

**Pension Fund of
Credit Suisse Group (Switzerland)
Regulations on Partial Liquidation
April 2016**

Art. 1

General Provisions

- 1) A foundation as defined by Art. 80 et seq. of the Swiss Civil Code, Art. 331 of the Swiss Code of Obligations (SCO) and Art. 48(2) of the Federal Act on Occupational Retirement, Survivors' and Disability Pension Plans (BVG) has been established with its registered office in Zurich under the name Pension Fund of Credit Suisse Group (Switzerland) [hereinafter referred to as "the Pension Fund"].
- 2) The Board of Trustees is issuing these Regulations on Partial Liquidation of the Pension Fund on the basis of Arts. 53b and 53d BVG, Art. 23 Federal Act on Vesting in Pension Plans (FZG) and Arts. 27g and 27h Ordinance on Occupational Retirement, Survivors' and Disability Pension Plans (BVV2).
- 3) The following terms are used in these Regulations:

BVG

Federal Act on Occupational Retirement, Survivors' and Disability Pension Plans

BV 2

Ordinance on Occupational Retirement, Survivors' and Disability Pension Plans

FZG

Federal Act on Vesting in Pension Plans

Insured

Employees insured by the Pension Fund

Retirees

Persons who receive a retirement pension, a survivor's pension, a divorced spouse's pension or a disability pension from the Pension Fund

Beneficiaries

Insured, retirees and other possible entitled parties under the deed of foundation

Employer

The plan sponsor and additional affiliated companies

- 4) Unless expressly stated otherwise, references to persons always apply to both genders.

Art. 2

Conditions for Partial Liquidation

- 1) The conditions for partial liquidation are fulfilled
 - a) if there is a reduction in the number of employees and at least 10% of the insured leave the Pension Fund,
 - b) if a company undergoes restructuring and at least 5% of the insured leave the Pension Fund, or
 - c) if the affiliation agreement is terminated.
- 2) Restructuring will be deemed to be taking place if existing areas of activity of the employer are merged, discontinued, sold, outsourced or undergo other changes.
- 3) Insured who leave the Pension Fund voluntarily are not regarded as insured affected by partial liquidation. Insured who retire are not considered to have left the Pension Fund.
A withdrawal will be deemed involuntary:
 - a) if the insured's employment relationship is terminated by the employer and the insured is not offered an equivalent post, or
 - b) if the insured terminates the employment relationship in anticipation of foreseeable termination by the employer.
- 4) Retirees belonging to the part of the company due to be hived off or to the affiliation will also be affected by a partial liquidation under Art. 2(1b) and (1c) above (restructuring of the affiliation or termination of the affiliation agreement), and will leave the Pension Fund. Arrangements will be based on the relevant affiliation agreement. This is without prejudice to any other contractual arrangements with the Pension Fund.

- 5) The employer is obliged to inform the Pension Fund without delay of any matters which might meet the conditions for partial liquidation and must provide it with all information required to carry out partial liquidation.

Art. 3

Reference Date for Partial Liquidation

- 1) The reference date for partial liquidation is determined by the end of the reduction in staff numbers or by the date of termination of the affiliation agreement (end of notice period). The Board of Trustees determines the relevant date or time frame for defining the group of employees affected, depending on the event and on the withdrawal of the insured. The start of the significant reduction or restructuring is determined on the basis of the employer's staff reduction plan. If there is no staff reduction plan in place, the point in time when the employer informs the employees of the necessary HR measures will be the determining factor.
- 2) If the reference date for partial liquidation is not the same as the balance sheet date, the balance sheet date will correspond to December 31 prior to the reference date for partial liquidation.

Art. 4

Calculating Disposable Assets, Provisions and Fluctuation Reserves, as well as any Shortfall

- 1) As of the reference date for partial liquidation, the Pension Fund will draw up a partial liquidation balance sheet. The disposable assets and collective entitlement to technical provisions and fluctuation reserves, as well as any possible shortfall, will be calculated on the basis of the actuarial balance sheet prepared by the accredited pensions actuary and the commercial balance sheet prepared and audited according to Swiss GAAP FER 26, subject to Art. 4(2) below.
- 2) Provisions may be formed to ensure the survival of the Pension Fund. In the event of partial liquidation, the nature and extent of these provisions will be determined by the accredited pensions actuary.
- 3) If there is a change of more than 5% in the assets or liabilities of the Pension Fund between the reference date for partial liquidation and the transfer of the assets, then the provisions, fluctuation reserves and disposable assets will be adjusted accordingly.

Art. 5

Entitlement to Disposable Assets

- 1) With regard to the share of the disposable assets the insured receive, 80% is calculated on the basis of their retirement capital and 20% on the basis of their number of contribution years. For retirees, 20% of the share of disposable assets is calculated on the basis of the number of persons involved and 80% according to the amount of retirement capital. For the purposes of calculating the share of disposable assets, the retirement capital corresponds to the individual retirement capital.
- 2) Vested benefits transferred, single premiums, purchases or additional credits, repayments of advance withdrawals under the promotion of home ownership scheme, as well as shares of termination benefits received by a divorced spouse which have been paid in within 12 months prior to the reference date for partial liquidation will not be taken into account for the purposes of calculating the share of the disposable assets. Advance withdrawals under the promotion of home ownership scheme and payments in the event of a divorce which have taken place in the last 12 months prior to the reference date for partial liquidation will be taken into account in calculating the share of disposable assets.
- 3) In principle, the entitlement to the disposable assets will be paid out individually. However, in the event of a collective transfer, the Board of Trustees may specify that the disposable assets should be collectively transferred to the new pension fund either in full or in part.
- 4) If the Pension Fund has to provide pension benefits for individual beneficiaries after it has paid out the disposable assets, the pro-rata disposable assets must be refunded to it in addition to the vested benefits paid out.

Art. 6

Entitlement to Provisions and Fluctuation Reserves

- 1) In the event of a collective withdrawal, there will be a collective pro-rata entitlement to the actuarial provisions and fluctuation reserves. However, the entitlement to provisions will exist only if and to the extent that actuarial risks are also transferred. The entitlement to fluctuation reserves corresponds pro rata to the entitlement to the savings and retirement capital.
- 2) The contribution made by the departing group to the formation of the provisions and fluctuation reserves will be taken into account appropriately.
- 3) There will be no entitlement to technical provisions and fluctuation reserves if the partial liquidation was caused by the group which is leaving collectively.
- 4) If the Pension Fund has to provide pension benefits after it has paid out the fluctuation reserves and technical provisions, it must also be refunded the fluctuation reserves and technical provisions in addition to the vested benefits paid out.

Art. 7

Taking Account of a Shortfall

- 1) If the Pension Fund is in shortfall on the reference date for partial liquidation, the termination benefits of the insured and the retirement capital of the retirees will be reduced in line with the funding ratio in accordance with Art. 44 BVV 2. The reduction will be based on the retirement capital of the retirees and/or the termination benefits pursuant to Art. 5(2). The retirement assets pursuant to the BVG minimum cannot be reduced.
- 2) If the full termination benefits and retirement capital have already been transferred, the excess amount transferred must be refunded.
- 3) The Pension Fund may provisionally reduce the individual termination benefits if it has become clear that partial liquidation will take place and the Pension Fund can be presumed to be in shortfall. The provisional reduction applies only to insured likely to be affected by partial liquidation. It must be explicitly described as such. On completion of the partial liquidation procedure, the Pension Fund will draw up a final statement and will pay out any difference plus interest. The insured person must repay excess termination benefits paid out, including interest granted.

Art. 8

Collective and Individual Withdrawal

- 1) A collective withdrawal assumes the transfer of an area of activity, with at least ten insured jointly transferring to the same new pension fund. All other cases constitute individual withdrawal.
- 2) In the event of collective withdrawal, termination benefits, any disposable assets and a pro-rata entitlement to fluctuation reserves and technical provisions will be transferred to the new pension fund in cash or in securities. Where possible, the collective withdrawal will be covered by a transfer agreement.

Art. 9

Procedure

- 1) The Pension Fund informs the beneficiaries of the partial liquidation in good time and provides them with an opportunity to inspect the relevant commercial and actuarial balance sheet and the distribution plan. Within 30 days of receiving the information, the beneficiaries have the right to raise written objections with the Board of Trustees, setting out reasons. The Board of Trustees will issue a decision on any objections received within a reasonable period of time.
- 2) Within 30 days of receiving the Board of Trustees' decision on the objections, the beneficiaries have the right to have the competent supervisory authority review the conditions, procedure and distribution plan and issue a ruling.
- 3) Partial liquidation may be carried out if:
 - a) no objection is lodged with the Board of Trustees within the 30-day period,
 - b) written confirmation has been received from the supervisory authority to the effect that within 30 days of the publication of the decision on the objection there has been no request to review said decision,
 - c) a legally binding decision (ruling) by the relevant supervisory authority is in place, or
 - d) any appeal against the ruling of the supervisory authority is not given suspensive effect.

- 4) During the partial liquidation procedure, no interest is paid on any entitlement to collectively or individually assigned disposable assets or on provisions and fluctuation reserves. Once the procedure has been completed in a legally binding manner, the Pension Fund will be under an obligation to pay default interest after a period of 30 days. The default interest is calculated on the basis of Art. 26(2) FZG.
- 5) Once payment is due, interest will be due on the departing beneficiaries' termination benefits and retirement capital at the rate defined by the FZG. If partial liquidation in conjunction with a shortfall appears likely, the termination benefits and retirement capital of the affected beneficiaries may be reduced appropriately. Once the partial liquidation has become legally binding, any backpayment will be paid plus interest from the due date onward, calculated at the rate defined by the FZG.
- 6) The Pension Fund auditors will confirm the proper execution of the partial liquidation in the context of the ordinary annual report. The confirmation will be published in the notes to the annual financial statements.

Art. 10

Final Provisions

- 1) The present Regulations were adopted by the Board of Trustees on April 14, 2016, and enter into force with the approval of the relevant supervisory authority based on a resolution of the Board of Trustees.
- 2) They replace the previous Regulations on Partial Liquidation dated December 17, 2012.
- 3) They have been drafted in German and may be translated into other languages. In the event of any discrepancy between the German text and a translation into another language, the German text shall prevail.
- 4) The Regulations may be amended by the Board of Trustees at any time subject to the approval of the supervisory authority.

Zurich, April 14, 2016

PENSION FUND OF CREDIT SUISSE GROUP (SWITZERLAND)

Philip Hess
Chairman of the Board of Trustees

Thomas Isenschmid
Vice-Chairman of the Board of Trustees



PENSION FUND OF CREDIT SUISSE GROUP (SWITZERLAND)

P.O. Box

CH-8070 Zurich

www.credit-suisse.com/pensionfund

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