

# General Terms and Conditions of Business

The business relationship with the Vested Benefits Foundation of Zürcher Kantonalbank (hereinafter referred to as the "Foundation") is governed on the basis of specific legal principles and implementing provisions. In addition, the following is agreed:

## **1. Orders to the Foundation and verification of their execution by the pension fund member/beneficiary<sup>1</sup>**

The Foundation shall verify the identity and entitlement of the pension fund member/beneficiary on the basis of their signature and any other means of identification (such as certification, apostille, extract from the family register) which the pension fund member/beneficiary must submit to prove their identity and entitlement in accordance with the instructions of the Foundation.

The pension fund member and the Foundation may communicate by email and the pension fund member may use the electronic channels offered by the Foundation if the pension fund member has concluded an agreement to this effect with Zürcher Kantonalbank (hereinafter referred to as "ZKB") or the Foundation.

When the pension assets are paid out, the Foundation may require the pension fund member/beneficiary to designate an account in their name held with a Swiss bank.

If, in individual cases, the Foundation deviates from the above provisions at the request of the pension fund member/beneficiary, the pension fund member/beneficiary shall bear the loss arising from unrecognised inadequacies with respect to proof of identity and forgeries, unless the Foundation has breached the customary degree of care.

The pension fund member/beneficiary checks immediately upon receipt, but at the latest within 30 days of the date of dispatch of the relevant statement, whether the Foundation has duly carried out the order and informs the Foundation of any errors. After expiry of this period, the statement shall be regarded as approved. If the pension fund member/beneficiary has not received a statement/confirmation of receipt from the

Foundation within 10 days of the order being placed, they shall make further representations to the Foundation.

## **2. The pension fund member's duty to inform the Foundation**

The pension fund member is obliged to notify the Foundation without delay of any changes in their address, personal details (in particular civil status), the details of persons receiving substantial support from them, their life companion or any change in the designation of beneficiaries.

The Foundation's communications to the pension fund member/beneficiary shall be deemed legally valid if they have been sent to the last address it has been provided with.

Communications shall be sent to the Foundation in using the forms and languages provided by the Foundation for this purpose. If the pension fund member/beneficiary submits the original or a certified copy (with an apostille if need be) of required documents in another language, the Foundation may also request an officially certified translation from the pension fund member/beneficiary.

The costs for certification or translation shall be borne by the pension fund member/beneficiary. The Foundation may reject communications and documents that do not comply with this requirement. The Foundation is free to answer enquiries from foreign-language pension fund members/beneficiaries in German.

The Foundation notifies the 2<sup>nd</sup> Pillar Central Office of any pension fund members it can no longer contact.

## **3. Data protection and exchange of information between the Foundation, ZKB and third parties**

The Foundation is entitled to use any information available at ZKB from a banking relationship maintained between the pension fund member and ZKB to determine the beneficiaries in the event of death and to update client data.

<sup>1</sup> In order to facilitate readability, only the masculine form is used in these General Terms and Conditions of Business, which, however, also includes the feminine form.

In addition to ZKB, which provides the services of the Foundation and where the funds of the nominal value savings are invested, the Foundation may also instruct third parties to perform the administrative tasks associated with account management and investments on its behalf. The pension fund member is aware of this and agrees that, their data such as personal details, account number, investment orders, balance notifications may be stored and processed by ZKB and third parties insofar as this is necessary within the framework of the pension agreement.

#### **4. Claims to the pension assets and assertion thereof**

Benefits in the event of death shall be based on the provisions of Article 15 of the Ordinance on Vesting in Retirement, Survivors' and Disability Pension Plans (FZV/OLP) or, if applicable, on a change notified to the Foundation in accordance with paragraphs 2 of this regulation, whereby the pension fund member shall use the form prepared by the Foundation for this purpose. Where there is more than one beneficiary within a category, each beneficiary is entitled to equal shares, unless otherwise instructed by the pension fund member. The pension fund member declares Article 15 FZV/OLP to be an integral part of their pension agreement and authorises the Foundation to make payments with discharging effect to the persons known to it at the time of the pension fund member's death. The pension fund member is responsible for ensuring that, if necessary, they are informed about the flexibility and legal consequences of a change in the order of beneficiaries, and they acknowledge that the Foundation will not check the admissibility and clarity of the arrangement they have made.

If, in the dutiful judgement of the Foundation, the entitlement of the pension fund member/beneficiary is not sufficiently proven, the Foundation may demand the submission of further proof before payment is made. In this case, the Foundation may also carry out its own clarifications or have them carried out by third parties and charge the costs for these special expenses to the pension assets.

If several presumed beneficiaries assert competing claims to pension assets and the shares to which they are entitled are disputed and/or not clearly determined, the Foundation may wait until the presumed beneficiaries have agreed on the distribution or a court has ruled on the individual claims before making a payment.

#### **5. Asset investment and securities orders**

In addition to or as an alternative to nominal value saving, the pension fund member may invest their vested pension capital in securities investments offered by the Foundation. All securities investments meet the investment guidelines of the Ordinance on Occupational Retirement, Survivors' and Disability Pension Plans (BVV 2). If the pension fund member makes use of a risk disclosure or product-specific advice offered by the Foundation, the Foundation shall base its decision exclusively on the infor-

mation provided by the pension fund member to the Foundation in this connection. The choice of a suitable securities investment, and thus the investment decision, is always made personally by the pension fund member. The pension fund member is aware of the opportunities and risks of their chosen investment and is able and willing to bear any associated risk of loss. The pension fund member is also aware that – particularly in the event of a subsequent withdrawal – the securities must be sold upon (partial) termination of the pension relationship and that any price losses must therefore be realised, which can lead to a reduction in the pension assets.

If the pension fund member issues the Foundation with a subscription or redemption order for securities investments, the Foundation shall carry out the transaction in its own name, debiting or crediting the pension fund member's pension account. The pension fund member shall not issue subscription and redemption orders to the Foundation in respect of investments by fax and/or email.

The Foundation may refuse to execute subscription orders and liquidate the securities investment held in its own name but acquired for the account of the pension fund member, if the Foundation, in its dutiful judgement, deems itself obliged to do so. In addition to investment-specific restrictions, this may also be the case if the securities investment proves to be unsuitable for the pension fund member due to the pension fund member's domicile and/or belonging to a foreign country. However, the Foundation is not obliged to carry out a corresponding check. The pension fund member acknowledges that the Foundation in particular prepares documentation and information in accordance with Swiss law and is therefore responsible for checking whether these documents/information enable them to fulfil their declaration obligations under any foreign legal systems applicable to them.

The pension fund member is aware that in the case of securities investments issued by Swisscanto, there may be greater added value with Zürcher Kantonalbank as the founder than with securities investments from other providers. The pension fund member accepts this potential conflict of interest in the securities investments available to them. The Foundation has implemented the measures required within the framework of the statutory loyalty requirements so that there are no concrete conflicts of interest to the detriment of the pension fund member or, in the case of unavoidable conflicts of interest, these do not have a detrimental effect on the pension fund member.

#### **6. Interest and fees**

The pension assets bear interest until termination of the pension agreement.

The Foundation may charge fees and demand reimbursement of external costs to cover its expenses and as compensation for the management and administration of pension assets, both nominal value and securities-based savings. These are charged directly to the pension account. The pension fund member is responsible for ensuring that their account balance is sufficient to cover the costs and fees. Otherwise, the Foundation is authorised to sell any securities held by the pension fund member in order to create the necessary liquidity, as if the pension fund member had ordered the Foundation to that effect. If the pension fund member holds several securities investments at the time of the sale initiated by the Foundation, these are sold proportionately, based on the respective equivalent value in CHF.

The pension fund member is notified of the currently valid fee tariff by means of the "Schedule of fees" appendix. The interest rate and the schedule of fees are also published on the ZKB website and adjusted in the event of a change. The pension fund member recognises and acknowledges that the current version of the interest rate and schedule of fees shall apply.

#### **7. Termination of the pension agreement**

The pension fund member may terminate the pension agreement prematurely within the scope of the statutory grounds for termination. Furthermore, the pension agreement is terminated upon the death of the pension fund member or – in the event of survival – no later than five years after reaching the normal retirement age and the credit balance due for repayment. If the Foundation does not have clear instructions from the pension fund member regarding the payment when the payment is due, or if the beneficiaries are not clearly known, these assets are reported to the 2<sup>nd</sup> Pillar Central Office. However, the assets remain with the Foundation until further notice. After 10 years from the normal retirement age, assets from vested benefits accounts must be transferred to the BVG Guarantee Fund.

The pension fund member may transfer a not-yet-due pension balance to a retirement benefit plan (pension fund) or vested benefits institution. In the event that the Foundation wishes to terminate the pension agreement at its dutiful discretion, the pension fund member authorises the Foundation to liquidate the investments and to transfer the not-yet-due credit balance to the Foundation's security fund, unless the pension fund member instructs otherwise.

The request for payment includes the order to the Foundation to sell the investments in order to create the necessary liquidity. The Foundation may sell the investments at the time of the death of the pension fund member – or in the event of survival no later than five years after reaching the normal retirement age – without the pension fund member or beneficiary having to instruct it to do so.

#### **8. Amendments to the General Terms and Conditions of Business**

The Foundation reserves the right to amend the General Terms and Conditions of Business at any time. Amendments shall be notified to the pension fund member in good time and in a suitable manner so that, if they do not accept the amendments, the pension fund member may switch to a different foundation before the new General Terms and Conditions of Business come into effect.

These General Terms and Conditions of Business integrally replace the previous General Terms and Conditions of Business of the Vested Benefits Foundation of Zürcher Kantonalbank.

#### **9. Applicable law and place of jurisdiction**

All legal relationships between the Foundation and the pension fund member or their beneficiaries are governed by **Swiss law**. Subject to mandatory jurisdiction, the parties agree that the exclusive **place of jurisdiction is Zurich 1**. However, the Foundation also reserves the right to pursue legal proceedings against the pension fund member through the relevant competent court of their place of residence or any other competent court.

Zurich, November 2019

The Board of Trustees

# Schedule of fees

## Account

	Fee
Opening an account	free of charge*
Account administration	free of charge*
Closing an account	free of charge*

## Securities portfolio

	Fee
Custody of the securities portfolio	0.30% p.a. of the equivalent value of securities investments in CHF

The calculation of the fee for the custody of the securities portfolio is based on the daily determination of the equivalent value of the securities investments in CHF of the invested securities and is charged to the pension account annually at the beginning of July for the previous period (1 July of the previous year to 30 June of the current year). In the event of netting or disinvestment before the regular, annual fee due date, the portfolio fee may be charged immediately pro rata.

## Securities transactions

The Foundation charges a transaction fee for the investment/disinvestment in Swisscanto securities. The maximum fee per security is per order placed or securities transaction executed.

Tariff level	Transaction fee per subscription/redemption
Regular rate	0.65% of the equivalent value of securities investments in CHF
Maximum fee per security	CHF 1,000.–

## Other fees

	Fee
Mailing charges	free of charge
Advance withdrawal for encouragement of home ownership	CHF 200.– (the advance withdrawal for the purchase of share certificates from housing cooperatives is free of charge)
Pledging for encouragement of home ownership	free of charge
Information to be provided in the event of divorce	free of charge
Address searches/enquiries for dormant vested benefits credit balances	CHF 50.– per enquiry

In the case of special expenses incurred by the Foundation (such as repeated requests for an account statement or time-consuming correction postings caused by the pension fund member), fees may be charged at standard bank rates.

The pension fund member is notified of the currently valid fee tariff on the website of Zürcher Kantonalbank. The published tariff applies in each case. Pension fund members who do not have access to the Internet can ask the Foundation about the applicable rates.

\* The costs of the account-holding bank are included in the net interest shown in accordance with Section 6 General Terms and Conditions.