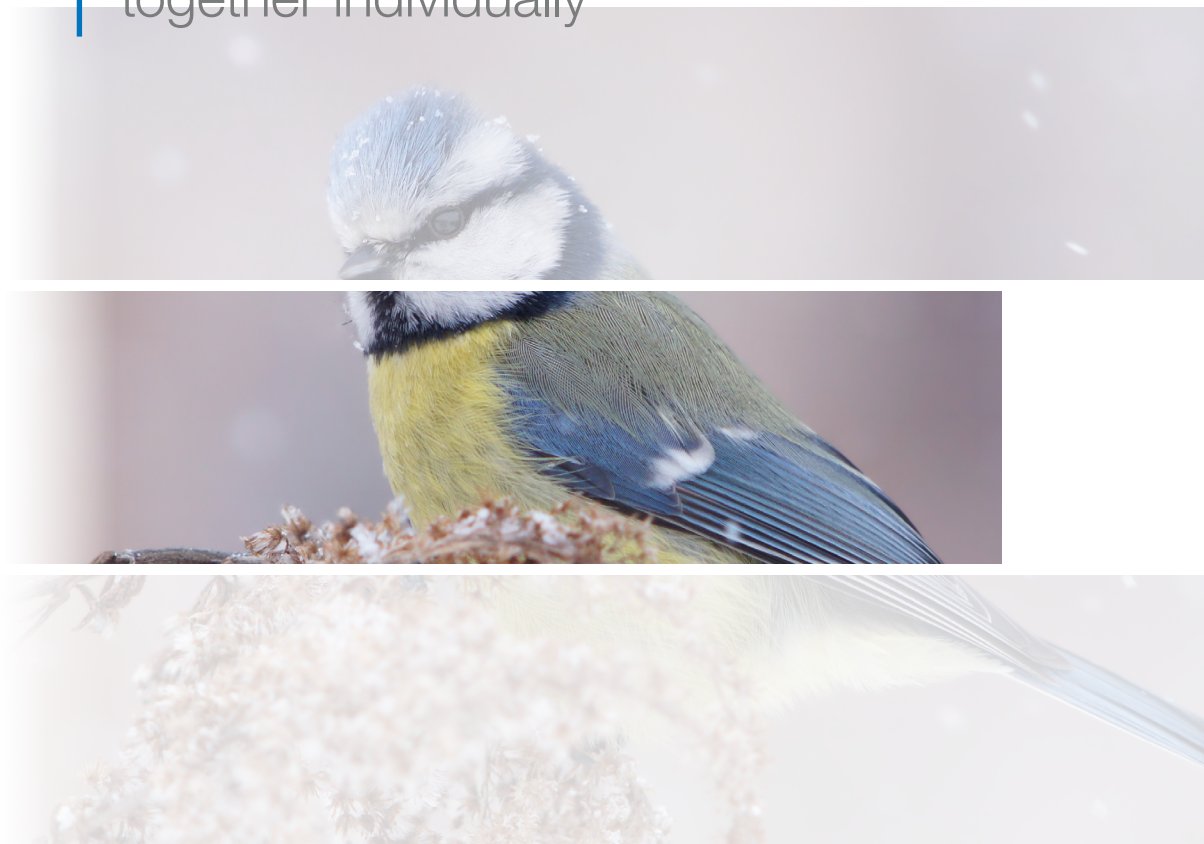


together individually



Partial or Complete Liquidation Regulation

Valitas collective Foundation LPP

Valid from 1 June 2009

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These provisions govern the conditions and procedure for partial and complete liquidation of pension funds and for complete liquidation of the Foundation.

Art. 1 Conditions

1. The conditions governing partial liquidation of the pension fund have been met when:

- a. The Company affiliated to the Foundation significantly reduces its workforce for economic reasons and this results in the involuntary withdrawal of a significant portion of the actively Insured Persons or withdrawal of a significant portion of the pension fund retirement assets.
- b. The Company affiliated to the Foundation is restructured and this entails the involuntary withdrawal of a significant portion of the actively Insured Persons or withdrawal of a significant portion of the pension fund retirement assets.
- c. The affiliation agreement is dissolved in whole or in part, whereby the actively Insured Persons leave the pension fund and pensioners remain in the fund.

2. The reduction in workforce according to sections 1(a) and 1(b) is deemed to be significant if it is carried out to the following extent, irrespective of the number of actively Insured Persons prior to the start of reduction in workforce or restructuring:

- Up to 10 Insured Persons: at least three involuntary exits or 30% of the retirement assets
- For 11 to 50 Insured Persons: at least five involuntary exits or 20% of the retirement assets
- For more than 50 Insured Persons at least 10% of the actively Insured Persons or 10% of the retirement assets

3. The staff reduction process/restructuring shall begin on the date the first Insured Person involuntarily leaves the

pension fund. It shall end on the date the last Insured Person leaves the pension fund.

4. When an Insured Person leaves the scheme, this is deemed to be involuntary when their employment contract has been terminated by the employer. Leaving is also deemed to be involuntary when the Insured Person resigns within six months of becoming aware that there will be staff reductions or restructuring, either because they wish to avoid being dismissed by the employer or because they do not accept their new employment conditions.

5. The conditions for complete liquidation of the pension fund are met when the affiliation agreement has been completely dissolved. In the event of a total dissolution of the affiliation agreement, the procedure for complete liquidation can be dispensed with if the pension fund does not contain any actively Insured Persons or pensioners at the time that the affiliation agreement is dissolved ("empty pension fund").

6. The employer is required to immediately notify the Foundation about the reduction in the workforce or restructuring of his Company that can lead to a partial liquidation.

7. The Administrative Commission shall determine how a partial liquidation is to be conducted. The partial or complete dissolution of the affiliation agreement shall always trigger the partial or complete liquidation of the pension fund (please refer to no. 5 for exceptions).

8. The Foundation is responsible for carrying out the partial or complete liquidation of a pension fund. The Employer and the Administrative Commission are obliged to provide the Foundation with all the information it requires to complete its task immediately upon request.

Art. 2 Reference date

The reference date for partial liquidation owing to a reduction in the workforce will be the balance sheet reference date that is closest to the start of the reduction in the workforce or Company restructuring. When there is a partial or complete liquidation resulting from the partial or complete dissolution of an affiliation agreement, the reference date shall be the date when the affiliation agreement is dissolved. This reference date is definitive for determining the amount of pension fund free resources or the shortfall (insufficient cover) or the Foundation's actuarial provisions.

Art. 3 Free resources and shortfall

1. The amount of free resources in the pension fund or the shortfall are determined according to the following system: Available pension fund assets as of the reference date, consisting of the total assets at their realisable value, minus any vested benefits that have not yet been paid, the remaining liabilities, accrued expenses, the employers' contribution reserve (including the employers' contribution reserve with renounced use), the provision for partial liquidation costs, the total pension capital of the pensioners and Insured Persons still insured on the reference date.

2. If there is a negative result and if there is an employers' contribution reserve with stipulated waiver of usage, this will be taken into account up to the amount that compensates for the shortfall. Upon completion of the partial liquidation, the employers' contribution reserve with stipulated waiver of usage that has been allocated in this way shall be released for the benefit of the Insured Persons who are leaving, insofar as it relates to the transferring unfunded pension capital.

3. If there is a positive result, the target amount of the value fluctuation reserve is used for the remaining pension capital. If the remaining resources are greater than the target amount of the value fluctuation reserve, the pension scheme has free resources. If the amount is smaller, however, there is a shortfall.

4. If there are significant changes of at least 10% in the assets and liabilities between the reference date for the partial liquidation and transfer of the capital, the free resources or shortfall will be adjusted accordingly. The same applies to any collective claims to the Foundation's value fluctuation reserves or to actuarial reserves.

5. If an employer's contribution reserve exists on the reference date and can no longer be used for its purpose, the employer's contribution reserve shall be dissolved and allocated to the free resources of the pension fund.

6. If the free resources amount to less than 5% of the retirement assets of the Insured Persons actively remaining in the pension fund or less than CHF 1,000 per capita on average, the free resources shall not be distributed. The group of pensioners remaining in the pension fund will not be taken into account if the portion per pensioner averages less than CHF 5,000.

7. The shares in the free resources allocated to actively Insured Persons who are leaving are generally specified individually. The settlement of extra-legal social claims or those relating to labour laws as part of distribution of free resources is not permitted.

8. The shares of the shortfall attributed to the actively Insured Persons who are leaving are deducted from their vested benefits on an individual basis. If the unreduced or insufficiently reduced termination benefit has already been

transferred, the Insured Person or the pension scheme or vested benefits scheme must refund the excess amount that has been transferred.

9. The free resources or portions of a shortfall that are attributable to the remaining actively Insured Persons and pensioners will be retained by the pension fund and not individually allocated.

Art. 4 Collective exit

1. If at least ten actively Insured Persons transfer to another pension scheme as a group (collective exit), the share of the free resources shall be transferred collectively. In the event of a collective withdrawal, there is a collective entitlement to the free resources as well as a collective entitlement to a pro rata share of the value fluctuation reserves, if these exist. The pro rata entitlement to value fluctuation reserves corresponds to the entitlement to the pension capital; the contributions made to the value fluctuation reserves by the group that is leaving are taken into account.

2. If all the actively Insured Persons, including any pensioners, transfer to a new pension scheme (complete liquidation of the pension fund), transfer of their share of free resources, value fluctuation reserves or the pension fund shortfall will be collective. The actuarial reserves for the Foundation are also transferred provided that the corresponding actuarial risks are also transferred.

Art. 5 Distribution plan

Individual distribution of the share of the free resources or shortfall attributable to the actively Insured Persons or pensioners shall be proportional to the retirement assets (as per the reference date of the partial liquidation or the previous leaving date), multiplied by the number of insured years and months completed in the pension fund.

Art. 6 Procedure

1. Essential facts, such as facts about the partial or complete liquidation of the pension fund, the amount of free resources, the value fluctuation reserves and/or the shortfall, the group of people affected and distribution plan will be noted as a Administrative Commission decision. No such decision is required for “empty” pension funds.

2. As soon as the Administrative Commission has decided and the distribution plan has been drawn up, the Foundation will inform all those affected in writing, via the Administrative Commission, of the reason for the partial liquidation, the group of people affected, the amount of the free resources, the value fluctuation reserves or shortfall, the individual or collective share and the distribution plan. The persons affected have the right to inspect the Foundation records within 30 days from the date the information is delivered and to raise any objections to the Administrative Commission decision. If the differences cannot be resolved by agreement, the Foundation shall give the persons affected a 30-day period for the supervisory authority to review the conditions, procedure and the distribution plan and come to a decision on these.

3. Once the distribution plan is legally binding, it is considered to be implemented. The distribution plan is legally binding if

- no objections have been raised, or
- all objections have been settled by agreement or none of the persons affected has approached the supervisory authority within the specified 30-day period, or
- the supervisory authority has come to a legally binding decision on the conditions, procedure and the distribution plan (certification of legal validity).

4. If the employer has failed to pay all the contributions owed by the time of the partial or complete liquidation of his pension fund or if bankruptcy or similar proceedings have been initiated against this employer, there will be an appropriate value adjustment and the outstanding amount will be provisionally written down to zero when the free resources are being determined. However, if the employer or a guarantee fund can subsequently pay the written-off amount either in part or in full, the entitlements of those affected will be recalculated and additional payments made while taking into account the funds already transferred.

5. The Foundation does not hold any communal free resources or fluctuation reserves. If the affiliation agreement is terminated and if a Company leaves the Foundation, there is therefore only entitlement to transfer of a portion of the Foundation's actuarial reserves if actuarial risks are also transferred.

6. Additional costs may be charged to the pension fund affected or debited to income with regard to the extraordinary expenses involved as part of the partial or complete liquidation.

7. The Foundation will deal with cases that are not expressly covered by these Regulations in accordance with the law.

8. When winding up the Foundation (complete liquidation according to Article 53(c) OPA), the supervisory authority shall decide whether the conditions and procedure have been fulfilled and shall approve the distribution plan.

9. The auditors shall examine proper implementation and provide a written record of the results in an annual report to the Foundation Board.

Art. 7 Amendments to the Regulations

The provisions and later amendments shall be issued by the Foundation Board and approved by the supervisory authority.

Art. 8 Entry into force

Once approved by the competent supervisory authority, these regulations shall take effect by order of the highest governing body. Partial liquidations with a reference date before 1 June 2009 must be undertaken according to the previous Partial Liquidation Regulations of 11 December 2006. Partial liquidations with a reference date of 1 June 2009 and after will be processed according to these Partial Liquidation Regulations, i.e. having regard to the provisions of the OPO 2 ordinance as amended on 1 June 2009.

