



Vita Joint Foundation of Zurich Life Insurance Company

Pension plan regulations

Contents

Pension plan regulations			
1 Introduction	1	4.3 What retirement benefits are provided?	6
1.1 Which abbreviations are used?	1	4.4 Which regulations are valid for death and disability benefits?	7
1.2 What is the purpose of the occupational pension plan?	1	4.5 What are the benefits on death?	8
1.3 How is the occupational pension plan organized?	1	4.6 What are the disability benefits?	10
1.4 How are the investments made?	1	4.7 What benefits are paid on withdrawal from the occupational pension plan?	11
2 On what basis is the occupational pension plan calculated?	2	4.8 What obligation to pay benefits remains after the insured person has left the occupational pension plan?	12
2.1 Which age calculations apply to the occupational pension plan?	2	5 What additional obligations does the occupational pension plan contain?	12
2.2 When does retirement occur?	2	5.1 Special measures	12
2.3 Which annual salary applies to the occupational pension plan?	2	5.2 Security fund	12
3 When and how are employees admitted to the occupational pension plan?	3	6 How much are the contributions to the occupational pension plan?	13
3.1 Who is admitted to the occupational pension plan?	3	7 What rights and obligations does the insured person have?	13
3.2 How will the person to be insured be registered?	4	7.1 What must the Foundation be advised of for administration of the occupational pension plan?	13
3.3 When does pension plan coverage begin?	4	7.2 What information does the insured person have the right to receive?	13
3.4 When is a health examination required?	4	7.3 How is data protection in occupational pension plans guaranteed?	14
3.5 What regular entry purchasing amount is to be provided?	4	8 What else should insured persons be aware of?	14
3.6 How can the insured person purchase benefits exceeding the regular entry purchasing amount?	4	8.1 Who can change these pension plan regulations and to whom do such changes apply?	14
3.7 What happens when there is a change in the degree of a person's employment?	5	8.2 What are the effects of an annulment of the affiliation contract?	14
4 When and to what extent are benefits due?	5	8.3 Who decides in cases which are not covered by these pension plan regulations?	14
4.1 Which benefits are provided by the occupational pension plan?	5	8.4 Where does the Foundation fulfill its obligations?	14
4.2 Which regulations apply to all benefits?	5	9 Implementation regulations for the encouragement of home ownership using funds from occupational pension plans	15
		9.1 Which funds can be used to acquire residential property?	15
		9.2 In what form can these funds be used?	15
		9.3 What can funds from the occupational pension plan be used for?	15
		9.4 What does 'for your own use' mean?	15
		9.5 What conditions apply to drawing an advance?	15
		9.6 What conditions apply to pledging?	16
		9.7 What information has to be given?	17
		9.8 How is the advance or pledge established?	17
		9.9 What costs arise?	17
		9.10 What are the legal bases?	17
		10 Technical Appendix	18
		10.1 Conversion rates for retirement pensions (as of January 1, 2004)	18
		10.2 Interest rates (as of January 1, 2004)	18
		10.3 Coordination amount and maximum salary according to the BVG	18
		Organization Regulations for the Administration Committee	

Pension plan regulations

1/2004 edition

1 Introduction

1.1 Which abbreviations are used?

Foundation

Vita Joint Foundation of Zurich Life Insurance Company, Zurich

Zurich

Zurich Life Insurance Company, Zurich

AHV

Swiss Federal Old Age and Survivors' Insurance

ATSG

Swiss Federal Law on General Provisions concerning Legislation on Social Insurances

IV

Swiss Federal Disability Insurance

BVG

Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans

FZG

Swiss Federal Law on Vesting in Retirement, Survivors' and Disability Pension Plans

UVG

Swiss Federal Law on Compulsory Accident Insurance

MVG

Swiss Federal Law on Military Insurance

1.2 What is the purpose of the occupational pension plan?

The purpose of this occupational pension plan is to protect the insured persons and their surviving dependents against the economic consequences of loss of earnings on retirement, upon death or in the event of disability. The benefits paid out by the Foundation are intended to supplement those provided by the AHV/IV.

1.3 How is the occupational pension plan organized?

For administration of the occupational pension plan, the employer becomes affiliated with the Foundation under the terms of the affiliation contract. It is incumbent upon the Foundation board to manage the Foundation. The Foundation board represents the Foundation vis-à-vis third parties, decides how the Foundation should be organized and how administrative tasks in connection with the Foundation should be executed.

Within the Foundation there is an independent fund called the employee pension and welfare benefits plan. It is incumbent upon the Administration Committee to manage this plan. The composition and duties of the Administration Committee are set forth in the Organization Regulations.

To ensure the provision of benefits in the event of death or disability and for the purchase of retirement benefits, the Foundation has concluded a group life insurance contract with Zurich, whereby the Foundation itself is both policyholder and beneficiary. The Foundation board reserves the right to affiliate itself to group life insurance policies with other licensed life insurance companies for all risks or individual risks (death, inability to work, and longevity).

1.4 How are the investments made?

The retirement savings will be invested by the Foundation board in line with the legal investment regulations of the BVG. The Foundation board will determine the investment strategy and issue investment guidelines. The Foundation will create asset fluctuation reserves.

2 On what basis is the occupational pension plan calculated?

2.1 Which age calculations apply to the occupational pension plan?

2.1.1

Age for calculating contributions and benefits

The respective age attained, expressed in years and months, applies to the calculation of contributions and benefits. The time from the date of birth to the first day of the following month is not taken into consideration.

2.1.2

Age for calculating the minimum benefit on withdrawal

The difference between the calendar year and the year of birth is the age used for calculating the minimum benefit in accordance with FZG.

2.2

When does retirement occur?

2.2.1

Regular retirement age

Regular retirement shall commence on the first of the month following the date on which the age for retirement prescribed by the BVG is reached (65 for men, 62 for women).

2.2.2

Regulation retirement age

Regulation retirement shall commence on the first of the month following the date on which the age for retirement stipulated in the occupational pension plan is reached.

The regulation retirement age shall correspond to the regular retirement age, as stated in art. 2.2.1, provided that nothing to the contrary is specified in the occupational pension plan.

2.2.3

Extended insurance coverage for employed persons beyond the regulation retirement age

Employed persons continue to be insured as stipulated in the regulations after regulation retirement age, until they reach regular retirement age.

The insured person and the employer will continue to pay contributions.

2.2.4

Extended insurance coverage for employed women beyond the regular retirement age

Employed women continue to be insured by the occupational pension plan after the regular retirement age, as stipulated in the regulations, until they reach regular AHV retirement age.

The same rates apply to the retirement credits which applied at the time the woman reached regular retirement age. The conversion rates will be adjusted accordingly.

The insured person and the employer will continue to pay contributions.

2.2.5

Early retirement

An insured person may, with the consent of the employer, retire early provided that no more than 5 years remain until regular retirement and that he or she is retiring

permanently. Benefits shall be reduced in this case.

2.2.6

Deferred retirement

If the insured person continues, with the consent of his or her employer, to work beyond regular retirement age, the due date of the retirement benefits may be deferred until definitive termination of employment, but for no longer than 5 years.

The insured person and the employer shall decide whether contributions for the retirement plan shall be continued. From the time of regular retirement, all insured benefits shall expire, with the exception of the retirement pension and related widow's or children's pensions.

This remains subject to extended insurance coverage for employed women.

2.3

Which annual salary applies to the occupational pension plan?

2.3.1

Effective annual salary

The effective annual salary corresponds to the estimated AHV annual salary of the insured person excluding any family and children's allowances or salary components occurring only occasionally or provisionally.

If an insured person was not affiliated with this occupational pension plan for an entire calendar year, the salary he or she would have earned had he or she had been affiliated with it for an entire year shall apply.

If an insured person also receives a salary from another company, then that salary shall not be taken into consideration.

2.3.2

Insured annual salary

Calculation of pension benefits and contributions is based on the insured annual salary, which is stipulated in the pension plan.

If the insured annual salary is reduced temporarily as a consequence of unemployment, military service or civil defense service, the salary insured up to that date remains in effect to the extent that payment is made in compensation for lost salary.

If the insured annual salary is reduced due to illness or accident, the salary insured until then remains in effect due to the waiver of contribution included in the insurance.

If the pension plan provides for a coordination amount, and if the effective annual salary is reduced for reasons other than illness or accident and consistently remains below the coordination amount, the retirement pension plan shall continue without payment of contributions. Expected disability benefits and death benefits before retirement shall lapse, with the exception of the lump-sum death benefit in the amount of the available retirement savings.

If the insured annual salary is altered as a result of a change in the employment relationship such as a transfer or promotion, the insured person may request, subject to the employer's agreement, that the insured annual salary be adjusted immediately to the new circumstances; otherwise the

adjustment will be made at the beginning of the next calendar year.

2.3.3

BVG annual salary

The BVG annual salary corresponds to the effective annual salary, maximized to the upper limit under BVG and reduced by the coordination amount under BVG.

The BVG annual salary shall be used for the calculation of contributions to special measures, the security fund and obligatory adjustment of the current disability and survivors' pensions to the cost of living.

3

When and how are employees admitted to the occupational pension plan?

3.1

Who is admitted to the occupational pension plan?

The group of persons who may be insured is stipulated in the pension plan. Employees who have not yet completed their 24th year of age on January 1 will be admitted only to the disability and death benefits plan.

The following persons are not insured:

- a) employees who have not completed their 17th year of age on January 1;
- b) employees whose effective annual salary does not exceed the coordination deduction as per BVG, unless the pension plan contains provisions to the contrary. For recipients of a disability pension, the

threshold value will be adjusted to correspond with their degree of disability;

c) employees who, at the time they are to be admitted, are disabled to a degree of at least two-thirds;

d) employees with whom an employment contract for three months or less has been concluded. If employment is extended beyond three months, admittance to the occupational pension plan will take place at the time of the extension;

e) employees who are already compulsorily insured for their primary occupation elsewhere, or whose primary occupation is carried out on a self-employed basis.

If a person to be insured was not fully able to work prior to or upon admission to the occupational pension plan, but this inability to work does not fall under the BVG definition of disability, and if the cause of this inability to work leads to disability or death, there shall be no entitlement to benefits under these pension regulations. If the person to be insured was insured by another pension plan at the beginning of the period of inability to work, then that pension plan is responsible for providing benefits.

These limitations shall apply *mutatis mutandis* to employees whose actual inability to work on admittance to the insurance plan exceeds the stipulated degree of disability of the Swiss Federal Disability Insurance. If disability or death is not attributable to the same cause that brought about the inability to work, then full benefits shall be paid from the insurance covering the risks of death and disability.

The employer may be affiliated with this occupational pension plan under due observance of taxation regulations.

If the employer is also covered by the insurance, this will be specified in the pension plan.

3.2

How will the person to be insured be registered?

The employer will register the persons to be insured using the documents provided by the Foundation. If the Foundation so requires, the person to be insured must also sign the registration documents.

3.3

When does pension plan coverage begin?

Employee coverage for mandatory benefits under BVG shall begin on the date on which the employee starts or should have started work on the basis of the employment contract, but in any case no later than the point at which he or she departs for the workplace.

Pension coverage for non-obligatory benefits is provided on a provisional basis. A medical examination as defined in art. 3.4 is required for the final provision of pension coverage, in particular in the event of backdated admittance to the occupational pension plan or to any continued pension coverage.

Provisional pension coverage shall be understood to mean the insurance coverage provided for the benefits applied for, from the time a person to be insured is registered with the plan until all registration documents have been conclusively examined. Provisional coverage does

not extend to claims which are attributable to prior illnesses, ailments or consequences of accidents. Additionally, benefits in the event of a claim, together with any other benefits from occupational pensions provided by Zurich or one of its joint foundations, will be restricted to CHF 1,000,000 (one-time benefit or present value of recurring benefits).

Thereafter, provisional coverage shall be superseded by definitive coverage which shall commence upon receipt of the individual certificate of insurance and shall extend to the benefits described therein.

3.4

When is a health examination required?

As a rule, an insured person is admitted without a health examination on the basis of the confirmation that he or she is fully capable of working.

If pension benefits exceed BVG minimum benefits, the Foundation may make admittance to extended coverage or increased benefits contingent on a health certificate or medical examination and a general risk assessment. Based on the findings of the health examination, the Foundation may require that benefits be restricted or that contributions be increased. Any health restrictions on insurance shall expire after five years. The time expired since insurance restrictions for substandard health were imposed by an earlier pension plan will be taken into account.

However, if an illness covered by the restriction occurs within five years of the restriction being imposed,

exclusion of benefits shall apply permanently to non-obligatory benefits or benefits which have not yet been awarded.

Pension coverage acquired with transferred-in termination benefits shall not be reduced by new health restrictions.

3.5

What regular entry purchasing amount is to be provided?

On entry into the pension plan, an insured person must transfer the termination benefits from their previous occupational pension plan to the Foundation as a regular entry purchasing amount. The insured person is responsible for arranging the transfer from the previous pension fund.

Provided that the pension plan contains no provisions to the contrary, the amount transferred will be credited to the retirement savings account as the entry purchasing amount and will be taken into consideration for financing the widow's or widower's pension.

3.6

How can the insured person purchase benefits exceeding the regular entry purchasing amount?

The insured person can purchase benefits exceeding the regular entry purchasing amount at any time, provided that the insured person is fully capable of working. The maximum entry purchasing amount is the difference between the available retirement savings and the retirement savings which would have accrued between the earliest age of admittance to the retirement plan and the time of purchase, based

on the golden rule (salary development corresponds to the interest on pension capital). Any advance to acquire residential property will be taken into consideration.

This purchasing amount is restricted to the upper BVG limit, multiplied by the number of years from admittance to the pension fund until the person reaches regulation retirement age. Any purchases since January 1, 2001, will be taken into consideration.

Insured persons who were required to transfer a portion of their termination benefits to the pension fund of their spouse as a result of divorce may repurchase benefits in the original amount provided they pay the corresponding amount to the Foundation. Repurchases in the event of divorce are excluded from the restrictions and may be carried out at any time.

The employer may also make single premium payments. Such subsidies are intended to increase pension benefits. The right to deduct such a donation for tax purposes is governed by federal and cantonal tax legislation.

The effect of additional amounts paid into the plan are the same as for the regular entry purchasing amounts.

3.7 What happens when there is a change in the degree of a person's employment?

If the degree of employment of an insured person changes, occupational pension coverage continues on the basis of the new insured annual salary. Arts. 3.3 and 3.4 shall not be affected by this.

4 When and to what extent are benefits due?

4.1 Which benefits are provided by the occupational pension plan?

On retirement:
Retirement pension
Retired person's child's pension

In the event of death:
Widow's pension
Widower's pension (if provided for in the pension plan)
Orphan's pension
Lump-sum death benefit
Additional lump-sum death benefit (if provided for in the pension plan)

In the event of disability:
Disability pension
Disabled person's child's pension
Waiver of contribution

4.2 Which regulations apply to all benefits?

4.2.1 Reduction or cessation of benefits, provision of BVG minimum benefits

In the event that the affiliation contract is breached, the Foundation may reduce or cease to pay its benefits. In all other cases, the Foundation's duty to provide benefits for death and disability shall never exceed that of the group life insurance contract.

If the legal requirements are fulfilled, mandatory benefits under BVG and FZG shall be paid in all cases.

4.2.2 Adjustment for inflation

Current risk pensions (widows' and orphans' pensions and pensions for disabled persons and disabled persons' children) paid as part of the legal minimum entitlement under BVG for more than three years shall be adjusted for inflation in compliance with federal regulations.

Adjustments to widow's, disability and disabled person's child's pensions will be made until the person receiving the pension has completed his 65th or her 62nd year. Adjustments to orphans' pensions will be made until eligibility for child's pensions expires. After this the pension payments will be adjusted according to the available funds of the pension fund. In this case the Administration Committee shall determine the amount of the adjustment.

4.2.3 Assignment and pledging; encouragement of home ownership

Benefits under these pension plan regulations may neither be assigned nor pledged before they are due except to finance home ownership pursuant to BVG.

An advance or a pledge of the benefits for the purpose of acquiring residential property for the person's own use is possible under BVG. More information is provided in the implementation regulations for the encouragement of home ownership using funds from occupational pension plans.

4.2.4 Entitlement to child's pensions

Child's pensions are retired persons' children's pensions, disabled

persons' children's pensions, and orphans' pensions.

Children are deemed to be those persons stated in the context of Art. 252 ff of the Swiss Civil Code. Step-children who are wholly or predominantly supported by the insured person are deemed equivalent to them. Foster children are also eligible if the insured person is responsible for their support.

Child's pensions are paid to:

- children until they reach their 18th year of age, provided that the pension plan does not contain any provisions to the contrary;
- children in education until completion of their education, provided they are not concurrently predominantly employed, up to the end of their 25th year of age at the latest;
- children, as long as they are incapable of gainful employment, provided that the incapacity started before completion of their 25th year of age and the children are not receiving disability pensions under an occupational pension plan, accident insurance or military insurance.

4.3

What retirement benefits are provided?

4.3.1

Retirement pension

If an insured person retires from employment, he or she is entitled to receive a lifelong pension.

The retirement pension consists of the retirement savings available at the time of retirement. Under the BVG mandatory conditions, the retirement pension on regular retirement is calculated in

accordance with the conversion rate determined by the Swiss Federal Council which is effective at the time of retirement. Non-obligatory retirement pensions will be calculated in accordance with the applicable group life insurance tariff. The conversion rates are listed in the Technical Appendix.

Retirement savings will be accumulated through annual retirement credits that earn interest. The BVG interest rate shall apply to BVG mandatory benefits. Non-obligatory retirement pensions shall earn interest at a rate determined by the Foundation board, which will be at least zero percent.

The amount of the retirement credits is defined in the pension plan.

4.3.2

Retired person's child's pension

If the recipient of a retirement pension has children who are eligible to receive a pension, he or she receives a pension for each child. The pension is paid until the death of the child or of the insured person or on expiration of the child's eligibility for a pension.

The amount of the retired person's child's pension is defined in the pension plan.

Retired person's child's pensions shall not be paid cumulatively with disabled person's child's pensions.

4.3.3

Payment of retirement benefits in the form of a pension

Pensions shall be paid in advance on a quarterly basis. A partial payment shall be made for the period between the date of retirement and the pension due date.

The Foundation shall pay a cash settlement in lieu of a pension if the annual retirement pension is less than 10% of the simple minimum AHV retirement pension. Child's pensions shall be not be taken into account when determining whether a retirement pension is insufficient.

4.3.4

Payment of retirement benefits as a lump sum

At the request of the insured person, the retirement benefits may be drawn as a lump sum if he or she submitted a declaration to this effect to the Foundation no less than one year prior to the retirement age specified in the regulations or the date of early retirement and is, at the time of retirement, not disabled, i.e. insofar as in the preceding twelve months he or she has not drawn a pension under disability insurance, from the UVG insurer or from an occupational pension plan. Partially disabled persons shall be entitled to a lump-sum payment based on their ability to work.

Up to a year before regulation retirement age or early retirement, the insured person may review this declaration at any time and may request that the retirement benefits be paid in the form of a pension. After this deadline has expired, the declaration shall be deemed irrevocable.

Any drawing of retirement benefits as a lump sum shall be subject to the regulations valid at the time the lump-sum payment option application was submitted to the Foundation.

The option may apply to the total retirement savings or to a part thereof. If the option applies to a part of the retirement savings, this

will be comprised of obligatory and non-obligatory components in the same proportions as for the total retirement savings. The pension entitlement will be calculated on the basis of the remaining retirement savings. This provision shall be subject to art. 4.3.3 para. 2.

Payment in the form of a lump sum shall be deemed as settlement of all entitlement to benefits if the insured chooses the full payment option, or of the corresponding entitlements of the insured person and surviving beneficiaries if the option is exercised for part payment only.

Retirement benefits paid as a lump sum that cannot be transferred within the prescribed period shall be subject to interest as per the FZG.

This one-year option deadline shall not apply if the insured person was admitted to the occupational pension plan less than one year prior to regulation retirement age and the application was submitted within 60 days of entry.

If, as a consequence of restructuring measures and as part of the respective plan, several employees are required to retire early and as a result are unable to adhere to the one-year period, the insured persons may, on request, draw the lump sum without adhering to the one-year period.

If the insured person continues employment beyond regulation retirement age and wishes to opt for lump-sum payment of benefits, he/she must nevertheless submit the appropriate declaration no later than one year prior to the retirement age stipulated in the regulations.

4.4

Which regulations are valid for death and disability benefits?

4.4.1

Scope of benefits

The benefits specified in the regulations shall be paid if disability or death is not attributable to an accident, including occupational illnesses as defined by UVG, or accident and illness as defined by MVG. This provision shall be subject to art. 4.4.2 below.

However, the following benefits shall be payable even if the accident or military insurer provides benefits on death or disability:

- lump-sum death benefits amounting to the retirement savings available;
- death benefits after retirement;
- waiver of contribution in the event of disability;
- The pension plan may provide for other benefits.

4.4.2

Coordination with accident and military insurance

If the benefits of occupational accident or military insurance together with the other qualifying income amount to less than 90% of the projected lost earnings, legal BVG risk benefits shall be paid up to this limit.

The following are considered qualifying income:

- pensions or the pension value of lump-sum benefits from domestic or foreign social insurances and occupational pension plans with the exception of compensations for destitute persons, indemnifications and similar benefits;

- the income of the widow or widower and the orphans are calculated together;
- any additional employment income earned by insured persons receiving disability benefits.

Benefits from private insurances which the insured person financed alone are not taken into consideration as part of the qualifying income.

Persons entitled to benefits are obliged to notify the Foundation of all qualifying income.

If the accident or military insurer reduces benefits because the insured event is not attributable exclusively to one of these two insurances, the Foundation shall pay on a proportional basis.

The benefits will, however, not be paid to compensate for claims that have been refused or reduced by the accident insurance or military insurance if the insured event was caused by culpable negligence.

4.4.3

Obligation of prior indemnification

If the Foundation is obliged to provide prior indemnification by mandatory provisions in the law, only the legal BVG risk benefits will be provided.

4.4.4

Overinsurance

Benefits under these pension plan regulations shall be paid in addition to the benefits of other Swiss or foreign occupational or social insurance plans. When these benefits overlap, however, no unjustified advantage may accrue for the person entitled to benefits.

An unjustified advantage arises when benefits under these pension

plan regulations granted to survivors or disabled persons, together with any other qualifying income (according to art. 4.4.2), exceed 90% of the insured person's projected lost earnings. In this case the Foundation may reduce its benefits to the extent that such benefits, together with the other qualifying income, exceed 90% of the projected lost earnings.

4.5

What are the benefits on death?

4.5.1

Widow's pension on death before retirement

If a married insured man dies, the widow shall be entitled to a pension.

The amount of the annual widow's pension is defined in the pension plan.

If the widow is more than 10 years younger than the deceased person, the widow's pension shall be reduced by 1% of the full pension amount for each year in excess of this age difference. A pension amounting to the minimum BVG widow's pension shall be paid in each case.

If the widow remarries before completion of her 45th year of age, her entitlement to the widow's pension shall cease. She shall receive a one-time payment amounting to three annual pensions. In lieu of payment, she may apply for her pension to be reinstated to its full amount if her subsequent marriage is also dissolved. If remarriage does not occur until after the widow reaches the age of 45, the widow's pension shall continue for as long as she shall live.

4.5.2

Widow's pension on death after retirement

If a married man drawing a retirement pension dies, the widow shall be entitled to a pension. The amount of the pension is defined in the pension plan. The same conditions shall apply for entitlement as those for death before retirement. If the pensioner does not marry until he has completed his 65th year of age, the widow's pension – in some cases already reduced – shall be reduced as follows:

- by 20% on marriage during the 66th year of age;
- by 40% on marriage during the 67th year of age;
- by 60% on marriage during the 68th year of age;
- by 80% on marriage during the 69th year of age;

If the marriage takes place after completion of the 69th year of age, the amount of the widow's pension exceeding the minimum BVG widow's pension shall expire.

If the insured person married after completing his 65th year of age and if at that time he was suffering from a serious illness of which he must have been aware, no pension shall be payable if he dies of this illness within two years of the date of marriage.

In each case a pension shall be paid amounting to the minimum BVG widow's pension.

4.5.3

Widow's pension for the divorced wife

The divorced wife of a deceased insured person shall be entitled to a widow's pension if the marriage

lasted at least ten years and she was awarded a pension or lump-sum payment for a lifelong pension in the divorce decree.

She shall receive:

- a) a pension amounting to the minimum BVG benefits if on the date of death of the insured person she has completed her 45th year of age or is responsible for the support of one or more children;
- b) a lump-sum payment amounting to three annual pensions as defined by point a) if none of the conditions mentioned therein are met.

The benefits shall, however, be reduced by the amount by which the benefits, together with the benefits from other insurance plans, in particular AHV and IV, exceed the entitlement as per the divorce decree. Pension entitlement shall cease upon remarriage.

4.5.4

Widower's pension on death before retirement (if provided for in the pension plan)

If a married insured woman dies, the widower shall be entitled to a widower's pension.

The amount of the annual widower's pension is defined in the pension plan.

If the widower is more than 10 years younger than the deceased person, the widower's pension shall be reduced by 1% of the full pension amount for each year in excess of this age difference.

If the widower remarries before completion of his 45th year of age, his entitlement to the widower's pension shall cease. In this case he

shall receive a one-time payment amounting to three annual pensions. In lieu of payment, he may apply for his pension to be reinstated to its full amount if his subsequent marriage is also dissolved. If remarriage does not occur until after the widower reaches the age of 45, the widower's pension shall continue for as long as he shall live.

There is no entitlement to a widower's pension for divorced husbands.

4.5.5 Orphan's pension

If an insured person dies, eligible children shall receive a pension.

The amount of the annual orphan's pension is defined in the pension plan.

It shall cease on the death of the child or when entitlement to the pension expires.

4.5.6 Lump-sum death benefit

If an insured person dies before regulation retirement age, the surviving dependents shall be entitled to the available retirement savings insofar as these are not needed to finance a widow's or widower's pension or a pension for a divorced wife.

4.5.7 Additional lump-sum death benefit (if provided for in the pension plan)

If an insured person dies before regulation retirement age, an additional lump-sum death benefit is due.

The amount of the additional lump-sum death benefit and the group of persons who may be insured are defined in the pension plan.

4.5.8 Beneficiaries entitled to the lump-sum death benefit

Regardless of the law of succession, the following persons shall be entitled to the lump-sum death benefits:

- a) the surviving spouse, in his/her absence
- b) eligible children, in their absence
- c) other persons who at the time of the insured person's death or during the last years before death were largely cared for and supported by the insured, in their absence
- d) the remaining children, in their absence
- e) the grandchildren, in their absence
- f) the parents, in their absence
- g) the siblings, in their absence
- h) the siblings' children, in their absence
- i) other legal successors (excluding the community), entitled to half of the lump-sum death benefit.

The insured person may draw up a written agreement with the Administration Committee on which persons within a group are to be beneficiaries and to what extent. Any such agreement must be notified to the Foundation. In the absence of such an agreement and in the event of there being several beneficiaries within one group, the Administration Committee shall

distribute the available lump-sum death benefits in equal amounts.

In justified cases the insured person can alter the sequence of beneficiaries in points c – i. If the insured person wishes to take advantage of this option, he/she must inform the Administration Committee in writing for the attention of the Foundation and must provide an explanation. The Administration Committee shall decide on any change to the sequence of beneficiaries.

Any payments made to beneficiaries shall be subject to the situation at the time of the insured person's death.

4.5.9 Payment of death benefits

Pensions shall be paid in advance on a quarterly basis. A partial payment shall be made for the period between the date of death and the pension due date.

Death benefits paid as a lump sum that cannot be transferred within the prescribed period shall be subject to interest as per the FZG.

Death benefits belong to the insured person's survivors who are beneficiaries even if they disclaim their inheritance.

Death benefits that, for whatever reason cannot be paid to the intended recipients will be used in accordance with the objectives of the Foundation.

The Foundation shall pay a lump-sum payment in lieu of a pension if the widow's or widower's pension amounts to less than 6% and the orphan's pension to less than 2% of the simple minimum retirement pension under AHV.

Furthermore, at the request of the eligible persons, the widow's or widower's pension shall be paid as a lump sum.

This lump sum shall correspond to the capital value of the widow's or widower's pension for widows or widowers who on the death of the insured person have completed their 45th year of age. The lump sum shall be reduced by 3% for every partial or whole year that the widow or widower is younger than 45. The minimum payment, however, shall consist of four annual pensions. Payment as a lump sum is to be requested before the first pension payment is drawn.

No lump-sum payment option exists for the divorced wife.

4.6

What are the disability benefits?

4.6.1

Definition of disability (inability to work)

Disability is a total or partial inability to work which is likely to be permanent or of a longer duration. Inability to work is the total or partial loss of the ability to earn any income in a stable employment situation as a result of impairment of physical or mental health and which continues after appropriate treatment and rehabilitation. Articles 6 and 7 ATSG shall apply.

Furthermore, the Foundation may make the payment of disability benefits subject to the granting of a final pension award by the Federal Disability Insurance (IV).

Entitlement to full benefits under these regulations exists if the degree of disability amounts to at least

66 2/3%. If the degree of disability of the insured person is less than 66 2/3%, benefits shall be paid in accordance with the degree of disability. Partial disability of less than 25% shall not entitle the insured person to disability benefits.

Entitlement to insured benefits shall exist in the event of temporary or permanent disability after the insured person has been disabled for the duration of the stipulated waiting period. If the insured person is alternately able and unable to work and if the periods of ability to work do not last longer than one year, the disability periods arising from the same cause shall be added up and shall count towards the waiting period. If the ability to work lasts longer than a year, the waiting period shall start anew.

If, within a year, the insured person suffers a relapse after having been fully able to work, benefits shall be granted again without requiring a further waiting period. In the event of relapses within one year, any adjustments made to the benefits in the interim shall be reversed.

If disability is due to attempted suicide or wilful self-mutilation, there shall only be entitlement to disability benefits in the amount of the legal benefits under BVG.

The benefits may be reduced to a corresponding extent if the IV reduces, withdraws or refuses benefits because the beneficiary has caused the disability through gross negligence or is refusing to cooperate in IV rehabilitation measures.

Ongoing disability claims shall continue to be subject to the regulations valid at the time of the inability to work on which the disability claim is based. This

provision shall be subject to art. 4.3.1, para. 3, and art. 4.6.2, para. 5.

4.6.2

Disability pension

If an insured person becomes disabled, he or she is entitled to a pension.

The amount of the annual disability pension is defined in the pension plan, and amounts to a maximum of CHF 180,000.

The pension begins after 12 months of inability to work. Entitlement to benefits will be deferred as long as the insured person has a right to continued payment of salary or as long as there is other compensation.

Entitlement to a disability pension shall exist as long as the degree of disability is 25% or more, but no longer than up to regulation retirement age or death. In the event of retirement, the disability pension shall be superseded by a retirement pension.

The basis on which the retirement pension is calculated is the BVG conversion rate and the group life insurance tariff at the time of regulation retirement age (see art. 4.3.1), whereby the retirement pension shall at least equal the disability pension pursuant to BVG.

4.6.3

Disabled person's child's pension

Every insured person receiving a disability pension under this occupational pension plan shall be entitled to a pension for his or her children who are eligible for a pension.

The amount of the annual disabled person's child's pension is defined in the pension plan.

The pension shall cease on expiration of the disability pension, on the death of the child or if the child is no longer eligible to receive a pension.

4.6.4

Waiver of contribution

If an insured person is unable to work for more than 3 months, then no further contributions are to be paid depending on the degree of his or her disability. The waiver of contribution payments lasts as long as the disability exists, at the longest, however, until regulation retirement age or the death of the insured person.

4.6.5

Payment of disability benefits

Pensions shall be paid in advance on a quarterly basis. A partial payment shall be made for the period between the starting date of the entitlement and the pension due date.

Any disability benefits paid in excess of the amount due are to be refunded to the Foundation.

4.7

What benefits are paid on withdrawal from the occupational pension plan?

4.7.1

Entitlement and amount of the termination benefit

If an insured person or his or her employer terminates employment before retirement and there is no entitlement to pension benefits, the insured person shall withdraw from the occupational pension plan. He or she is entitled to termination benefits in accordance with Art. 15 of the FZG.

This corresponds to the retirement savings available on the date the pension relationship is terminated.

The termination benefit corresponds to at least the amount of the entry benefits and purchasing amounts paid by the insured person, including interest, plus the sum of the contributions with interest that the insured person paid to the retirement plan and with an age-dependent supplement. At age 25 this amounts to 20% of the insured person's own contributions. For each additional year of age it increases by 4% and amounts at age 45 to 100% of the insured person's own contributions. Interest is calculated at the BVG interest rate.

In each case the termination benefit shall include BVG retirement savings.

If the employer has paid the insured person's entry purchasing amount in full or in part, then the corresponding amount shall be deducted from the termination benefit. The deduction shall be reduced by 1/10th of the amount paid by the employer for each year a contribution was made.

For determining the termination benefit, at least 1/3 of the total contributions are considered as the contribution made by the insured person.

The portion of the termination benefit financed by the employer may be taken into consideration for long-term employment in the calculation of the severance payment in accordance with Art. 339b ff of the Swiss Code of Obligations or the collective labour agreement.

4.7.2

Due date and application

The termination benefit is due at the end of the pension relationship.

So that coverage is maintained, the termination benefit shall as a rule be transferred to the pension fund of the new employer.

Before leaving employment, the insured person shall inform the Foundation to which new pension fund the termination benefit is to be transferred.

If the insured person does not join a new pension plan, he or she informs the Foundation whether he or she wishes to keep the insurance provisions in the form of a vested benefit policy or in a vested benefit account. If notification is not received by the Foundation within 60 days after the pension relationship has ended, the termination benefit shall be transferred to the substitute pension plan. The right of the insured person to change the form in which pension coverage is maintained at any time shall remain unaffected.

A termination benefit that cannot be transferred within the prescribed period shall be subject to interest as per the FZG.

4.7.3

Cash payment

The insured person may request payment of the termination benefit in cash if:

- a) he or she is leaving Switzerland permanently; or
- b) he or she is taking up a self-employed activity and is no longer

required to join a mandatory occupational pension plan; or

c) the termination benefit amounts to less than his or her annual contribution.

Payment in cash to a married insured person is only possible if the spouse states his or her approval in writing.

4.8

What obligation to pay benefits remains after the insured person has left the occupational pension plan?

4.8.1

Extended coverage

After the pension relationship ends, the insured death and disability benefits shall remain insured at an unchanged level and without charging any corresponding contributions, until a new pension relationship is set up, or for one month at the longest.

4.8.2

Residual liability

If the insured person is partially disabled at the time of termination of employment or upon expiration of the period of extended coverage, his or her entitlement to disability benefits shall be upheld for 360 days from the onset of the disability. The Foundation will only provide disability benefits, however, if the disability as defined by these regulations is attributable to the same cause that gave rise to the inability to work.

If the degree of disability increases within a further 90 days for the same reason, or if the degree of disability of a person who is already

disabled when terminating employment or after the subsequent coverage expires increases within 90 days due to the same cause, disability benefits shall also be paid for this increase as long as the benefits do not exceed mandatory BVG benefits.

If disability begins or the increase in the degree of disability occurs following expiration of the aforementioned periods, the entitlement to disability benefits or their increase shall depend solely on the provisions of BVG.

If the insured person dies at a point at which he or she would have been entitled to disability benefits according to the above paragraph, and if death occurred for the same reason that brought about the disability, the surviving dependents shall be entitled to death benefits as per plan regulations.

4.8.3

Repayment obligation

If the Foundation is liable to pay benefits under arts. 4.8.1 and 4.8.2, then any termination benefits which have already been paid including interest are to be reimbursed to the Foundation.

If repayment is not possible or only partially possible, survivors' or disability benefits shall be offset against the termination benefit.

5

What additional obligations does the occupational pension plan contain?

5.1

Special measures

The Foundation accumulates a fund for the pension fund in order to finance legally prescribed special measures, provided that the pension plan contains no provisions to the contrary. This fund shall be credited annually with 1% of the total annual BVG salaries of those insured persons who belong to the retirement plan. The accumulated funds shall be used to accomplish the following two tasks:

1. To guarantee the prescribed minimum benefits during the transition period, whereby claims for benefits arising before implementation of the BVG shall be added to the minimum benefits;
2. To adjust pension payments after regular retirement age for inflation.

If the fund for special measures cannot be used for the above-mentioned purposes, it will be used to increase retirement savings, particularly for elderly insured persons with small incomes, or to correct pensions which originated before implementation of the BVG.

5.2

Security fund

As part of the Foundation, the pension fund is affiliated with the security fund.

The Foundation pays an annual contribution stipulated by the Federal Council to the security fund on behalf of and at the expense of the pension fund.

The security fund safeguards mandatory legal benefits in the event of insolvency of the pension fund and grants subsidies in the event that an unfavorable age structure exists among employees.

6 How much are the contributions to the occupational pension plan?

The amount of the personal contributions to be made by the insured persons and the contributions to be made by the employer are defined in the pension plan.

The Foundation may request reorganization contributions from the insured persons and the employer if the circumstances and the Foundation's financial situation make this necessary.

The employer shall deduct contributions from the salary of the insured person in instalments and transfer the instalments to the Foundation.

Contributions shall be deducted until retirement or until the insured person withdraws from the occupational pension plan. In the event of unemployment or military or civil defense service, the full contributions shall continue to be paid as long as the insured salary is not reduced.

If the insured person avails himself/herself of the right to draw an advance under the conditions

stipulated by the BVG, he or she may increase his/her contribution to the occupational pension plan.

7 What rights and obligations does the insured person have?

7.1 What must the Foundation be advised of for administration of the occupational pension plan?

The insured person, the employer and the beneficiaries must inform the Foundation without delay of any circumstances that have an influence on the payment of benefits. In particular this includes:

- disability cases and changes in the degree of disability;
- the death of an insured person or of a rightful claimant;
- expiration of children's entitlement to receive pensions;
- the establishment, existence or discontinuation of support for dependents or alimony;
- changes in the marital status of an insured person or of a rightful claimant;
- application for a lump-sum payment of benefits;
- details of any new pension plan when insured persons change jobs.

The rightful claimants must provide all documents required to enforce the claim for benefits (certification of age, death certificate, medical certificate, obligation to provide support and the like). The Foundation is entitled to request further information, to obtain such information itself, or to make inquiries at its own cost, particularly for the rebuttal of unjustified claims

as a result of information which has been withheld, is incorrect or incomplete.

The Foundation waives all liability for consequences arising from any failure to comply with the duty to report or notify, or from untruthful statements.

7.2 What information does the insured person have the right to receive?

Each year the insured person receives a pension statement giving the current status of his or her pension plan benefits. This is only for information purposes. In cases of doubt, the benefits defined in these pension regulations and the associated pension plan shall apply.

At any time, the insured person may request written information from the Administration Committee regarding

- the amount of the termination benefit;
- the pension capital available to him or her for acquiring residential property as well as the consequences of an advance or of a pledge.

On request, the insured person will receive information from the Administration Committee with regard to the organization, activities and financial status of the pension fund.

The insured person may inspect the information the employer has regarding the pension fund.

If the employer is in arrears in financing the pension plan, the Foundation will inform the members of the Administration Committee, or the insured persons

and, if need be, the supervisory authorities.

7.3

How is data protection in occupational pension plans guaranteed?

The Foundation, Zurich, and the organization to which responsibility for administration of the Foundation has been assigned by the Foundation board shall undertake all necessary steps to ensure that the data is treated in strict confidence.

8

What else should insured persons be aware of?

8.1

Who can change these pension plan regulations and to whom do such changes apply?

The Foundation board (or the Administration Committee on approval by the Foundation) may amend, supplement or cancel these pension regulations at any time in accordance with the provisions of the Foundation deed and the applicable legislation. The insured persons must be informed of changes in the regulations.

Changes to the structure of the regulations and the pension plan

(particularly in relation to benefits, financing, etc.) may only be made in accordance with the conditions laid down by the Foundation. In particular, these conditions include decisions made by the Foundation board about the charging of reorganization contributions.

Changes to the regulatory provisions and tariff changes only apply to actively insured persons. They do not apply to benefit recipients or persons who are unable to work, with the exception of the expected entitlement of benefit recipients to retirement benefits.

The regulations shall be approved by the Administration Committee and shall take effect on the date stipulated in the pension plan. They supersede any previous regulations, including any supplements thereto.

8.2

What are the effects of an annulment of the affiliation contract?

On the annulment of the affiliation contract, the retirement savings of active and (partially) disabled insured persons and the actuarial policy reserves for ongoing pensions (calculated in accordance with the Zurich group life insurance tariff) will be transferred to the new pension plan.

This remains subject to the provisions on partial or total liquidation (Art. 23 FZG).

8.3

Who decides in cases which are not covered by these pension plan regulations?

In cases for which these pension regulations do not contain provisions, the Administration Committee (on approval by the Foundation) will decide on the action to be taken in keeping with the objectives of the Foundation and with the law.

8.4

Where does the Foundation fulfill its obligations?

The Foundation fulfills its obligations at the Swiss domicile of the rightful claimant, in the absence of such, at the domicile of the Foundation.

The following are integral components of these regulations:

- Implementation regulations for the encouragement of home ownership using funds from occupational pension plans
- Technical Appendix
- Organization Regulations for the Administration Committee
- Pension plan

Zurich

Vita Joint Foundation of Zurich
Life Insurance Company
The Administration Committee

The German original of this translation is binding.

9 Implementation regulations for the encouragement of home ownership using funds from occupational pension plans

9.1 Which funds can be used to acquire residential property?

Up to three years before regulation retirement age, an insured person can use funds

- from the obligatory occupational pension plan
- from the non-obligatory and voluntary occupational pension plan
- from vested benefits policies and vested benefits accounts

to purchase residential property, provided that no insured event (disability, retirement) has already occurred.

9.2 In what form can these funds be used?

The funds can be used in the form of

- an advance on termination benefits, or
- a pledge of the termination benefits and/or pension benefits

9.3 What can funds from the occupational pension plan be used for?

Funds from the occupational pension plan can be used to purchase residential property for the insured person's own use as follows:

- the acquisition and construction of residential property (sole ownership, co-ownership such as condominiums, joint ownership with a spouse, independent and permanent ground lease).
- amortization of mortgages on a contractual and voluntary basis. Payment of mortgage loan interest is not permitted.
- the acquisition of shares in a cooperative housing association or shares in a tenants' joint stock company. The regulations of the cooperative housing association must provide that the pension funds paid to acquire the shares will be transferred when withdrawing from the cooperative either to another housebuilding cooperative or to another organization responsible for housing construction, where a residence is used by the insured person himself/herself, or to an occupational pension institution. Shares and similar documents are to be deposited with the pension fund until repayment or until occurrence of the insured event or cash payment of the termination benefits.
- Permitted properties are apartments and single-family homes. Occupational pension benefits may not be used to acquire vacant plots of land, construction loans or to finance the ordinary upkeep of residential property.

9.4 What does 'for your own use' mean?

'For your own use' means that the residential property must be used by the insured person himself/herself as his/her domicile or regular place of residence (within and outside Switzerland).

If the insured person proves that this use is temporarily impossible, due to a temporary move away with the family for occupational or health reasons, for example, it is permissible to rent out the residence during this time.

Occupational pension benefits may only be used for one property at a time. They may not be used to finance vacation homes or second homes.

9.5 What conditions apply to drawing an advance?

9.5.1
What is the minimum or maximum amount that can be drawn as an advance?

The minimum amount of an advance is CHF 20,000. An advance may be made every five years.

If shares in cooperative housing associations or similar holdings are acquired, or if vested benefit policies and savings in a vested benefits account are used, this minimum amount does not apply.

Until the age of 50, the insured person may draw an advance in the maximum amount of his/her current termination benefits.

If the insured person is over the age of 50, the maximum amount which may be drawn as an advance is the amount of his/her termination benefits at the age of 50 or half the termination benefits at the time of the advance. The higher of these two amounts may be drawn; advances and repayments after the age of 50 are taken into account in this calculation.

9.5.2

When and to whom does the Foundation have to pay the advance?

The Foundation pays the advance at the latest six months after the insured person has submitted all documents to assert his/her claim and has paid the costs specified in art. 9.9. In the event of insufficient coverage, the Foundation may extend this deadline to twelve months.

Payment is made directly to the seller, builder, lender, housebuilding cooperative, etc., with the agreement of the insured person. The advance cannot be paid to the insured person.

9.5.3

How do you ensure that the advance is used in accordance with the purposes of the pension plan?

To ensure that the purposes of the pension plan are met, a restriction on the sale of the property is noted in the land register. This stipulates that the insured person must repay the advance to the Foundation if the residential property is sold. The Foundation notifies the Land Registry when the advance is paid out.

9.5.4

What consequences does an advance have for pension benefits?

The pension benefits on retirement are reduced in accordance with the technical principles of the pension fund. Death and disability benefits are reduced if these are dependent on projected retirement savings.

The insured person can take out supplementary insurance to compensate for any gaps in disability and death coverage.

The costs of any such insurance are borne by the insured person.

9.5.5

When can and when must the advance be repaid to the pension fund?

The insured person may voluntarily repay the advance at any time, however at the latest three years before regulation retirement age, until the occurrence of an insured event or until cash payment of the termination benefits.

The minimum amount of a repayment is CHF 20,000. If the outstanding advance is less than this, repayment is to be made in one amount.

For legal reasons, the advance must be repaid by the insured person or his/her heirs if

- the residential property is sold;
- rights to this residential property are conceded which are equivalent to a sale from an economic perspective;
- no pension benefits are due upon the death of the insured person.

On the sale of the residential property, the repayment obligation is restricted to the proceeds. The proceeds are the sale price less the debts safeguarded by mortgage and the charges imposed by law on the seller.

9.5.6

How are taxes paid on the advance?

The amount drawn as an advance must be taxed as a capital benefit from the pension plan at the time when the amount is drawn. As a rule, this amount is taxed separately from other income in accordance with the applicable legal regulations.

9.5.7

How much tax will be reimbursed when repaying the advance?

In the event of partial or complete repayment of the advance, the insured person may request in writing from the relevant cantonal authorities that the tax paid at the time when the advance was drawn, excluding interest, should be reimbursed. The right to reimbursement of tax paid lapses after the expiry of three years after repayment of the advance.

The Foundation provides a certificate of repayment of the advance on the Federal Tax Administration forms.

9.6

What conditions apply to pledging?

9.6.1

What are the consequences of pledging?

The insured person may pledge his/her entitlements to pension benefits on retirement, disability or death or an amount up to his/her total termination benefits, for the purposes of acquiring residential property. Pension coverage is not reduced as a result of pledging, but only when a pledge is realized.

9.6.2

What is the maximum amount that can be pledged?

Until the age of 50, the insured person may pledge an amount up to the total of his/her current termination benefits. If the person is over the age of 50, the same rule applies as for an advance.

Entitlements to pension benefits or termination benefits can be pledged for the acquisition of residential

property up to three years before regulation retirement age.

9.6.3

What should be observed by the pledgee?

Agreement is required from the insured person's pledgee

- for cash payment of termination benefits
- for payment of pension benefits

insofar as the pledged sum is affected.

The Foundation will notify the insured person's pledgee if the insured person changes pension funds.

9.6.4

What are the consequences of realizing a pledge?

There is a difference between realization of a pledge of termination benefits and realization of a pledge of pension benefits.

If a pledge of termination benefits is realized, the insured person loses the pledged termination benefits. This has the same effect as with an advance. In particular, the insured person's pension benefits on retirement are reduced.

If a pledge of pension benefits is realized, the insured person loses the pledged pensions or lump-sum benefit. However, realization of this pledge is only possible once a pension benefit becomes due.

9.7

What information has to be given?

If requested in writing, the Foundation provides information to the insured person about

- the pension capital at his/her disposal for the acquisition of residential property
- the reduction in benefits associated with an advance or realization of a pledge.

9.8

How is the advance or pledge established?

The insured person submits a written request to the Foundation, giving evidence of the purpose for which the money is required and that it is for his or her own personal use. Should he or she reside outside Switzerland, the same evidence must be submitted.

The following documents may be admitted as evidence that the legal prerequisites are met:

- the relevant contractual documents when acquiring or constructing residential property or amortizing mortgage loans;
- the regulations and the rental or loan contract with the relevant housebuilding institution when acquiring shares.

If necessary, the Foundation may request additional documents for further clarification.

If the insured person is married, written approval from the person's

spouse is required for the advance or pledge.

9.9

What costs arise?

The Foundation provides free information to the insured person about facilitating the acquisition of residential property with funds from the occupational pension plan; it also provides information about the amount of funds at the person's disposal and about any resultant reductions in the insured person's pension benefits.

For administrative work in connection with an advance or a pledge, the following costs are currently charged to the insured person:

- For an advance: CHF 400 plus costs for annotation of the land register;
- For a pledge: CHF 200.

Requests will be carried out after receipt of the appropriate payment.

9.10

What are the legal bases?

The regulations of the Swiss Federal Law of December 17, 1993, to Encourage the Use of Vested Pension Accruals for Home Ownership and the Ordinance of October 3, 1994, in relation to this law are applicable in all cases.

The German original of this translation is binding.

10 Technical Appendix

10.1 Conversion rates for retirement pensions (as of January 1, 2004)

The following conversion rates are applied for the conversion of retirement savings into a retirement pension, depending on the time of retirement:

Men Age	Conversion rate for mandatory retirement pensions
60	6.313%
61	6.418%
62	6.599%
63	6.792%
64	6.993%
65	7.200%

Men Age	Conversion rate for non-obligatory retirement pensions
60	5.277%
61	5.380%
62	5.486%
63	5.597%
64	5.713%
65	5.835%

Women Age	Conversion rate for mandatory retirement pensions
57	6.045%
58	6.260%
59	6.482%
60	6.714%
61	6.955%
62	7.200%
63	7.323%

57	6.045%
58	6.260%
59	6.482%
60	6.714%
61	6.955%
62	7.200%
63	7.323%

Women Age	Conversion rate for non-obligatory retirement pensions
57	4.983%
58	5.069%
59	5.158%
60	5.252%
61	5.351%
62	5.454%
63	5.562%

57	4.983%
58	5.069%
59	5.158%
60	5.252%
61	5.351%
62	5.454%
63	5.562%

The pension plan may provide for other conversion rates.

Legislation and rates are subject to change.

10.2 Interest rates (as of January 1, 2004)

The BVG interest rate is 2.25%.

The interest rate for late payment

according to the FZG is 2.5%.

The interest rate for non-obligatory pensions is 2.0%.

This remains subject to changes in legislation and decisions made by the Foundation board as regards interest rates to be applied to non-obligatory pensions.

10.3 Coordination amount and maximum salary according to the BVG

The coordination amount and the maximum salary according to the BVG are generally amended to correspond to the development of the maximum simple retirement pension or the maximum pensionable income under the AHV.

The German original of this translation is binding.

Organization Regulations for the Administration Committee

Art. 1

Administration committees

1. It is incumbent upon the Administration Committee to manage this plan.
2. The Administration Committee constitutes itself and consists of an equal number of members for a term of office as follows:
 - employer's representatives¹, appointed by the employer/self-employed person¹, and
 - the same number of employees' representatives, selected from among the insured persons and taking into consideration the various categories of employee.

The Chairman is elected on a rotating basis for one term of office from among the employer's and employees' representatives.

3. The term of office lasts three years. New elections must take place in good time before the expiry of the current term of office. Re-election is permitted.
4. When the employment relationship is terminated, the member must leave the Administration Committee. A successor will be elected for any remaining term of office.

Art. 2

Election procedure

1. The employees' representatives on the Administration Committee are elected by open or secret ballot. Election shall be by a simple majority of the votes cast (relative majority).
2. The persons who gain the most votes during the first ballot shall be elected. If more candidates stand for election than there are places available, the places will be given to those candidates with the largest share of votes. The candidates with no place allocated will be dropped from the elections.
3. The same procedure applies to the election of the Chairman.
4. The results of the election and future changes in the composition of the Administration Committee are to be notified to the Foundation in writing without delay.
5. If it is not possible to form an Administration Committee after being requested to do so by the Foundation board, e.g. as a result of unwillingness by employees, incapacity to act, lack of language ability, etc., the Foundation board may represent the interests of the employees until an Administration Committee has been formed.

Art. 3

Adoption of resolutions

1. The Administration Committee shall meet as often as required to deal with matters arising, but at least once a year. Meetings will be called by the Chairman, or if half of the members of the Administration Committee request that a meeting be called.
2. Invitations and notice of items on the agenda must be sent out in good time before the date of the meeting.
3. As a general rule, the Administration Committee is quorate when more than half of the committee members – including the Chairman – are present. All resolutions shall be passed on the basis of a relative majority. If there is no majority, the Chairman has the casting vote.
4. Resolutions may also be passed by way of circular letter.
5. Minutes shall be kept of all resolutions passed by the Administration Committee, to be signed by the Chairman and by the minute-taker representing the other half of the Committee
6. The Foundation board will check the resolutions of the Administration Committee which are submitted to it to ensure that

¹ If the employer is a legal entity, then those persons who hold management functions (members of the Board of Directors, directors, and associate directors) shall generally be deemed to be employer's representatives. If the employer is a natural person, he/she shall be deemed self-employed if the AHV legislation on self-employed persons is applicable.

they comply with the law and the regulations.

7.

The Administrative Committee shall provide joint and equal signatures.

Art. 4

Duties, rights and obligations of the Administration Committee

1.

The Administration Committee shall perform the following functions in relation to the current occupational pension plan:

a)

It shall approve the pension plan regulations and amend such regulations with regard to the type and scope of the pension benefits provided, the contributions to be made by the insured persons, and any other pension-specific provisions.

Changes to the structure of the regulations and the pension plan (particularly in relation to benefits, financing, etc.) may only be made in accordance with the conditions laid down by the Foundation.

b)

It is responsible for providing the information required for the provision of occupational pension coverage by the Foundation.

c)

The Administration Committee shall decide on the use of funds held in the special measures account and the pension account.

d)

It shall decide (on approval by the Foundation) on the use and modification of benefits entitlement under the regulations in individual cases, and shall notify the Foundation of its decision

e)

It shall instruct the employer to transfer the premiums and BVG supplementary costs to the Foundation. It shall notify the Foundation of any irregularities.

f)

The Administration Committee shall inform the insured persons about the current status of their insurance. On request, they will receive adequate information on the organization, activities and financial situation of the benefits plan within the framework of regulatory and legal provisions.

Art. 5

Duties of the employer

1.

The employer deals with the Foundation and provides the information required for the provision of occupational pension coverage, including:

- registration of persons who belong to the group of insured persons under the regulations;
- changes to the group of persons, such as new employees, resignations, cases of disability and death, and any other changes which have an effect on the pension relationship;

- salary changes on the contractual key date - generally January 1;
- notification of claims and justification of entitlement;
- transferal of vested benefits which have been paid to the employer.

2.

On terminating an employment relationship, the employer must inform the insured person without delay about the various options in relation to obtaining pension coverage and vesting, and shall request the insured person to provide information as regards the preferred use of the termination benefits entitlement within 30 days.

Art. 6

Management

If the Administration Committee performs tasks in relation to the Foundation on behalf of the employer, it shall be deemed that the Committee is authorized to carry out such tasks by the employer.

Art. 7

Disputes

Any disputes arising from these regulations should be notified to the Foundation.

November 2003
 Vita Joint Foundation of
 Zurich
 Life Insurance Company
 The Foundation Board

The German original of this translation is binding.