

Pension Fund of Lonza
Münchensteinerstrasse 38
CH-4002 Basel

To all
Insured Persons
of the Lonza Pension Fund (PKL)

Basel / Visp in August 2023

Information for Insured Persons on the Partial Liquidation as of 31.12.2022

In accordance with the statutory information requirements, we hereby inform you about the procedure for the partial liquidation of the Lonza Pension Fund (PKL) as of 31.12.2022.

The Occupational Pensions Act (BVG) stipulates that employees of companies which are not economically closely linked to Lonza AG cannot be affiliated with the Lonza Pension Fund (PKL). The affiliated companies Arxada AG and Arxada Services AG have therefore decided to no longer provide occupational benefits with the Lonza Pension Fund (PKL) as of 01.01.2023 and have terminated the affiliation contracts as of 31.12.2022.

Both companies have joined a new pension plan and the insured persons have transferred to Columna Collective Foundation Client Invest (BVG collective foundation of AXA Insurances) as of 01.01.2023. Pursuant to Art. 2 a) of the partial liquidation regulations of PKL, the **requirements for partial liquidation** as a collective are thus met. The vested benefits of the departing insured persons and parts of the reserves were already transferred to the new pension fund at the beginning of 2023.

Pursuant to Art. 3 (3) of the partial liquidation regulations, the date following the event that led to the partial liquidation shall be deemed the reference date. The affiliation contracts were terminated as of 31. 12. 2022. The **reference date for the partial liquidation of the Lonza Pension Fund (PKL)** is therefore **31.12.2022**. The partial liquidation shall be carried out taking into account the principle of equal treatment and in accordance with professionally recognized principles (Art. 53d (1) BVG). The occupational pension expert has subsequently prepared a report.

The Board of Trustees approved the partial liquidation report of the occupational pension expert (Pittet Associates AG) on the partial liquidation of the Lonza Pension Fund (PKL) as per 31.12.2022 at its formal meeting on 12.06.2023.

According to the annual financial statements 2022, the Lonza Pension Fund (PKL) has no free funds as per 31.12.2022. The relevant funding ratio before partial liquidation pursuant to Art. 44 BVV2 as of 31.12.2022 amounts to 106.5% (see enclosure).

The revised annual financial statements as at 31.12.2022 are decisive for determining the provisions and the fluctuation reserve. The distribution criteria for the provisions and fluctuation reserve to be transferred are based on the legal provisions pursuant to Art. 53d BVG, Art. 27g and Art. 27h BVV2 and the partial liquidation regulations.

The provisions and the fluctuation reserve are transferred on a pro rata basis if corresponding risks are also transferred. They are transferred to the new pension fund and are not distributed to the insured persons. The provisions for the compensation measures for the reduction of the conversion rate in 2016 in the amount of CHF 2,715,466 and in 2019 in the amount of CHF 5,644,954 were calculated individually.

The following provisions are carried forward on a pro rata basis:

- Provision for retirement losses
- Provision for reduction of conversion rate 2016
- Provision for reduction of conversion rate in 2019
- Provision risk premium fluctuation

We are pleased to point out that the departing companies Arxada AG and Arxada Services AG as well as the new pension plan administrator have also approved the expert's report on the partial liquidation.

Right of Appeal

Written objections to this notification may be lodged with the Lonza Pension Fund (PKL) within 30 days of the date of notification. The Board of Trustees will issue a corresponding statement.

To be valid, the objection must contain a request, its justification with details of the evidence and the signature of the objector or their representative. The contested decision and the evidence invoked must be enclosed as far as possible.

The documents relevant to this partial liquidation may be viewed at the Management of the Lonza Pension Fund (PKL) for 30 days from the date of delivery of this letter.

If any objections with the Lonza Pension Fund (PKL) cannot be settled amicably, the insured persons also have the possibility of having the conditions, the procedure and the distribution plan of this partial liquidation reviewed by the competent supervisory authority. Their address is:

BSABB
BVG and Foundation Supervisory Authority of both Basel
Eisengasse 8, P.O. box
4001 Basel

An appeal against the decision of the supervisory authority may be lodged with the Federal Administrative Court within 30 days. This appeal shall only have suspensive effect if the president of the competent division of the Federal Administrative Court or the instruction judge so orders ex officio or at the request of the appellant.

In the absence of your notice to the contrary, we assume that you agree with the procedure. Please do not hesitate to contact us for further information.

Best Regards

For the Lonza Pension Fund



Walter Fux



Bernhard Stoffel

Enclosure:

Partial liquidation balance sheet

Passiven per 31.12.2022 in CHF	vor Übertragung	Übertragung	nach Übertragung
Verbindlichkeiten	66'064'502	-	66'064'502
Passive Rechnungsabgrenzung	20'509'610	-	20'509'610
Arbeitgeberbeitragsreserve	0	-	0
Nichttechnische Rückstellungen	851'822	-	851'822
Vorsorgekapital Aktive	955'840'885	184'183'851	771'657'034
Vorsorgekapita Rentner	605'970'946	-	605'970'946
Technische Rückstellungen	126'132'676	24'622'123	101'510'553
Passiven aus Versicherungsverträgen	18'084'400	-	18'084'400
Wertschwankungsreserve	110'865'022	13'569'101	97'295'921
Freie Mittel	0	0	0
Total Passiven	1'904'319'861	222'375'074	1'681'944'787
Verfügbares Vermögen	1'816'893'928		1'594'518'854
Total Vorsorgekapitalien und Rückstellungen	1'706'028'906		1'497'222'933
Deckungsgrad gemäss Art. 44 BVV 2	106.50%	106.50%	106.50%