

## 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 PF 2 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 plans 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, October 3, 2017

## Insurance data on 01.10.2017

all amounts in CHF

Basis of calculation		Insured remuneratio	PF1	PF2	MPF
Level of employment	100.00%	Retirement plan	125'325.00	30'000.00	0.00
Base salary (100%)	160'000.00	Risk plan	135'325.00	30'000.00	0.00
Incentive/Bonus	20'000.00	Savings plan	155'325.00		

### Expected retirement benefits (assumed rate of interest PF1: 2.5%, PF2: 2.5%, MPF: 2.5%)

Age	Retirement acc. PF1	CR	Pension PF1	Savings acc.	Lump sum PF2	Lump sum MPF
60	1'137'965.50	4.71%	53'604.00	110'595.00	389'854.55	0.00
61	1'199'500.45	4.83%	57'936.00	118'795.90	405'975.90	0.00
62	1'262'573.75	4.95%	62'508.00	127'201.75	422'500.30	0.00
63	1'327'223.90	5.07%	67'296.00	135'817.80	439'437.85	0.00
64	1'393'490.35	5.21%	72'612.00	144'649.30	456'798.80	0.00
65	1'461'413.40	5.35%	78'192.00	153'701.50	474'593.70	0.00

\* possible children's pension: 20% of the received retirement pension

Pension benefits	PF1	PF2	MPF
Disability pension	81'204.00		0.00
Disability pension per child	16'248.00		0.00
Lump sum on disability (once)	49'764.10	276'304.80	
Spouse's pension / lifetime partner's pension	48'732.00		0.00
Orphans' pension per child	16'248.00		0.00
Lump sum on death (once)	301'436.70	276'304.80	0.00

Transferabilities	PF1	PF2	MPF
Retirement account (incl. BVG CHF 180'878.75)	635'336.35	276'304.80	0.00
Savings acc.	49'764.10		

Contributions per month	PF1	PF2	MPF
Contribution scale	Standard	Minus	Standard
Retirement plan	7.60% 793.75	4.75% 118.75	10.00% 0.00
Risk plan	0.60% 67.65	0.40% 10.00	
Savings plan	1.75% 226.50		
Short Term Incentive (once a year)			10.00% 0.00
Total contributions employee	1'087.90	128.75	0.00
Retirement plan	15.20% 1'587.45	13.50% 337.50	15.00% 0.00
Risk plan	1.20% 135.35	0.80% 20.00	5.00% 0.00
Savings plan	1.75% 226.50		
Short Term Incentive (once a year)			15.00% 0.00
Total contributions employer	1'949.30	357.50	0.00

**Explanations of PF1 and PF2 insurance statements - continued**

Insurance data on 01.10.2017  
 Mustermann Max, 2999999

**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).

Possible purchase	PF1	PF2	MPF
Retirement plan	71'246.00	0.00	0.00
Savings plan	23'083.35		
Early retirement	405'927.70		

**PF2 Selected investment strategy**

Account of the investment strategy selected in EquatePlus for information

Further information	PF1	PF2	MPF
Transferability at date of marriage	37'136.25	0.00	unknown
Transferability at the age of 50	567'514.80	234'112.90	unknown
Maximum amount for home ownership purposes	567'514.80	234'112.90	0.00
Investment strategy chosen		LifeCycle	

**PF1: Annual compensation payment I**

Credit to compensate for pension losses resulting from the change in the pension plan on 1 January 2011

Compensation I (2011) Retirement plan PF1 / Savings plan PF1			
... Retirement plan PF1	8'081.80		

**PF1: Annual compensation payment II**

Credit to compensate for pension losses resulting from the adjustment of the conversion rate plan on 1 January 2016

Compensation II (2016) Retirement plan PF1			
... Retirement plan PF1	16'227.30		

Support agreement deposited			No
Request for order of beneficiaries changes deposited			No
Pledge for home ownership purposes			Yes
Unpaid leave			No

**Further information**

Aside from the compensation payments, 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

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.