

## Explanations of PF1 and PF2 insurance statement

### Basis of calculations

Base salary, incentive/bonus and shift allowance are insured up to a threshold of CHF 150,000 in PF1. Components of pay that exceed this threshold are insured in PF2.

### Insured remuneration

The insured remuneration in PF1 and PF2 is calculated on the basis of the provisions set forth in the regulations.

### Expected retirement benefits

The projected retirement benefits in PF1 are calculated on the basis of the existing vested benefits (transferabilities) with the future retirement credits and the anticipated rate of interest and converted to a pension using the conversion rate.

The savings are paid out at the time of retirement. Instead of the one-off payment, a fixed-term bridging pension may be paid out up to the statutory (AHV) retirement age.

The projected retirement lump sum in PF2 is calculated on the basis of the existing vested benefits (transferabilities) with the future retirement credits and the anticipated rate of interest.

### Pension benefits PF1

- The disability pension (payable until statutory retirement age is reached) amounts to 60% of insured remuneration under the risk plan.
- The spouse's / lifetime partner's pension amounts to 60% of the insured disability pension.
- The child pensions (disability child and orphan's pension) amount to 20% of the insured disability pension per child. Child pensions are paid up to the age of 20, or 25 in the case of continuing education.
- The insured lump sum on death is additionally paid (as a single lump sum). Beneficiaries as defined in provisions set forth in the regulations.

### Pension benefits PF2

In the event of death or disability, the relevant lump sum is paid out.

### Transferabilities

Existing vested benefits (in PF1 and PF2 retirement plan and in PF1 savings plan) on date of calculation in CHF.

### Contributions

The contributions cover the retirement and savings plans and the pension benefits in PF1 and the retirement plan and pension benefits in PF2.

Basel, January 13, 2023

## Insurance data on 01.01.2023

all amounts in CHF

| Basis of calculation |            | Insured remuneration PF1 | PF2        | MPF       |      |
|----------------------|------------|--------------------------|------------|-----------|------|
| Level of employment  | 100.00%    | Retirement plan          | 124'275.00 | 35'000.00 | 0.00 |
| Base salary (100%)   | 170'000.00 | Risk plan                | 144'275.00 | 35'000.00 | 0.00 |
| Incentive/Bonus      | 15'000.00  | Savings plan             | 159'275.00 |           |      |

### Expected retirement benefits (assumed rate of interest PF1: 2.0%, PF2: 2.0%, MPF: 2.0%)

| Age | Retirem. acc. PF1 | CR    | Pension PF1 <sup>1</sup> | Savings acc. | Lump sum PF2 | Lump sum MPF |
|-----|-------------------|-------|--------------------------|--------------|--------------|--------------|
| 60  | 1'212'299.60      | 4.36% | 52'860.00                | 140'295.35   | 211'330.30   | 0.00         |
| 61  | 1'274'263.40      | 4.48% | 57'096.00                | 148'676.45   | 224'394.90   | 0.00         |
| 62  | 1'337'466.45      | 4.60% | 61'524.00                | 157'225.20   | 237'720.75   | 0.00         |
| 63  | 1'401'933.60      | 4.72% | 66'180.00                | 165'944.90   | 251'313.20   | 0.00         |
| 64  | 1'467'690.05      | 4.85% | 71'184.00                | 174'839.00   | 265'177.45   | 0.00         |
| 65  | 1'534'761.65      | 5.00% | 76'740.00                | 183'910.95   | 279'319.00   | 0.00         |

<sup>1</sup> Possible children's pension: 20% of the received retirement pension

| Pension benefits                              | PF1        | PF2        | MPF  |
|---|------------|------------|------|
| Disability pension                            | 86'568.00  |            | 0.00 |
| Disability pension per child                  | 17'316.00  |            | 0.00 |
| Lump sum on disability (once)                 | 0.00       | 140'000.00 |      |
| Spouse's pension / lifetime partner's pension | 51'948.00  |            | 0.00 |
| Orphans' pension per child <sup>2</sup>       | 17'316.00  |            | 0.00 |
| Lump sum on death (once)                      | 193'636.00 | 140'000.00 | 0.00 |

<sup>2</sup> Orphan's pension: 20% (in case of death of both parents: 40%)

| Transferabilities                            | PF1        | PF2      | MPF  |
|--|------------|----------|------|
| Retirement account (incl. BVG CHF 55'889.00) | 208'148.00 | 2'185.40 | 0.00 |
| Savings acc.                                 | 0.00       |          |      |

| Contributions per month            | PF1    | PF2      | MPF      |        |        |      |
|------------------------------------|--------|----------|----------|--------|--------|------|
| Contribution scale                 | Plus   | Plus     | Standard |        |        |      |
| Retirement plan                    | 7.55%  | 781.90   | 6.50%    | 189.60 | 10.00% | 0.00 |
| Risk plan                          | 0.60%  | 72.15    | 0.40%    | 11.65  |        |      |
| Savings plan                       | 0.00%  | 0.00     |          |        |        |      |
| Short Term Incentive (once a year) |        |          |          |        | 10.00% | 0.00 |
| Total contributions employee       |        | 854.05   |          | 201.25 |        | 0.00 |
| Retirement plan                    | 11.10% | 1'149.55 | 9.00%    | 262.50 | 15.00% | 0.00 |
| Risk plan                          | 1.20%  | 144.30   | 0.80%    | 23.35  | 5.00%  | 0.00 |
| Savings plan                       | 0.00%  | 0.00     |          |        |        |      |
| Short Term Incentive (once a year) |        |          |          |        | 15.00% | 0.00 |
| Total contributions employer       |        | 1'293.85 |          | 285.85 |        | 0.00 |

## Explanations of PF1 and PF2 insurance statements - continued

### Purchase options

Amounts in CHF of the possible voluntary contributions that can be paid in as per the relevant date to finance missing contribution years in the PF1 and PF2 retirement plans and the savings plan (PF1) and to finance early retirement at 60 (PF1).

### PF2 Selected investment strategy

Account of the investment strategy selected in EquatePlus for information

### Further information

Information filed with Novartis Pension Funds – where applicable – are listed here, such as:

- Vested benefits on marriage
- Vested benefits at age 50
- Withdrawal option for home ownership purposes
- Pledging for home ownership
- Unpaid leave

and details on benefits for survivors

- Support agreement,
- Order of beneficiaries

Insurance data on 01.01.2023  
Mustermann Hans, 2999998

| Possible purchase | PF1        | PF2       | MPF  |
|-------------------|------------|-----------|------|
| Retirement plan   | 89'117.80  | 60'464.60 | 0.00 |
| Savings plan      | 0.00       |           |      |
| Early retirement  | 337'282.35 |           |      |

  

| Further information                                   | PF1        | PF2                         | MPF  |
|---|------------|-----------------------------|------|
| Transferability at date of marriage                   | 113'243.35 | 0.00                        | 0.00 |
| Maximum amount for home ownership purposes            | 197'156.80 | 0.00                        | 0.00 |
| Investment strategy chosen                            |            | Equities 40 <sup>plus</sup> |      |
| Yearly compensation credit<br>... Retirement plan PF1 | 610.10     |                             |      |
| Support agreement deposited                           |            |                             | Yes  |
| Request for order of beneficiaries changes deposited  |            |                             | Yes  |
| Pledge for home ownership purposes                    |            |                             | No   |
| Unpaid leave  |            |                             | No   |

This certificate replaces all previous ones. It is for information purposes only and does not constitute a legal claim to the benefits indicated therein. The benefits are calculated on a case-by-case basis based on the pertinent Regulations.