



Mythen Joint Foundation of Zurich Life Insurance Company

Pension plan regulations

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Pension plan regulations

1/2009 edition (Risk benefits)

1 Introduction

1.1 Which abbreviations are used?

Foundation

Mythen 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

BVG

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

BVV 2

Ordinance on Occupational Retirement, Survivors' and Disability Pension Plans

FZG

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

IV

Swiss Federal Disability Insurance

MVG

Swiss Federal Law on Military Insurance

OR

Swiss Code of Obligations

PartG

Swiss Federal Law on Registered Same-Sex Partnership

UVG

Swiss Federal Law on Compulsory Accident Insurance

VVG

Swiss Federal Law on Insurance Contracts

1.2 Who is considered to be a partner?

The following persons are considered to be partners in the context of the pension plan regulations:

- a spouse;
- a registered partner pursuant to the Law on Registered Same-Sex Partnership (PartG);
- an unmarried person not related to the insured who had lived continually with the insured in the same household for the five years prior to his/her death in a marriage-like relationship;
- an unmarried person not related to the insured who had lived with the deceased in the same household at the time of his/her death and is responsible for supporting one or more of their joint children.

1.3 What are the rules with respect to registered partners pursuant to the PartG?

For the duration of a registered partnership, the registered partners have the same rights and obligations as a married couple under these pension plan regulations.

If a registered partner dies, the surviving partner is deemed equivalent to a surviving spouse.

The legal dissolution of a registered partnership is deemed equivalent to divorce.

1.4 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 on a collective basis by supplementing the benefits of the OASI/DI and the mandatory occupational pension plan in accordance with the following regulations.

1.5 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 pension fund. It is incumbent upon the Administration Committee to manage this pension fund. The composition and duties of the Administration Committee are set forth in the organizational regulations.

The benefits from this occupational pension plan are insured by a group insurance contract that the Foundation has concluded as policyholder and beneficiary with Zurich.

1.6

What benefits does the BVG security fund provide?

The Foundation is affiliated to the BVG security fund.

The BVG security fund safeguards mandatory legal benefits in the event of insolvency of the pension fund.

2

On what basis is the occupational pension plan calculated?

2.1

Which age calculation applies to 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.

2.2

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 stipulated by the BVG is reached.

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 pension 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

Early retirement

An insured person may, with the consent of the employer, retire early provided that he or she is retiring permanently. Early retirement may not be taken before the first of the month following the completion of the employee's 58th year of age.

In this case the insured person leaves the occupational pension plan.

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. In particular, severance pay and gifts in recognition of service

are not considered to be part of the effective annual salary.

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.

The insured annual salary is stipulated in the pension plan.

If the annual insured salary is reduced temporarily as a consequence of unemployment, maternity, 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 annual insured 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 stipulates a coordination deduction, and if the effective annual salary is reduced for reasons other than illness or accident and remains permanently below the coordination deduction, the insured person leaves the occupational pension plan.

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

Maximum insurable annual salary under the BVG

The maximum insurable annual salary under the BVG is restricted to ten times the amount of the upper BVG salary limit.

If the insured person is insured under more than one pension fund and the sum of all of his/her annual salaries subject to AHV deductions exceed the amount stated in para. 1, the Foundation will reduce the insurable salary accordingly.

3

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

3.1

Who is admitted to the occupational pension plan and what are the restrictions on benefits?

3.1.1

Admission to the pension plan

The group of persons who may be insured is stipulated in the pension plan.

The employer may join this occupational pension plan under due observance of fiscal regulations.

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

3.1.2

Restrictions on benefits

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.

The restrictions mentioned in paragraph 1 shall apply *mutatis mutandis* to employees whose actual inability to work on admission to the pension 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 led to the inability to work, then full benefits shall be paid for death and disability.

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 required by the Foundation, the person to be insured must also sign the application documents.

3.3

When does pension plan coverage begin?

The provisional employee benefits coverage commences on the first day of the month on which the admission criteria according to art. 3.1.1 are fulfilled, however at the earliest

on receipt of enrollment documents by the Foundation.

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 all recurring death and disability 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 to the plan without a health examination on the basis of the confirmation that he or she is fully capable of working.

The Foundation may make admittance to the pension plan or increased benefits contingent upon a health certificate or medical examination and a general risk assessment. Based on the findings of the health examination, the Foundation may make appropriate restrictions or charge supplementary contributions. 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 benefits which have not yet been awarded.

If a person withholds information that he/she was, or must have been, aware of or if he/she declares such information to be untrue during the health examination or risk assessment, the Foundation is entitled to refuse to pay benefits based on art. 6 of the VVG. Contrary to art. 6, para. 2 of the VVG, a period of 6 months shall apply.

3.5

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?

In the event of death:

If provided for in the pension plan:

- Partner pension
- Orphan's pension
- Lump-sum death benefit

In the event of disability:

- Waiver of contribution

If provided for in the pension plan:

- Disability pension
- Disabled person's child's pension

4.2

Which regulations apply to all benefits?

4.2.1

Reduction or cessation of 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 shall never exceed that of the group life insurance contract.

4.2.2

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.

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

4.2.3

Entitlement to child's pensions

Child's pensions are 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. Stepchildren 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 complete 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.

4.2.4

Late payment interest on retirement benefits

Late payment interest as per the FZG shall apply to death benefits that are not transferred within the prescribed period after all requisite information has been received.

Payment of late interest on benefits in the form of a pension is governed by art. 105 of the Swiss Code of Obligations, while the rate of late payment interest is governed by the FZG.

4.2.5

Liability claims

The Foundation may request that the persons entitled to the benefits assign to it their claims against the liable third party up to the amount of the benefits prescribed by law. On request, the claimants are required to provide the Foundation with a written letter of subrogation.

4.2.6

Adjustment for inflation

Any pension payments will be adjusted for inflation according to the funds available in the pension fund. The Administration Committee will define the amount of the adjustment.

4.3

Which regulations are valid for death and disability benefits?

4.3.1

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.

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

- waiver of contribution in the event of inability to work;
- The pension plan may provide for other benefits.

If the risk of accident is insured in accordance with the pension plan, the following shall apply:

- If the accident or military insurer reduces benefits because the insured event is not attributable ex-

clusively 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.

4.3.2

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, 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.

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 combined incomes of the surviving spouse and the orphans;
- any additional employment income or replacement income earned or that may reasonably be expected to be 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.

4.4

What death benefits are provided?

4.4.1

Partner pension on death before retirement (if provided for in the pension plan)

If an insured person dies before retirement, the surviving partner shall be entitled to a pension.

The amount of the annual pension is defined in the pension plan.

If a pension plan which commenced before January 1, 2009, provides for a spouse's pension, the partner pension will be provided nonetheless.

Entitlement to a partner pension will be considered only if the Foundation is informed of the existence of a rightful claimant no later than 6 month after the death of the insured person. Failure to provide this information will result in a loss of entitlement to the benefit. This does not apply to the surviving spouse.

If the surviving partner is more than 10 years younger than the deceased insured person, the pension shall be reduced by 1% of the full pension amount for each year or part year in excess of this age difference.

If the surviving partner remarries before completion of his/her 45th year of age or enters into a new marriage-like relationship, his/her enti-

tlement to the pension shall cease. A surviving spouse's entitlement shall, however, cease only upon remarriage. If the entitlement to a pension ceases, the partner shall receive a one-time payment amounting to three annual pensions. In lieu of payment, a spouse may apply for his/her pension to be reinstated if his/her subsequent marriage is also dissolved.

If remarriage takes place after the partner completes his/her 45th year or if the rightful claimant enters into a new marriage-like relationship after this time, the pension will continue for the rest of the rightful claimant's life.

Only one person is eligible to receive a partner pension. Payment of a partner pension to several persons at the same time is not possible. Spouses and registered partners as defined in the PartG have priority over the other partners.

The surviving partner shall not be entitled to receive a partner pension if he or she is already receiving a survivor's pension from a Swiss or foreign pension fund. This does not apply to the surviving spouse.

The divorced spouse of a deceased insured person shall not be entitled to a pension.

4.4.2

Orphan's pension (if provided for in the pension plan)

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.

4.4.3

Lump-sum death benefit (if provided for in the pension plan)

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

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

4.4.4

Rightful claimants entitled to the lump-sum death benefit

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

- a) the surviving spouse, if living, otherwise
- b) eligible children, if living, otherwise
- c) other natural persons who were largely supported by the deceased insured person, or the person who had lived continually with the insured in the same household for the five years prior to his/her death in a marriage-like relationship or who in his/ her absence is largely responsible for supporting one or more of their common children, otherwise
- d) the remaining children, in his/her absence, otherwise
- e) the parents, in his/her absence, otherwise
- f) the siblings, in his/her absence, otherwise
- g) the grandchildren, in his/her absence, otherwise

h)

the siblings' children, in his/her absence, otherwise

i)

other legal successors (excluding the public domain), entitled to half of the lump-sum death benefit.

In justified cases, and if better suited to the purpose of providing a pension, the insured person may alter the order of beneficiaries under clauses c to 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. Following consultation with the Foundation, the Administration Committee shall decide on any change to the statutory order of beneficiaries.

In justified cases, and if better suited to the purpose of providing a pension, the insured person may also draw up a written agreement with the Administration Committee following consultation with the Foundation on which persons within a group are to be beneficiaries and to what extent. In the absence of such an agreement and in the event that there are several beneficiaries within one group, the Administration Committee shall distribute the available death benefits in equal amounts.

As per clause c, beneficiaries will only be included in the distribution if the Foundation is informed of the existence of a rightful claimant as per clause c by no later than when the lump-sum death benefit is paid out. Failure to provide this information to the proper office will result in a loss of entitlement to the lump-sum death benefit.

In any case, any payments made to beneficiaries shall be governed by the circumstances at the time of the insured person's death.

Subject to any extended coverage, any beneficiary designations submitted by the insured person are only valid until the insured person leaves the pension plan.

4.4.5

Payment of lump-sum 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 are due to the rightful survivors of an insured person even if they refuse 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 make a lump-sum payment in lieu of a pension if the partner pension amounts to less than 6% and the orphan's pension to less than 2% of the minimum retirement pension under AHV.

If the rightful claimant is the spouse, the partner pension shall, at his/her request, be paid as a lump sum.

This lump sum shall correspond to the capital value of the partner pension if the surviving spouse had completed his/her 45th year of age when the insured person died. The lump sum shall be reduced by 3% for every partial or whole year that the spouse is younger than 45. The minimum payment, however, shall consist of four annual pensions. Payment as a lump sum is to be re-

quested before the first pension payment is drawn.

4.5

What are the disability benefits?

4.5.1

Disability

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, mental or psychological health and which continues after appropriate treatment and rehabilitation. Arts. 7 and 8 ATSG shall apply.

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

An insured person is entitled to full regulation benefits if the degree of disability is at least 70%. Seventy-five percent of the pension will be paid out if the degree of disability is between 60% and 69%. If the degree of disability is less than 60%, benefits will be paid in accordance with the degree of disability. Partial disability of less than 25% shall not entitle the insured person to claim benefits.

Entitlement to insured benefits shall exist after the insured person has been fully or partially disabled for a duration longer than the waiting period stipulated in the pension plan. If the insured person is alternately able and unable to work and if the periods when the insured is fully able to work do not last longer than one year, the disability periods arising from the same cause shall be

added together and shall count towards the waiting period. If the ability to fully 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 willful self-mutilation, there shall be no entitlement to disability benefits.

The benefits may be reduced correspondingly if the Swiss Federal Disability Insurance reduces, withdraws or refuses benefits because the beneficiary has caused the disability through gross negligence or refuses to cooperate with Swiss Federal Disability Insurance rehabilitation measures.

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

4.5.2

Disability pension (if provided for in the pension plan)

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 the waiting period set out in the pension plan. 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 the disability pension as set out in the pension plan shall exist as long as the degree of disability is 25% or more, but no longer than up to regulation retirement age or death.

4.5.3

Disabled person's child's pension (if provided for in the pension plan)

Every insured person receiving a disability pension under this occupational pension plan shall be entitled to a pension for his/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.

4.5.4

Waiver of contribution

If an insured person is unable to work for more than the waiting period specified in the pension plan, then no further contributions are to be paid depending on the insured person's degree of 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.

4.5.5

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.

4.5.6

Case Management

Using suitable constellations and in collaboration with the insured person, Case Management in Zurich shall support and promote their occupational, medical und social rehabilitation.

4.6

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

If an insured person or his/her employer terminates employment before retirement and there is no entitlement to pension benefits, the insured person shall withdraw from the occupational pension plan. No termination benefit is due.

4.7

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

4.7.1

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.

4.7.2

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/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 pension regulations is attributable to the same cause that gave rise to the inability to work.

If the degree of disability increases later 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 due to the same cause, no disability benefits shall be paid for this increase.

If the insured person dies at a point at which he or she would have been entitled to disability benefits according to paragraph 1, 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.

5

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 employer shall deduct contributions from the salary of the insured person in installments and transfer the installments 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, maternity, military or civil defense service, the full contributions shall continue to be paid as long as the insured salary is not reduced.

6 What rights and obligations does the insured person have?

6.1 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 impact on the payment of benefits. In particular, these include:

- notification of all pension funds to which the insured person belongs and the salaries insured thereunder, provided the sum of all the insured person's annual salaries subject to AHV deductions exceed the maximum insurable annual salary under the BVG;
- 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 the obligation to pay alimony;
- changes in the marital status of an insured person or of a rightful claimant;
- entry into a new marriage-like relationship, provided that a person is receiving a partner pension pursuant to the regulations of this pension plan.

Rightful claimants must provide all documents required to enforce the claim for benefits (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.

6.2 What information does the insured person receive?

Each year the insured person receives a pension statement giving the current status of his/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.

Upon request the insured person will receive the Foundation's annual financial statements and annual report from the Administration Committee. Both contain the information prescribed by law.

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. Furthermore, it will inform the supervisory authorities as per art. 58a para. 1 BVV 2.

6.3 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.

7 What else should insured persons be aware of?

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

The Foundation Board may amend, supplement or cancel these pension regulations at any time in accordance with the provisions of the Foundation deed and applicable legislation.

The Administration Committee may change the pension plan (particularly in relation to benefits, financing, etc.) in accordance with the provisions of the law and the Foundation.

Changes to the regulatory provisions and tariff changes only apply to active insured persons. They do not apply to benefit recipients or persons who are unable to work.

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

7.2

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

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

7.3

What are the requirements for a partial liquidation within the Foundation or an individual pension fund, and how is it executed?

The requirements for a partial liquidation and its execution are set out in a separate set of Regulations.

7.4

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.

7.5

Where does the Foundation fulfill its obligations?

The Foundation fulfills its obligations at the domicile of the beneficiaries in Switzerland or in an EU/EFTA country, in the absence of such, at the domicile of the Foundation.

7.6

When do these pension plan regulations take effect?

These pension plan regulations take effect on January 1, 2009 and replace all previous addenda.

The current pension plan regulations and earlier versions are available on the Internet at www.zurich.ch.

The pension plan is not available on the Internet. All insured persons will obtain a copy of the plan from their employers.

The following are integral components of these pension regulations:

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

Zurich, November 2008

Mythen Joint Foundation of
Zurich Life Insurance Company,
Zurich

The Foundation Board

The German original of this translation is binding.

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

8.1

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.

8.2

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.

8.3

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 own-

ership, 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 house building 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 plan 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 or to finance the ordinary upkeep of residential property.

8.4

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.

8.5

What conditions apply to drawing an advance?

8.5.1

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.

8.5.2

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. 8.9.

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

8.5.3

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.

8.5.4

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 plan. 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.

8.5.5

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

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.

8.5.6

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.

8.5.7

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.

8.5.8

What conditions apply to early withdrawals in the context of additional purchases?

Benefits which become due as a result of additional purchases may not be withdrawn as early withdrawals within the next three years.

If the insured person made early withdrawals for the purpose of financing his/her own home, he/she may make purchases only after repaying the withdrawals. These restrictions do not apply to purchases made within the last three years prior to regulatory retirement.

8.6

What conditions apply to pledging?

8.6.1

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.

8.6.2

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.

8.6.3

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 plans.

8.6.4

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 per-

son'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.

8.7

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.

8.8

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/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 house building 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 early withdrawal or pledge.

The Foundation is entitled to request attestation of the signatures. The insured person shall bear the costs for the attestation.

8.9

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.

8.10

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.

9 Technical Appendix

9.1 Interest rates (as of January 1, 2009)

The BVG interest rate is 2%.

The interest rate for late payment according to the FZG is equal to the BVG interest rate plus one percent.

Legislation and rates are subject to change.

9.2 Salary terms (as of January 1, 2009)

Coordination deduction as per BVG:
CHF 23,940

BVG upper salary limit:
CHF 82,080

Maximum insurable annual salary under the BVG:
CHF 820,800

UVG upper salary limit:
CHF 126,000

This remains subject to changes in legislation.

The coordination deduction and the BVG upper salary limit are as a rule adjusted to the development of the

maximum retirement pension or the maximum pensionable income under the AHV.

9.3 Retirement age (as of January 1, 2009)

Regular retirement age:

Men: 65

Women: 64

This remains subject to changes in legislation.

The German original of this translation is binding.

Organizational regulations for the Administration Committee

Art. 1 Administration Committee

1. It is incumbent upon the Administration Committee to manage this plan.
2. The Administration Committee constitutes itself and consists for a term of office as follows:
 - employer's representatives¹, appointed by the employer/self-employed person¹, and
 - employees selected from among the insured persons on the basis of their contributions and taking into consideration the various categories of employees².

The Chairman is elected 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.

¹ If the employer is an natural person, he/she shall be deemed self-employed if the AHV legislation on self-employed persons is applicable. 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.

² Art. 89 bis Abs. 3 ZGB states: If the employees make contributions to the foundation, they shall be involved in the management to the extent of these contributions; the employees must elect their representatives from those persons employed by the employer as far as this is possible.

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 they comply with the law and the regulations.

7.

The members of the Administration Committee shall provide joint and equal signatures.

Art. 4

Duties, rights and obligations of the Administration Committee

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

a)

It shall approve the pension plan which in particular specifies the type and scope of the pension benefits provided, the contributions to be made by the insured persons, and any other pension-specific provisions.

Making and issuing changes to the pension plan is only possible 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)

It shall decide on the use of funds held in the pension account.

d)

It shall decide on the use and modification of the plan's 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 contributions to the Foundation. It shall notify the Foundation of any irregularities.

f)

It shall inform the insured persons about the current status of their insurance. On request, they will receive information on the organization, activities and financial situation of the benefits plan within the framework of 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;

2.

On terminating an employment relationship, the employer must inform the insured person without de-

lay 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.

Art. 8

Amendments

These regulations were issued by the Foundation Board and are subject to change at any time.

Zurich, December 2006

Mythen Joint Foundation of Zurich
Life Insurance Company

The Foundation Board

The German original of this translation is binding.