

## Restructuring Regulations on the Measures to be Taken in the Event of Underfunding

(In accordance with the decision of the Board of Trustees of 08.02.2016)

### Edition 01.2016

1. In the event of underfunding within the meaning of Article 44 BVV 2, the Board of Trustees shall work with the occupational pensions actuary to define a restructuring concept detailing appropriate measures for eliminating the underfunding. In doing so, they shall adhere to the principle of proportionality. The occupational pensions actuary shall comment on the measures defined in writing. Specific measures adopted must be set out in an appendix to these regulations.
2. Allianz Pension Invest – Semi-Autonomous Collective Occupational Pension Foundation (the Foundation) may cut the interest rate on retirement assets to zero provided that it complies with the minimum requirements of the BVG and the FZG.
3. The Foundation may restrict both the time and amount of early withdrawals of occupational pension assets for the purpose of repaying mortgage loans.
4. In the event of underfunding, the employer may pay deposits into a special account designated “Employer contribution reserve: appropriation waived” and also transfer funds from the ordinary employer contribution reserve to this account. These deposits may not exceed the amount of the underfunding and shall bear no interest. The employer contribution reserves with a waiver on their use shall continue to be held for the duration of the underfunding.
5. If the above measures do not eliminate the underfunding within a reasonable period of time, the Foundation may charge restructuring contributions to the insured persons and the employer. The restructuring contributions shall be deducted in the calculation of the minimum vested benefits pursuant to Article 17 FZG.
6. The restructuring contribution from the employer must be at least as high as the sum of the restructuring contributions from the insured persons. The employer may make a greater contribution to the restructuring measures than is prescribed by law.
7. To eliminate the underfunding, the Foundation may charge pensioners a restructuring contribution by offsetting it against their ongoing pension payments. Such a contribution may only be offset against the portion of the ongoing pension payments which was accrued in the last ten years before this measure was taken through increases not prescribed by law or the regulations.
8. If the restructuring contributions prove insufficient, the Foundation may reduce the interest rate to below the minimum BVG rate during the period of underfunding for a maximum of five years. The interest rate may not be reduced to any lower than 0.5% below the minimum BVG rate.
9. If the Foundation becomes underfunded, the Board of Trustees shall inform the supervisory authority, the employers, the insured persons and the pension recipients of the underfunding and of the restructuring concept defined in collaboration with the occupational pensions actuary.
10. For the duration of the underfunding, the Board of Trustees shall assess at least once a year, in collaboration with the occupational pensions actuary, whether the measures taken are effective and appropriate and whether it therefore remains reasonable to continue applying them. It shall decide whether the measures should remain in place, whether they should be extended or whether they should be partially or totally abolished. It shall inform the insured persons, the enrolled employers and the responsible supervisory authority of developments in the Foundation’s funding ratio on a regular basis.
11. These Regulations on Measures to be Taken in the Event of Underfunding shall enter into force on 01.01.2016. They may be amended by the Board of Trustees at any time.