous disability pension for the rest of their life, provided the qualification provisions of Article 15 below are met. Should the surviving spouse not meet any of these provisions, they shall be entitled to a one-off lump-sum payment amounting to five annual full disability pensions.

#### 14.9 Lump-sum settlement

Insurees aged between age 58 (57 for women until January 1, 2005) and ordinary retirement age may, upon written request, receive a one-off lump-sum payment instead of the disability pension to which they would be entitled upon cessation of their loss-of-salary insurance benefit payments. This lump-sum settlement shall correspond in size to the savings capital accumulated by this time. In the case of married insurees, such lump-sum settlements can only be paid with the agreement of the insuree's spouse. Once this lump-sum amount has been paid, the insuree shall have no further claims on the GPS, apart from any children's benefits arising from the insuree's disabled status, which will continue to be paid in the same way as children's benefits paid to insurees drawing GPS old-age pensions.

## Art. 15 – Spouse's and partner's pensions

#### 15.1 Entitlement to spouse's pension

The surviving spouse of a deceased insuree shall be entitled to a spouse's pension provided they

- a) have one or more dependent children or
- b) are at least two-thirds disabled themselves or

- c) are aged 35 or over and were married to the deceased for at least two years.

Should the surviving spouse not meet any of these criteria, they shall be entitled to a one-off lump-sum payment amounting to five annual pensions.

#### 15.2 Commencement and duration

The spouse's pension shall begin to be paid on the first day of the month following the death of the insuree, and will continue to be paid for life. The commencement of a spouse's pension shall not be affected by any subsequent salary payments following the insuree's death.

#### 15.3 Amount

The spouse's pension shall amount to 85 per cent of the deceased's insured disability pension. The spouse's pension shall amount at least to the pension corresponding to the savings capital accumulated by the time of the insuree's death, converted using the conversion factors for unmarried insurees shown in Appendix I.

#### 15.4 Lump-sum settlement

In special cases, and subject to a corresponding written request, a spouse's pension entitlements may be paid in the form of a one-off lump-sum settlement. In such cases, the size of this lump-sum payment will correspond to the savings capital accumulated by the time of the insuree's death. Once such a lump-sum settlement has been paid, the surviving spouse and their family shall have no further claims on the GPS, apart from any orphan's allowances due.

#### 15.5 Entitlement for divorcees

The divorced spouse of a deceased insuree shall have the same entitlement to GPS survivors' benefits as any current spouse, provided the divorced spouse's marriage to the insuree lasted at least ten years and their alimony income has been affected by the death of the deceased. The entitlement of divorced spouses shall amount to no more than one-half of the spouse's pension but at least the minimum required by law.

Any benefits paid to divorced spouses shall be reduced by any amount by which, when combined with the benefits received from other insurance schemes (and AHV and IV in particular), they exceed the amount of alimony granted in the divorce settlement.

Should a deceased insuree leave more than one divorced spouse, the amount payable to each claimant shall be determined by the Board of Trustees. The spouse's pension paid to the surviving current spouse shall be reduced by the amounts paid to the divorced spouse or spouses

#### 15.6 Partner's pension

The GPS may, upon written request, pay benefits equivalent to a spouse's pension to the surviving long-time partner of a deceased employee, provided the partner and the insuree had been living together for at least five years by the time of

the insuree's death and provided the partner was either substantially supported by the insuree before their death or the partner and the insuree substantially supported each other. The relevant provisions will be issued by the Board of Trustees. All such requests must be submitted in advance or, at the latest, within one month of the death of the insuree. The entitlement criteria and other provisions regarding spouse's pensions shall apply by analogy to partner's pensions, too.

Long-time partners of married insurees or married beneficiaries drawing GPS pensions shall not be entitled to partner's pensions of any kind. The long-time partners of unmarried beneficiaries drawing GPS old-age pensions shall only be entitled to a partner's pension if the old-age pension concerned was calculated at the time of the insuree's retirement using the conversion factor for insurees who are married or living with a long-time partner, as shown in Appendix I.

## Art. 16 – Capital payment in the event of death

### 16.1 Entitlement

Should a working or retired insuree die without leaving any beneficiaries entitled to a spouse's, partner's or survivor's pension, their remaining survivors shall be entitled to claim a capital amount from the GPS in the following order of priority, irrespective of the provisions of Swiss inheritance law:

- a) the surviving spouse;
- b) in their absence, equally among any children under 25 years of age;
- c) in their absence, any persons who were substantially supported by the deceased;
- d) in their absence, any other children of the deceased;
- e) in their absence, the parents of the deceased;
- f) in their absence, the brothers and sisters of the deceased;
- g) in their absence, up to 50 per cent of the capital amount may be distributed to the deceased's legal heirs, before any payments are due to state or municipal institutions.

Insurees are entitled to specify further details of beneficiary entitlements for categories c) through g).

### 16.2 Amount

For working insurees, the capital payable to beneficiaries in the event of death shall correspond to the insuree's savings capital at the time of death less any survivors' benefits due. For retired insurees, the capital payable to beneficiaries in the event of death shall amount to three times the deceased's annual old-age pension, less any pension payments already received.

## Art. 17 – Orphan's allowance

### 17.1 Entitlement

In the event of the death of a working insuree, their children shall be entitled to an orphan's allowance from the GPS. For the purposes of these Regulations, an "orphan" shall be regarded as having one surviving parent, while a "full orphan" shall be regarded as having none. "Children" shall also include foster children whom the insuree had undertaken to raise and educate at their own expense.

### 17.2 Commencement and duration

An orphan's allowance will begin to be paid on the first day of the month following the death of the insuree, and will continue to be paid until the end of the month of the recipient's 20th birthday. The orphan's allowance will continue to be paid beyond this date, however, up to the recipient's 25th birthday at the latest, if the recipient is wholly or partially unable to pursue gainful employment owing to further education or training or to physical or mental ill health. The payment of the orphan's allowance will not be affected by any temporary interruptions of education or training such as military service.

### 17.3 Amount

- a) An orphan's allowance shall amount to 10 per cent of the deceased's last insured salary for each orphan.
- b) A full orphan's allowance shall amount to 15 per cent of the deceased's last insured salary for each full orphan.

## Art. 18 – Vested benefits

### 18.1 Entitlement

Should an insuree leave the SAirGroup before GPS benefits begin to be paid under the provisions above, their GPS membership shall be terminated. Any savings capital accumulated shall be made available to the insuree in the form of "vested benefits".

### 18.2 Amount

The vested benefits available shall be calculated on a defined-contributions basis, and shall amount to the savings capital available.

### 18.3 Use

The vested benefits shall be transferred to the occupational pension scheme of the insuree's new employer or, in the absence thereof, into a newly-established vested policy or vested account. If no such instructions are received from the insuree by the time they leave the SAirGroup, their vested benefits will be transferred to the official receptacle for such non-assignable amounts.

#### 18.4 Cash payment

Insurees leaving the GPS may receive their vested benefits as a cash payment if: -they are leaving Switzerland for good or -they are becoming self-employed and are thus no longer subject to compulsory occupational pension law or -the vested benefits concerned amount to less than one year's contributions. In the case of married insurees, vested benefits will only be paid out in cash if approved in the form of a notarised signature by the insuree's spouse.

## E Further provisions

### Art. 19 – Rights and obligations

#### 19.1 Insurees' right to information

The Trust's annual financial statements shall be made available to all working insurees and pension recipients. Every insuree shall receive their own annual statement of benefits stating their current savings capital and the benefits insured. Personal details shall be provided to insurees by the Trust's management upon request.

#### 19.2 Insurees' and retirees' obligations

All GPS insurees and pension recipients and their relatives undertake to voluntarily provide the GPS with the following benefit-relevant information:

- a) Insurees (via their Human Resources unit)
  - changes in marital status
  - changes in long-time partner or obligations to provide
  - salary reductions/suspensions through reductions in working hours.
- b) Old-age pension recipients
  - death.
- c) Recipients of full or partial disability pensions
  - decisions by the Swiss AHV/IV authorities, the SUVA federal industrial injury insurance scheme or the EMV federal military insurance
  - changes in the degree of disability
  - non-inflation-linked changes to IV benefits received
  - changes to any income earned
  - changes in marital status
  - changes in obligations to provide
  - children's allowance entitlements
  - death
  - the amount of vested benefits not invested in the GPS.
- d) Surviving spouses and orphans
  - death
  - changes in marital status
  - children's allowance entitlements
  - amounts of vested benefits not invested in the GPS.

- e) New members
  - full details of the vested benefits to be transferred from their last employer's occupational pension scheme and/or any vested policies or accounts held.
- f) Insurees who have made advance withdrawals or pledged savings amounts
  - all changes as a result of which the amounts advanced/pledged no longer meet the legal requirements for financing residential property through occupational pension scheme savings amounts

### Art. 20 – Financial stipulations

#### 20.1 Non-violation of object

All the benefits covered and governed by these Regulations are designed to provide provident care for GPS insurees or their survivors. They may not be used for any other purpose.

#### 20.2 Cession, pledging and compulsory asset sales

Any claims by insurees or their survivors towards the GPS may not be ceded to third parties. All such claims are legally protected from seizure through forced asset disposals. Any pledging of GPS amounts or benefits must comply with all the relevant legal stipulations.

#### 20.3 Claims against third parties

Should an insuree or their survivor(s) suffer harm or injury as a result of which the GPS is required to pay benefits, the GPS may require them to cede any liability claims against third parties causing such harm or injury to itself, up to the amount by which the capitalised benefits paid by the GPS exceed the total amount of personal contributions made by the insuree. In such cases, the recipient(s) of the benefits concerned also undertake to support the GPS in its pursuit of the ceded claims concerned.

### Art. 21 – Legal channels

Any disputes regarding GPS benefits which are not of a voluntary nature shall be resolved within the provisions of the law. All issues regarding benefits paid voluntarily by the GPS shall be resolved solely by the Board of Trustees, whose decision shall be final.

### Art. 22 – Organisation and representation

#### 22.1 Board of Trustees

The Board of Trustees shall comprise ten members. The Chairman and four members shall be appointed by SAirGroup; the remaining five members shall be elected by the employees from among their ranks, with due regard to the categories of personnel they represent. The Deputy Chairman shall be appointed by the employees' representatives from among their number. The Board of Trustees shall issue its own election regulations.

#### **22.2 Auditors**

The Board of Trustees shall appoint Auditors to annually examine the Trust's conduct of business, accounting and capital assets.

#### **22.3 General Manager**

The GPS General Manager shall be appointed by the Board of Trustees. The General Manager shall provide the Board of Trustees with an annual report on the Trust's business and activities. The General Manager shall also refer to the Board of Trustees for decision any business issues extending beyond normal business operations.

#### **22.4 Actuarial examination**

The Board of Trustees shall appoint a recognised actuary to conduct periodic assessments of the GPS. The GPS's actuarial balance sheet shall be inspected at regular intervals of not more than three years. Should this inspection reveal a shortfall in funds, the Board of Trustees shall initiate appropriate action to rectify the situation.

### **Art. 23 – Amendments to the Regulations**

These Regulations may be amended by the Board of Trustees at any time, provided such amendments do not adversely affect any existing insurees' rights.

The final decision on all proposed amendments shall be taken by the Board of Trustees, following appropriate information of all recognised staff associations and SAirGroup.

All amendments shall also be communicated to the supervisory authorities and to all insurees.

### **Art. 24 – Winding-up and restructuring**

#### **24.1 Winding-up**

Should the GPS be wound up, all benefit commitments existing at the time of such windingup shall be met by corresponding payments into another insurance scheme or by paying a lumpsum settlement to the insurees concerned. Following this, all insurees not yet drawing a GPS pension shall be paid their vested benefit amounts. The disposal of the remaining capital assets, and in particular any total or partial liquidation, shall be at the discretion of the supervisory authorities upon the recommendation of the Board of Trustees.

#### **24.2 Restructuring**

In the event of a restructuring of the SAirGroup or the departure of a company from the GPS, the provisions of 24.1 shall apply with appropriate adjustments.

### **Art. 25 – Entry into effect**

These Regulations shall enter into effect on January 1, 2001 and shall supersede all previous regulations and associated resolutions of the Board of Trustees.

These Regulations shall be issued to all insurees.

Zurich, December 2000

General Pension Scheme of the SAirGroup  
Board of Trustees



Appendix I

Conversion factors for women (married or living with a long-time partner)

Age of husband	Age of insuree										
	57	58	59	60	61	62	63	64	65	66	67
	% of savings capital										
45	5.19	5.23	5.26	5.30	5.34	5.37	5.41	5.45	5.48	5.52	5.56
46	5.22	5.26	5.30	5.33	5.37	5.41	5.45	5.49	5.53	5.57	5.61
47	5.25	5.29	5.33	5.37	5.41	5.45	5.49	5.54	5.58	5.62	5.66
48	5.28	5.32	5.36	5.41	5.45	5.49	5.54	5.58	5.62	5.67	5.71
49	5.31	5.36	5.40	5.44	5.49	5.54	5.58	5.63	5.67	5.72	5.77
50	5.34	5.39	5.43	5.48	5.53	5.58	5.63	5.67	5.72	5.77	5.82
51	5.37	5.42	5.47	5.52	5.57	5.62	5.67	5.72	5.77	5.82	5.88
52	5.40	5.45	5.50	5.55	5.61	5.66	5.71	5.77	5.82	5.88	5.93
53	5.43	5.48	5.54	5.59	5.65	5.70	5.76	5.82	5.88	5.93	5.99
54	5.46	5.51	5.57	5.63	5.69	5.74	5.81	5.87	5.93	5.99	6.05
55	5.48	5.54	5.60	5.66	5.73	5.79	5.85	5.91	5.98	6.04	6.11
56	5.51	5.57	5.63	5.70	5.76	5.83	5.89	5.96	6.03	6.10	6.17
57	5.53	5.60	5.66	5.73	5.80	5.87	5.94	6.01	6.08	6.15	6.23
58	5.56	5.63	5.69	5.76	5.84	5.91	5.98	6.06	6.13	6.21	6.29
59	5.58	5.65	5.72	5.79	5.87	5.95	6.02	6.10	6.18	6.26	6.35
60	5.60	5.68	5.75	5.83	5.90	5.98	6.06	6.15	6.23	6.32	6.40
61	5.62	5.70	5.78	5.85	5.94	6.02	6.10	6.19	6.28	6.37	6.46
62	5.64	5.72	5.80	5.88	5.97	6.05	6.14	6.23	6.33	6.42	6.52
63	5.66	5.74	5.82	5.91	6.00	6.09	6.18	6.27	6.37	6.47	6.57
64	5.68	5.76	5.85	5.93	6.03	6.12	6.21	6.31	6.41	6.52	6.63
65	5.70	5.78	5.87	5.96	6.05	6.15	6.25	6.35	6.46	6.57	6.68
66	5.71	5.80	5.89	5.98	6.08	6.18	6.28	6.39	6.50	6.61	6.73
67	5.73	5.81	5.90	6.00	6.10	6.20	6.31	6.42	6.53	6.65	6.78
68	5.74	5.83	5.92	6.02	6.12	6.23	6.34	6.45	6.57	6.69	6.82
69	5.75	5.84	5.94	6.04	6.14	6.25	6.37	6.48	6.60	6.74	6.87
70	5.76	5.86	5.95	6.05	6.16	6.27	6.39	6.51	6.64	6.77	6.91
71	5.77	5.87	5.97	6.07	6.18	6.29	6.41	6.54	6.67	6.80	6.95
72	5.78	5.88	5.98	6.09	6.19	6.31	6.43	6.56	6.70	6.84	6.99
73	5.79	5.89	5.99	6.10	6.21	6.33	6.45	6.59	6.72	6.87	7.02
74	5.80	5.90	6.00	6.11	6.22	6.35	6.47	6.60	6.75	6.89	7.05

The annual old-age pension is the corresponding per centage of the insuree’s total savings capital.

Conversion factors for age combinations not shown above will be determined individually and/or stated on the insuree’s statement of benefits.

This table has been produced using official actuarial charts for 2000 and an actuarial interest rate of 4.0 per cent.

“Age” in the above table means “age at last birthday”.

Appendix I

Conversion factors for men (married or living with a long-term partner)

Age of wife	Age of insuree										
	57	58	59	60	61	62	63	64	65	66	67
	% of savings capital										
45	5.12	5.15	5.17	5.19	5.22	5.25	5.27	5.30	5.32	5.35	5.37
46	5.16	5.18	5.21	5.24	5.26	5.29	5.31	5.34	5.37	5.39	5.42
47	5.20	5.22	5.25	5.28	5.30	5.33	5.36	5.39	5.41	5.44	5.47
48	5.23	5.26	5.29	5.32	5.35	5.38	5.40	5.43	5.46	5.49	5.52
49	5.28	5.30	5.34	5.36	5.39	5.42	5.45	5.48	5.51	5.54	5.57
50	5.32	5.35	5.38	5.41	5.44	5.47	5.50	5.53	5.56	5.60	5.63
51	5.36	5.39	5.43	5.46	5.49	5.52	5.56	5.59	5.62	5.65	5.68
52	5.40	5.44	5.47	5.51	5.54	5.58	5.61	5.64	5.68	5.71	5.74
53	5.45	5.49	5.52	5.56	5.60	5.63	5.67	5.70	5.74	5.77	5.81
54	5.49	5.53	5.57	5.61	5.65	5.69	5.73	5.76	5.80	5.84	5.87
55	5.54	5.58	5.62	5.66	5.71	5.75	5.79	5.83	5.87	5.90	5.94
56	5.59	5.63	5.68	5.72	5.76	5.81	5.85	5.89	5.93	5.97	6.01
57	5.63	5.68	5.73	5.77	5.82	5.87	5.91	5.96	6.00	6.05	6.09
58	5.68	5.73	5.78	5.83	5.88	5.93	5.98	6.03	6.07	6.12	6.17
59	5.73	5.78	5.83	5.89	5.94	5.99	6.05	6.10	6.15	6.20	6.25
60	5.77	5.83	5.89	5.95	6.00	6.06	6.11	6.17	6.22	6.28	6.33
61	5.82	5.88	5.94	6.00	6.06	6.12	6.18	6.24	6.30	6.36	6.41
62	5.86	5.93	6.00	6.06	6.12	6.19	6.25	6.32	6.38	6.44	6.50
63	5.91	5.98	6.05	6.12	6.19	6.25	6.32	6.39	6.46	6.53	6.59
64	5.95	6.03	6.10	6.17	6.25	6.32	6.39	6.47	6.54	6.61	6.68
65	6.00	6.07	6.15	6.23	6.31	6.39	6.47	6.54	6.62	6.70	6.77
66	6.04	6.12	6.20	6.29	6.37	6.45	6.54	6.62	6.71	6.79	6.87
67	6.08	6.17	6.25	6.34	6.43	6.52	6.61	6.70	6.79	6.88	6.97
68	6.12	6.21	6.30	6.39	6.49	6.59	6.68	6.78	6.88	6.97	7.06
69	6.16	6.25	6.35	6.45	6.55	6.65	6.75	6.85	6.96	7.06	7.16
70	6.20	6.30	6.40	6.50	6.61	6.71	6.82	6.93	7.04	7.15	7.26
71	6.23	6.34	6.44	6.55	6.66	6.78	6.89	7.01	7.13	7.24	7.36
72	6.27	6.37	6.48	6.60	6.71	6.83	6.96	7.08	7.21	7.34	7.46
73	6.30	6.41	6.53	6.64	6.77	6.89	7.02	7.16	7.29	7.42	7.56
74	6.33	6.44	6.57	6.69	6.82	6.95	7.08	7.22	7.37	7.51	7.65

The annual old-age pension is the corresponding percentage of the insuree's total savings capital.

Conversion factors for age combinations not shown above will be determined individually and/or stated on the insuree's statement of benefits.

This table has been produced using official actuarial charts for 2000 and an actuarial interest rate of 4.0 per cent.

"Age" in the above table means "age at last birthday".

## Appendix I

### Conversion factors for unmarried insurees

Age	Unmarried female insurees	Unmarried male insurees
	% of savings capital	% of savings capital
55	5.68	6.32
56	5.77	6.46
57	5.88	6.61
58	5.98	6.77
59	6.10	6.94
60	6.22	7.12
61	6.35	7.31
62	6.49	7.52
63	6.64	7.74
64	6.79	7.98
65	6.96	8.23
66	7.14	8.50
67	7.34	8.79
68	7.56	9.10
69	7.80	9.43

The annual old-age pension is the corresponding percentage of the insuree's total savings capital.

Conversion factors for age combinations not shown above will be determined individually and/or stated on the insuree's statement of benefits.

This table has been produced using official actuarial charts for 2000 and an actuarial interest rate of 4.0 per cent.

"Age" in the above table means "age at last birthday".

## Appendix II

### Table for buying-in provident benefits as described in Article 6.2 as percentage of insured salary

Age	Maximum savings capital permitted
25	16.0
26	32.2
27	48.6
28	65.2
29	82.1
30	99.3
31	116.8
32	134.7
33	153.0
34	171.6
35	190.8
36	210.4
37	230.6
38	251.2
39	272.5
40	294.4
41	316.9
42	340.1
43	364.1
44	388.9
45	414.5
46	441.0
47	468.4
48	496.9
49	526.4
50	557.1
51	589.0
52	622.1
53	656.6
54	692.4
55	729.7
56	768.4
57	808.5
58	849.9
59	892.5
60	936.5
61	981.9
62	1028.7
63	1076.9

"Age" as used above means current calendar year minus year of birth.

The maximum capital permitted refers to the insuree's savings capital on December 31.

## Amendment to the Regulations of 1/1/2001

Effective from 22/11/2001 Art. 3 – Membership is amended as follows:

### 3.6 Retention of membership for insurees with termination agreements

Insurees, whose employment is terminated for economic reasons after their 54th (women) or 55th (men) birthday, respectively, may elect to remain active insurees in the GPS provided that and as long as the employer pays the regulatory contributions.

Article 13.4, "Bridging pensions", was abolished on December 31, 2001.

### 13.4 Bridging pensions (abolished)

Zurich, November 22, 2001

Board of Trustees

## Appendix III External insurees

### Article 31

Appendix III shall permit retention of membership as external insurees for insurees whose employment is terminated as a result of personnel reductions in a member company due to economic circumstances.

### Article 32

The insuree, if already past her 54th (women) or his 55th (men) birthday at the end of the termination period, may remain an external insuree in the GPS until her 57th (women) or his 58th (men) birthday, respectively, if:

- the termination of the employment contract was due to economic circumstances and
- the insuree would have had to withdraw from the GPS.

### Article 33

For external insurees, the Regulations hold with the following deviations:

- The old-age pension benefits commence in the month following the 57th (women) or 58th (men) birthday.
- The disability and survivor's benefits are based on the last insured salary before commencement of the external membership.
- Article 4 and 5 do not apply.

External membership is terminated if the insuree is liable to compulsory insurance pursuant to Art. 2.1 of BVG, requests a lumpsum settlement in accordance with FZG (The Swiss Federal Law on Vested Benefits in Occupational Old Age, Survivors' and Disability Benefit Plans) or would like to retain the occupational benefits in another form in accordance with Art. 4 of the FZG.

### Article 34

The Board of Trustees shall determine the contributions for external insurees. These are defined based on the expenses and risks arising for GPS by external insurees. The contributions for survivor's and disability plans correspond to the applicable GPS rate for riskrelated pensions.

### Article 35

During external membership, voluntary buying in as per Art. 6.2 is restricted to the maximum capital permitted immediately before commencement of the external membership.

This appendix shall come into effect on 22/11/2001.

## Appendix IV

### Change of Article 12 with immediate effect

#### 12 Other insurance cover and overcompensation

1. If the benefits provided by the GPS on death or disability, together with the benefits provided by other pension plans, the AHV/IV, accident or military insurance or foreign social insurance, generate a pension income of more than 100% of the projected lost earnings, the benefits provided by the GPS will be reduced until the stated limit is no longer exceeded.
2. Other qualifying income includes benefits of the same type and purpose which are paid to the beneficiary due to the event giving rise to the benefit, such as pensions or the pension conversion value of lump-sum benefits paid by domestic and foreign social insurance providers and pension plans, with the exception of social welfare assistance, settlements and similar benefits. 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, as well as the AHV retirement pension that is paid instead of an IV disability pension after attainment of retirement age.
3. Single settlements and lump sum payments are converted into pensions of equal actuarial value.
4. The person eligible to receive benefits must inform the GPS of all qualifying income.
5. The GPS may review the prerequisites and scope of a reduction at any time and may adjust the benefits it provides if the circumstances change significantly.

Zurich, December 15, 2011

Board of Trustees

## Appendix V

### Change of Article 14.1 and 14.2 with immediate effect

#### 14.1 Entitlement

A disability will be deemed to exist if the insuree becomes wholly or partially unable to work before statutory retirement age as a result of a medically-attested illness, infirmity or injury. All recognitions of disability by the GPS will essentially be based on the degree of disability determined by the "IV" Swiss state disability benefit authorities. To be entitled to a GPS partial disability pension, the insuree must have an IV-attested disability of at least 40%.

Any beneficiary who was already drawing a GPS disability pension as of 31 December 2012 that is based on a degree of disability of less than 40% will continue to receive such a pension in accordance with Article 14 of the Scheme Regulations of 1 January 2001. This provision shall continue to apply for as long as the recipient's degree of disability remains less than 40%. Should the recipient's degree of disability increase to 40% or more and later decrease again to less than 40%, their entitlement to a disability pension shall be based on Article 14 of the present Scheme Regulations of 01 January 2013.

#### 14.2 Full and partial disability pensions

For the purposes of these Regulations, the term "disability" shall be used as it is by the IV Swiss state disability benefit authorities. In the case of partially-disabled beneficiaries, the amount of annual disability pension paid will be based on their degree of disability as follows:

at least 40% disabled	25% disability pension
at least 50% disabled	50% disability pension
at least 60% disabled	75% disability pension
at least 70% disabled	full disability pension

Zurich, 21. May 2013

Board of Trustees

## Annex VI

**In addition to the existing Pension Scheme Regulations, the Board of Trustees hereby issues the following supplementary provisions. In the event of any discrepancy between these and earlier provisions, the provisions below (which enter into effect on 1 January 2017) shall apply.**

### Divorce

1. In the event of the divorce of a working insuree or a pension recipient, the relevant court of law may order the transfer of part or all of the insuree's vested benefits or the pension recipient's pension to the newly-divorced spouse. In such cases, the Scheme will provide the court with all the information required.
2. In cases in which part of an insuree's vested benefits are to be transferred, the retirement savings of the working or partially-disabled insuree and the associated benefits will be reduced accordingly. In such cases, the statutory retirement savings and the BVG retirement savings will be proportionately reduced.
3. In such cases, the insuree concerned may subsequently wholly or partly make up the resulting shortfall in their retirement savings by making additional voluntary deposits into the Scheme. Any such deposits will be credited to the insuree's statutory and BVG retirement savings in the same proportions in which the original reductions were made.
4. Should a working or partially-disabled insuree who is undergoing divorce reach retirement age during the divorce proceedings, the Scheme will reduce their retirement savings, the portion of their retirement savings to be transferred and their future retirement pension by the amount of the benefits overpaid by such time, in accordance with the relevant legal provisions.

5. If the insuree has already reached statutory retirement age by the time the divorce proceedings are initiated but has deferred the commencement of their retirement benefit payments, their retirement savings by such time will be divided between them and their spouse as if they were vested benefits.
6. If part of a pension recipient's pension is to be transferred, the Scheme will calculate the amount to which the newly-divorced spouse is entitled by using a legally-binding formula to convert the portion of the pension recipient's pension involved into a lifelong pension for the spouse. This conversion will be formally made on the date on which the divorce enters legal effect.
7. This lifelong pension will be transferred from the Scheme to the spouse's pension scheme or vested benefits institution in accordance with the relevant legal provisions. The Scheme may also agree with the spouse that this amount be transferred not as a pension but in the form of a lump-sum capital payment.
8. If the spouse concerned is entitled to a full disability pension or is aged 58 or over, they may demand the payment of a lifelong pension. If they have reached ordinary retirement age, a lifelong pension will be paid.
9. Any transfer of part of a pension recipient's pension to their newly-divorced spouse will result in a corresponding reduction in the pension recipient's benefits. The part of their pension transferred will no longer form part of their retirement or disability pension, and will not entitle them to any further benefits from the Scheme. Such transfer will not, however, have any effect on any entitlement to orphan's pensions or child's pensions for the children of retirement or disability pension recipients which already existed when the divorce proceedings began.

Zurich, 14 December 2016

