

## Regulations on Vested Benefits

### Preliminary Remarks

The term *Accountholder* as used in these regulations refers to both men and women.

A partner registered in accordance with the Federal Act on Registered Partnerships of June 18, 2004 is treated the same as a spouse.

### 1 Purpose

The vested benefits account is set up to maintain and continue occupational benefits insurance coverage.

The vested benefits account is governed by the provisions of the Federal Act on Vesting in Pension Plans of December 17, 1993 (FZG) and the Ordinance on Vesting in Pension Plans of October 3, 1994 (FZV).

### 2 Conclusion and Execution of the Agreement

The Credit Suisse Vested Benefits Foundation – 2nd Pillar, hereinafter referred to as the *Foundation*, invests in its name with its custodian bank, Credit Suisse (Switzerland) Ltd., the assets held in the vested benefits account of the Accountholder, and has the assets assigned as the entitlement of the Accountholder. In connection with depositing the assets, the Foundation is entitled to pass on to Credit Suisse AG and Credit Suisse (Switzerland) Ltd. all data in its possession concerning the Accountholder. Credit Suisse AG and Credit Suisse (Switzerland) Ltd. are permitted to use this data for providing customer care and support, for marketing purposes, and for keeping statistics.

### 3 Receipt of Capital

The previous employee pension fund or vested benefits institution transfers the vested benefits to the Foundation.

Subsequent payments are possible, provided that these represent vested benefits from an occupational pension fund or retirement capital from another vested benefits institution. Any unlawfully transferred vested benefits capital is returned to the previous occupational benefits institution.

The Accountholder him/herself may only make payments into the account if a payment represents the repayment of advance withdrawals or realized pledges under the promotion of home ownership scheme pursuant to Art. 30d of the BVG.

### 4 Vested Benefits Account and Investment in Securities

Vested benefits held in an account earn interest. This account is closed as of December 31 every year and enjoys the saver's privilege as defined in the Swiss Federal Banking Act. The interest rate is continuously adjusted to market conditions.

If instructions are received from the Accountholder, the capital received by the Foundation can be invested in one of the investment groups (strategies) available. The Foundation buys the required number of units in the investment groups (strategies) selected by the Accountholder on the latter's instructions and behalf.

The Board of Trustees decides which investment groups (strategies) are offered by the Foundation. The separate form entitled *Instruction to Open a Vested Benefits Safe-keeping Account and/or Buy/Sell Units in an Investment Group* contains the exact terms and conditions that apply to the investment of vested benefits.

The Accountholder has no claim to either interest payments or maintenance of capital value on the vested benefits invested in units of an investment group. The Accountholder bears the investment risk.

### 5 Obligation to Provide Information

The Foundation sends the Accountholder a confirmation of the opening of the vested benefits account and the purchase of the securities. Subsequently, in January of the following year, the Accountholder receives an annual statement of his/her vested benefits account and/or safe-keeping account as per December 31 every year.

In cases where benefits are paid incorrectly because the insured person has allowed unauthorized parties to gain possession of these documents and/or the information contained therein, the foundation is liable only if the case involves gross negligence or intent.

The Accountholder must inform the Foundation of any changes in address, name and marital status. If the Accountholder is married, he/she must inform the Foundation of the date of marriage. The Foundation accepts no liability for anything that happens as a consequence of receiving insufficient, late or incorrect information pertaining to the Accountholder's address or personal data. Communication from the Foundation will be deemed to have been properly sent if it has been sent to the last address notified by the Accountholder. The Foundation must be informed in writing of any changes in name or address. Changes in name or marital status must be confirmed by an official document.

Dormant vested benefits are transferred to the Security Fund ten years after the Accountholder reaches the regular retirement age.

## **6 Correspondence from the Accountholder**

The Accountholder must send all correspondence directly to the Foundation.

## **7 Retirement Benefits**

The Accountholder is entitled to retirement benefits. In general, retirement benefits are paid out when the Accountholder reaches the regular BVG retirement age.

The benefits may be paid out at the earliest five years prior to the regular retirement age, and must be drawn at the latest five years after this date. The Accountholder must request payment of the retirement benefits in writing by submitting the applicable form to the Foundation.

The retirement benefits can be paid to the Accountholder at an earlier date if the Accountholder receives a full disability pension from the Federal Disability Insurance (IV).

## **8 Death Benefits**

If the Accountholder dies before the retirement benefits fall due, the vested benefits amount is deemed to be a sum payable at death and is paid to the following persons in the order listed below:

- a) the surviving spouse and, to the extent that they have a claim to survivors' benefits in accordance with the BVG, the orphans and foster children and, if applicable, the divorced spouse; if none
- b) natural persons supported to a considerable extent by the Accountholder or the person with whom the Accountholder lived in a domestic partnership without interruption during the five years preceding his/her death, or the person responsible for the maintenance of one or more joint children; if none
- c) children who do not have a claim to survivors' benefits in accordance with the BVG; if none
- d) the parents; if none
- e) the siblings; if none
- f) the other legal heirs, to the exclusion of the community.

The Accountholder has the right to stipulate the amounts to be paid to each of the beneficiaries and to extend the group of people mentioned under a) to include those under b).

If the entitlement of the individual beneficiaries is not described in detail, beneficiaries in the same category will receive equal parts of the sum payable at death.

## **9 Transfer of Vested Benefits**

The vested benefits can be transferred to an occupational pension fund or a vested benefits institution at any time. Partial transfers are allowed only if the funds are earmarked for the purchase of benefits from an occupational pension fund.

However, the vested benefits can only be transferred to another vested benefits institution.

## **10 Early Cash Payment**

Early cash payment of vested benefits is possible if

- a) the balance of the vested benefits account is less than the Accountholder's annual contribution to his/her previous pension fund;
- b) the Accountholder permanently leaves the Switzerland/Liechtenstein economic area; cash payment of the BVG vested benefits, i.e. the mandatory portion, is no longer possible when leaving Switzerland permanently if the Accountholder continues to be insured against the risks of old age, disability and death in accordance with the legislation of an EU (or EFTA) member state;
- c) the Accountholder takes up self-employment and is no longer subject to the mandatory insurance. Payment is possible within one year after taking up self-employment.

## **11 Payment of Benefits**

Benefits are paid only in the form of a lump sum. Payment falls due 30 days after receipt of the complete application. The benefit amount equals the balance of the vested benefits account plus interest and/or the proceeds from the sale of units in investment groups. Benefits that were paid incorrectly or unlawfully must be repaid to the foundation.

## **12 Withdrawal of Benefits**

1. In order to withdraw vested benefit assets or retirement benefits, the Accountholder must, depending on the situation, submit the relevant form containing exact information about the reason for the payment and the payment address and listing the documents required to substantiate the payment. All forms are available from the Foundation. All formal prerequisites set out in the forms constitute an integral part of these regulations.
2. When paying vested benefits and retirement benefits, the Foundation will usually sell the units in investment products within five working days of approving the Accountholder's application for payment. Upon the death of the Accountholder, the order will be issued immediately, as soon as the Foundation has been informed in writing of the death.

3. The Foundation reserves the right to request any further certificates it may deem necessary to verify the situation.

### **13 Transfer of Some or All of the Benefits**

1. If an Accountholder instructs the Foundation to transfer some of the vested benefits, which can be done only if he/she purchases additional retirement benefits, divorces or makes an advance withdrawal to finance home ownership, the Foundation sells only the amount invested in investment groups required to cover the partial amount as requested.
2. If the Accountholder joins a new occupational pension fund (e.g. when he/she starts a new job), the vested benefits must be transferred. The Accountholder must inform the Foundation if he/she joins a new occupational pension fund.

A form is not required for a transfer to a new occupational pension fund, but the application must be signed by the Accountholder and a payment slip for the new occupational pension fund must be enclosed.

3. The new occupational pension fund may also instruct the Foundation directly to transfer the vested benefits.

### **14 Assignment and Pledging**

Claims to benefits can be neither legally assigned nor pledged before they fall due. Art. 15 remains reserved.

### **15 Promotion of Home Ownership**

The Accountholder may make an advance withdrawal of or pledge his/her vested benefits up to the statutory maximum to purchase residential property for own use. The advance withdrawal and pledge of retirement assets are governed by the legal provisions as well as the *Regulations on the Use of Vested Pension Accruals for Home Ownership*.

### **16 Divorce**

In the event of divorce, the court may rule that part of the vested benefits accrued by the Accountholder during the course of the marriage must be transferred to the spouse and deducted from claims under divorce law that are intended to protect retirement assets.

The Foundation transfers these funds to the occupational pension fund or vested benefits institution of the spouse in accordance with the divorce decree.

### **17 Fiscal Treatment**

The vested benefits and income earned on this capital are exempt from tax until they fall due. The benefits are taxed in accordance with the provisions of federal and cantonal law.

### **18 Processing Fees**

In order to cover its administrative costs, the Foundation may levy processing fees on the Accountholder and the beneficiaries.

### **19 Liability**

The Foundation is not liable to the Accountholder for any consequences of the Accountholder's non-compliance with statutory, contractual or regulatory obligations.

### **20 Place of Jurisdiction**

Any disputes arising from this contract can be brought only before a Swiss court. The place of jurisdiction is the defendant's place of residence in Switzerland.

### **21 Entry into Force, Amendments**

These regulations come into force with the legally valid registration of the asset transfer from Credit Suisse AG to Credit Suisse (Switzerland) Ltd. in the commercial register of the Canton of Zurich, planned for the 4<sup>th</sup> quarter 2016 (as regulated in the Bulk Transfer Agreement between Credit Suisse AG and Credit Suisse (Switzerland) Ltd. in accordance with the provisions of the Merger Act and occurring as part of a reorganization program for the reorganization of the legal structure of Credit Suisse Group and to comply with regulatory requirements), and supersede all previous regulations. Amendments to the relevant legal provisions underlying these regulations remain reserved. Any such amendments will apply to these regulations from the date on which they enter into force.

The Board of Trustees is authorized to amend these regulations at any time. Such amendments require the approval of the supervisory authority, and will be notified to the Accountholder in an appropriate manner.