

Vested Benefits Foundation of UBS AG Regulations

Based on Art. 9 of the Statutes of the Vested Benefits Foundation of UBS AG (hereinafter "Vested Benefits Foundation") the following regulations shall apply:

1. Opening of vested benefits accounts

The Vested Benefits Foundation accepts payments from pension funds in accordance with Swiss law in favour of pension account holders who leave the pension fund before any pension benefits become due. The Vested Benefits Foundation also accepts payments from other institutions which serve to protect pension interests and, in certain cases permitted by law, from pension account holders. The Vested Benefits Foundation maintains a separate UBS vested benefits account for each pension account holder. Pension account holders receive an annual statement of their pension assets.

2. Investment guidelines for the Vested Benefits Foundation

The pension account holder may choose between account-linked and/or securities-linked investments. Where account-linked investments are chosen, the respective assets are invested by the Vested Benefits Foundation as savings deposits with UBS Switzerland AG (hereinafter "UBS"). Where securities-linked investments are chosen, the respective assets are invested by the Vested Benefits Foundation in a collective investment instrument which is subject to Swiss supervision. Art. 71 para. 1 BVG and Art. 49-58 ff. BVV2 shall apply accordingly to the investment of assets in securities savings.

3. US persons

Account holders who are US persons may not subscribe to UBS (CH) Vitainvest investment fund units or make a change within the investment fund UBS (CH) Vitainvest. US persons are account holders residing in the USA or account holders subject to tax in the USA (persons with citizenship rights, Green Card holders or those with a corresponding tax liability). If the foundation encounters account holders who, as US persons, hold UBS (CH) Vitainvest investment funds, they will be asked to sell the securities within 30 days. If the sale does not take place within the specified time, the foundation shall arrange the sale and will credit the amount to the respective UBS vested benefits account.

4. Disclosure

The Vested Benefits Foundation will comply with Swiss documentation and information requirements. Any documentation or disclosure requirements of non-Swiss authorities (e.g. US tax authorities) will only apply to the respective pension account holder, and the Vested Benefits Foundation will accept no liability and provide no services in respect of them.

5. Data of the pension account holder

The Vested Benefits Foundation is entitled to employ third parties, in particular UBS and/or another bank subject to the Swiss Banking Law to fulfill its tasks from the retirement saving agreement. The pension account holder is in agreement that UBS and/or another bank subject to the Swiss Banking Law will receive knowledge about his/her data to the extent this is required to fulfill its tasks. The pension account holder is furthermore in agreement that UBS and/or another bank subject to the Swiss Banking Law may use the data it/they obtain(s) knowledge of within the context of the tasks transferred to it/them from the retirement saving agreement for its/their own UBS marketing purposes. Furthermore, the pension account holder acknowledges that the Vested Benefits Foundation can be obliged due to law to share information with authorized third parties.

6. Interest rates on account-linked investments

The Foundation Board determines the rate of interest which is to be applied to the pension assets under the account-linked investments. Interest is credited to the UBS vested benefits account at the end of the respective calendar year.

7. Subscription and redemption of units of the UBS (CH) Vitainvest investment fund

The pension account holder may instruct the Vested Benefits Foundation to invest part or all of the balance on his/her UBS vested benefits account in units of non-institutional ("retail") unit classes the UBS (CH) Vitainvest investment fund.

Higher costs may be incurred for retail unit classes. Typically, for the retail unit classes involved here, part of these costs shall be paid to UBS from the fund assets as so-called distribution fees. The securities investment form contains detailed information, especially with respect to the amount of the distribution fees, expressed in the form of percentage bandwidths for distributed investment products categories.

Distribution fees may lead to conflicts of interests. They may in particular create incentives to favor certain investment products that compensate UBS with higher distribution fees than other investment products. The Vested Benefits Foundation has agreed with UBS to set up appropriate organizational procedures aimed at safeguarding pension account holders' interests.

The Vested Benefits Foundation and UBS have agreed that UBS shall be indirectly compensated for the business management and product management, among others, transferred to it by the Vested Benefits Foundation. For the respective services and/or expenses for the Vested Benefits Foundation and its pension account holders as well as for reimbursement of expenses, UBS, with the approval of the Vested Benefits Foundation, may retain the distribution fees that it receives from the UBS Group companies. The Vested Benefits Foundation acknowledges that this provision deviates from the duty to reimburse as set out in Article 400 of the Swiss Code of Obligations or from any other statutory regulations with similar content. The pension account holder also waives any claims to the distribution fees both in favor of the Vested Benefits Foundation as well as UBS.

The Vested Benefits Foundation subscribes to the units in its own name for the account of the pension account holder. The units are booked to and withdrawn from the custody account held by the Vested Benefits Foundation with UBS.

The pension account holder may instruct the Vested Benefits Foundation at any time by submitting by post the "Securities investment via UBS vested benefits account" form to acquire or redeem units. Subscription and redemption prices are based on the prices calculated by the UBS (CH) Vitainvest investment fund on the valuation date. Redemption proceeds are credited to the pension account holder's UBS vested benefits account.

If the UBS (CH) Vitainvest investment fund pays out a revenue, this will immediately be reinvested in units of the same investment fund segment specified by the pension account holder. The pension account holder acknowledges that fund investments are subject to higher exchange rate fluctuations than traditional account deposits, and that these exchange rate fluctuations increase the higher the equity or foreign currency component. The pension account holder may benefit from stock price gains, but must also be willing to bear any stock market loss. By instructing the Vested Benefits Foundation to subscribe to units in the UBS (CH) Vitainvest investment fund, the pension account holder confirms that he/she is aware of the associated risks.

8. Drawing of the pension assets

In accordance with Art. 16, para. 1 OLP/FZV the pension assets can only be paid out to the pension account holder, at the earliest, five years before and, at the latest, five years after attainment of normal AVS/AHV retirement age.

Upon request of the pension account holder pension assets may be paid out in advance if he:

- a) receives a full disability pension from Federal Disability Insurance (AI/IV);
- b) is leaving Switzerland definitively; whereby the compulsory part cannot be drawn for a move away to an EU/EFTA country, if the pension account holder is subject to an insurance obligation in this country as well;
- c) has become self-employed within a period of one year and is no longer subject to the compulsory occupational pension plan;

- d) proves that his entire assets at the Vested Benefits Foundation of UBS AG are less than an annual contribution (exclusively employee contributions) to the previous pension fund prior to the transfer in accordance with Art. 5, para. 1 lit. c) LFLP/FZG;
- e) uses his pension assets within the scope of the provisions governing owner-occupied residential property for:
 - i. the acquisition and construction of residential property for his/her own use;
 - ii. participations in or
 - iii. repayment of mortgage loans on such a residence.

When pension assets are disbursed, the Vested Benefits Foundation shall report the taxable benefit to the tax authorities pursuant to Art. 19 of the Federal Law on Withholding Tax. Partial withdrawals are only possible as per section 8 lit. b) within the context of the statutory restrictions and lit e). In the remaining cases of disbursement as per section 8, the entire pension assets fall due for payment.

9. Pension benefits

Based on Art. 13, 14 and 16 of the OLP/FZV, pension benefits come:

- a) from the pension assets when retirement age is reached;
- b) in the event of disability as per section 8 lit. a) of the regulations from the pension assets;
- c) in the event of death from the pension assets.

10. Payment of benefits

If there is reason to terminate or dissolve the pension account holder's account or there is a transfer as per sections 8 and 9 of the regulations, the entire pension assets, including the units of the UBS (CH) Vitainvest investment fund, fall due for payment. In the case of early withdrawal as per section 8 (except in the cases set out in section 8 lit. e), the pension account holder may choose whether the units in the UBS (CH) Vitainvest investment fund should be transferred to a private UBS custody account or redeemed. The pension account holder must issue instructions in this regard as part of his or her written request for early withdrawal. If no instructions are issued, the units in the UBS (CH) Vitainvest investment fund shall be redeemed and the corresponding proceeds credited to the pension account holder's UBS vested benefits account.

In the case of early withdrawal as per section 8 lit. e), the Vested Benefits Foundation will issue the instruction to redeem the units in the UBS (CH) Vitainvest investment fund acquired for the account of the pension account holder after having approved the order.

Should the pension account holder die, the Vested Benefits Foundation shall redeem any units in the UBS (CH) Vitainvest investment fund as soon as it is informed of his or her death.

The pension account holder or the beneficiary must provide the Vested Benefits Foundation with all necessary information and submit the documents requested when asserting his or her claim to disbursement of the pension assets. The Vested Benefits Foundation reserves the right to undertake further clarification.

In the case of transaction transfers on behalf of an occupational pension fund to itself, the units of UBS (CH) Vitainvest investment funds shall be redeemed without the consent of the pension account holder, the proceeds credited to the pension account holder's UBS vested benefits account and the entire vested benefits assets transferred to the occupational pension fund.

All benefits will be transferred by the Foundation to an account held in the name of the pension fund member or beneficiary. Benefits payable by the foundation will be made exclusively in Swiss francs. The foundation is not liable for any losses arising from exchange rate differences, costs etc. and recommends for this reason that the transfer be made to a bank account denominated in Swiss francs. If the Foundation fails to transfer the due pension or vested benefits within 30 days after receiving all necessary information, interest on arrears shall be payable from the end of the 30-day period. The interest on arrears for benefits due shall correspond to the Foundation's currently applicable interest rate plus 0.5%. For transfers, the default interest is orientated around art. 7 OLP/FZV.

Claims that are not asserted shall be forfeited to the foundation at the end of the period of limitation.

11. Assignment and pledging

The pension assets or claims to benefits not yet due cannot be pledged or assigned. This is subject to Art. 22 of the LFLP/FZG as well as Art. 30b LOB/BVG, Art. 331d of the Swiss Code of Obligations and Art. 8 and 9 of the Ordinance on the Use of Pension Assets for the Encouragement of Home Ownership.

12. Beneficiaries

The following persons are eligible as beneficiaries in accordance with Art. 15 para. 1 lit. b and para. 2 of the OLP/FZV:

- a) in the event of survival, the pension account holder;
- b) in the event of death, the following in the order set out below:
 - 1. the survivors as set out in Art. 19, 19a and 20 of the Swiss Federal Law on Occupational Retirement, Survivors and Disability Pension Plans (LOB/BVG);
 - 2. natural persons supported to a significant degree by the pension account holder, or the person who was living with the pension account holder in a permanent domestic relationship for the last five years immediately prior to his/her death, or who is responsible for maintaining one or more joint children;
 - 3. children of the deceased who do not meet the requirements stipulated in Art. 20 of the LPP/BVG; if there are no children at the time of death, then the parents; if the parents are no longer alive at the time of death, then the siblings;
 - 4. other legal heirs, with the exception of public entities.

The pension account holder may set out the entitlements of the beneficiaries in greater detail in the agreement and extend the scope of persons as defined in lit. b) note 1 to include those listed under note 2.

If the pension fund member does not more precisely specify the beneficiaries' entitlements, and the same group contains more than one beneficiary, the Vested Benefits Foundation shall apportion the assets equally on a per capita basis.

Where beneficiaries in the event of death are named, their order changed or their entitlements more precisely specified, the form provided by the Foundation is to be used.

The clarifications and/or changes reported on the form will be acted on in the distribution of the death benefit only if the Foundation has been informed of them by the date on which the lump sum death benefit is paid out at the latest. If this is not the case, the corresponding entitlement to the lump sum death benefit does not apply.

If the Vested Benefits Foundation has not been informed of the existence of a partner, the Vested Benefits Foundation will assume that no partner exists; moreover, the Vested Benefits Foundation is not obliged actively to seek a partner.

The same applies to natural persons receiving significant support from the pension account holder and to persons who must provide maintenance for a joint child.

The vested benefits assets will lose the interest return at the latest five years after the statutory retirement age under Art. 13 BVG is reached and also from the date of death. Should the foundation learn before the lump-sum death benefit is paid out that the beneficiary intentionally caused the death of the pension fund member, the foundation may exclude the respective person from the entitlement. In this case, the respective beneficiary will be ignored. The foundation will not actively check the cause of death and the circumstances that resulted in death.

13. Change of address and personal data

The pension account holder is obliged to keep up to date the Foundation about his notified data, such as name, address, residence, marital status, email, phone number, etc.

14. Liability

The Vested Benefits Foundation is not liable vis-à-vis the pension account holder for the consequences which may result if the pension account holder does not comply with legal, contractual and regulatory obligations.

15. Notices to pension account holders

Notices to pension account holders shall be considered as having been sent with legally binding effect if they have been sent to the last address known to the Vested Benefits Foundation. The date of dispatch shall be assumed to be the date indicated on the copies or distribution lists in the possession of the Vested Benefits Foundation.

16. Complaints

If the pension account holder or any beneficiary wants to assert a claim of incorrect execution of instructions or non-execution of instructions of any kind, or wants to dispute any account or custody account statements or other notices from the Vested Benefits Foundation, he/she must do so immediately upon receipt of the advice in question, but at the latest within 30 days. If no objection is made, the advice will be assumed to be correct.

17. Fees

The Vested Benefits Foundation may set a management and processing fee as compensation for the administration and management of retirement assets as well as for special efforts. They are defined in the fee regulations.

18. Amendments to provisions and additional provisions

The Foundation Board reserves the right to make amendments to these regulations at any time. These will be communicated to the pension account holder in an appropriate manner. Amendments to the legal provisions which form the basis for the regulations shall not be subject to this requirement and prevail. In addition to the regulations, additional provisions may apply if such provisions result from the applicable form contracts.

19. Applicable law, place of performance and jurisdiction

Swiss substantive law is exclusively applicable for the relationship between pension account holder and Vested Benefits Foundation or the beneficiary of the pension account holder and Vested Benefits Foundation. Place of performance, place of enforcement, latter only for persons domiciled abroad, and sole place of jurisdiction for all disputes between pension account holder and Vested Benefits Foundation or beneficiary of the pension account holder and the Vested Benefits Foundation is Basel.

20. Effective

These regulations shall take effect as of August 1, 2018 and supersede all previous regulations.