Loreto Optima Individual Pension Plan Regulations

LORETO
MUTUA

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CHAPTER 1
NAME, LEGAL STATUS, MODALITY, INTEGRATION AND TERM.

Article 1. Name and legal status

1. The name of this pension plan is LORETO ÓPTIMA. It is governed by Royal Legislative Decree 1/2002 of 29 November that approved the Consolidated Text of the Law Governing Pension Plans and Funds and all other applicable and implementing legislation.

2. The benefits recognised and granted under this pension plan are complementary to and independent of Social Security and Civil Service pensions.

Article 2. Modality

This is an individual pension plan and a contribution scheme in accordance with the obligations and contributions specified in the plan.

Article 3. Pension fund integration

The plan forms part of the Fondloreto Pensiones, F.P. pension fund registered in the General Directorate of Insurances and Pension Funds under number F-0563.

Article 4. Effective date, term and registered office

1. This pension plan comes into force on its integration into the pension fund referred to in article 3 of these Regulations.

2. This pension plan has an unlimited term of existence.

3. The registered office of the pension plan, for all purposes, is the registered office of the management company of the pension fund it forms part of.

CHAPTER 2
LEGAL ENTITIES IN THE PENSION PLAN

Article 5. Constituents

Constituents:
a) Montepío Loreto, Mutualidad de Previsión Social, as the Provider.

b) The members.

Article 6. Legal entities

Legal entities in the pension plan:

a) The constituents.
b) The beneficiaries.

CHAPTER 3
MEMBERS

Article 7. Pension plan members

Any natural person with legal personality who expresses a wish to join the pension plan by filling in the appropriate application form and making a contribution may be a member.

Article 8. Members in abeyance

1. Members in abeyance are members who, at the end of the calendar year, have not made any contribution to the plan during the year. They remain members in abeyance until they make a contribution.

2. Members in abeyance have the same rights and obligations as other members in accordance with these Regulations.

Article 9. Becoming a member of the plan

1. Members register themselves in the pension plan by filling in the application form for individuals to join and by paying the first contribution or transferring whatever rights they have undertaken to transfer into the plan.

2. Once the requirements in the previous article are met, registration in the plan is effective the day the aforementioned individual application form is signed.

Article 10. Leaving the plan

Members leave the pension plan by:

a) Unilateral decision by the member with transfer of all vested rights to another pension plan, insured pension plan or insured company pension plan.
b) Becoming a beneficiary of the pension plan, except when this occurs as a result of another member.
c) Death.
d) Pension plan termination.

Article 11. Rights of members

Pension plan members have the following rights:

a) Economic rights: the consolidated individual rights consisting of the member's share in the capitalisation fund that, in accordance with article 18.2 of these Regulations, the plan holds in the pension fund.

b) Beneficiary rights: rights to the benefits provided for in these Regulations obtained in accordance with the terms and conditions herein.

c) The right to transfer individual vested rights to another pension plan, insured pension plan or insured company pension plan. The request to transfer vested rights must be made with the management company of the target pension fund in accordance with the procedure established in the applicable legislation. Members may partially or totally transfer their rights.

   For partial transfers, if there is no indication with regards to whether the vested rights to be transferred correspond to contributions made before or after 1 January 2007, these are calculated proportionally in accordance with the contributions made before and after this date.

d) The right to transfer to the plan vested rights from another pension plan, insured pension plan or insured company pension plan.

e) The right to make contributions to the pension plan in accordance with these Regulations and amend, suspend or reinstate their contribution scheme. For these amendments to be effective, in the case that the member has scheduled regular contributions, notice of them must be made in writing to the management company.

f) Rights of information, which entails receiving at least the following documents:

   1. These Regulations when they become a member, along with the statement of principles of the pension fund's investment policy. Alternatively, the member is told when and where these will be made available to them. At this time, the member is notified of the person or entity that serves as the members' ombudsman and the applicable commissions.

   2. Certification of belonging to the pension plan (must be requested in writing).

   3. Certification of contributions made to the pension plan during the calendar year.

   4. Certification of the value of the individual vested rights as of 31 December of each calendar year.

   5. Any other information in the format and at the times required legally or by these Regulations, changes to the applicable legislation or these Regulations, management and deposit commissions of the fund the plan forms part of and any other aspect that could affect the member. The above information may be put in one document for the purposes of communicating it.

g) Members may request the protection of their rights by filing claims with the members' ombudsman against the actions of the provider, management company and/or depository institution.

Article 12. Obligations of members

Pension plan members must:

a) Comply with the requirements established in these Regulations for recognition of benefits of the pension plan.
b) Communicate to the management company in a timely manner any changes to the data provided to the pension plan when they applied to become a member.

CHAPTER 4
BENEFICIARIES

Article 13. Pension plan beneficiaries

Pension plan beneficiaries are natural persons entitled to the payment of the benefits established in these Regulations, regardless of whether they are members.

Article 14. Obtaining of beneficiary status

Members and other persons become beneficiaries of the pension plan and entitled to benefits from when the given circumstances in each case arise.

Article 15. Loss of beneficiary status

A person is no longer a beneficiary of the pension plan when any of the following circumstances occurs:

a) Death.
b) Termination of the pension plan.
c) End of the economic rights.

Article 16. Rights of beneficiaries

Pension plan beneficiaries are entitled to:

a) Receive the benefits in accordance with the provisions of these Regulations.
b) Receive an annual certificate listing the benefits received during each calendar year with a breakdown of the tax withheld.
c) Summary of the information sent to pension plan members.

d) If the beneficiary opts to receive a period-certain annuity, they are informed of the name of the insurer and the number of the insurance policy that guarantees coverage of the benefit under the plan.

Article 17. Obligations of beneficiaries

1. Pension plan beneficiaries must send to the management company all the details and reports required to demonstrate or maintain valid their entitlement to the benefits. If the beneficiary is receiving insured annuity benefits, either period-certain or pure life, this information may be required directly by the insurer.

2. The beneficiary must provide the information or documents required to the management company before the non-extendable deadline of 30 days following a request for them.

3. Beneficiaries must notify of facts that give rise to the extinction, suspension or change of the benefit they are receiving.

4. Beneficiaries of annuities of any type must demonstrate they are alive by going in person to the management company or by sending a proof of life statement or any other document of proof signed and issued by an administrative authority, bank or public health centre.

CHAPTER 5
FUNDING OF THE PENSION PLAN AND THE CONTRIBUTION SCHEME

Article 18. Funding

1. The pension plan is based on a financial/actuarial system of individual capitalisation.

2. The capitalisation fund set up is made up by member contributions, donations to the plan, vested rights transferred from other pension plans and returns on invested assets less the losses and expenses incurred.

3. The pension plan does not cover any risk related to the benefits provided for. Nor does it guarantee a minimum interest rate to members. However, when benefits become payable in the form of annuities that entail assuming some type of risk, the plan takes out full, comprehensive insurance on these benefits with an insurer.

4. Beneficiaries are entitled to request the protection of their rights by filing claims with the members' ombudsman against the actions of the provider, management company and/or depository institution.

5. The daily value applicable to the mobilization of rights, payment of benefits and liquidity of rights in exceptional cases, as well as the anticipated disposition thereof, will be the value of the plan position account corresponding to the business day prior to that in which the mobilization, liquidity or payment of the benefit becomes effective.

Article 19. Pension plan contribution scheme

1. Contributions to the pension plan are made by the members, preferably by direct debit.

   A member's spouse may make contributions on a member's behalf in accordance with the requirements and restrictions specified in the tax or other applicable legislation.

2. Members, but not members in abeyance, may receive financial allocations from donations made by third persons to the pension plan, without prejudice to the corresponding fiscal effects.

Article 20. Contribution amount

Members choose the amount and timing of their contributions.

The management company is authorised to suspend or reject contributions that for a given member exceed the threshold set by the applicable legislation. In this case, the member is informed and returned the contribution as soon as the management company becomes aware of this excess. In accordance with the law, any profit arising from the excess contribution is added to the equity of the fund; any loss is charged to the member.

Article 21. Contribution non-payment

1. By not paying any contribution to the pension fund in a financial year, a member automatically becomes a member in abeyance in accordance with article 8 of these Regulations.

2. Members in abeyance may automatically reinstate themselves as full members by making contributions to the pension plan.

CHAPTER 6
BENEFITS

Article 22. Protected contingencies

Contingencies protected by this pension plan:

1. Retirement. The corresponding Social Security regulations are applicable to determine the contingency of retirement.

   Therefore, the retirement contingency is understood to have occurred when the member is effectively retired as far as Social Security is concerned.

   When a member cannot become eligible for retirement, the contingency is understood to have occurred when the member reaches the ordinary retirement age in accordance with General Social Security scheme, no longer performs their work or professional activity and no longer contributes for retirement under any Social Security scheme.

2. Early payment of the retirement benefit can occur from 60 years where the member:

   a) No longer performs any activity giving rise to registration with the Social Security although they may still be registered in some way under a Social Security scheme.
   b) Does not meet, at the time of claiming the early retirement benefit, the requirements for obtaining the Social Security retirement benefit.

The early payment of benefit specified in this section is not possible where the member is not eligible for retirement owing to the cases specified in third paragraph of the first section of this article.

3. Likewise, members may request early payment of their retirement benefit, regardless of their age, when their labour relationship terminates and they become unemployed owing to a layoff plan.

4. Total permanent disability for the member's usual profession; absolute permanent disability for all work and severe disability. The corresponding Social Security regulations are applicable for the determination of these circumstances.

5. Death of the member or beneficiary.

Article 23. Exceptional settlement of vested rights

1. Vested rights may be made effective in their entirety exceptionally in the case of long-term unemployment of the member in accordance with the applicable legislation.

   The legally unemployed member is considered long-term unemployed, for the purposes of this article, when they are registered with the National Institute of Employment and the competent public body as a jobseeker and not receiving any contributory employment benefit.

   Legal unemployment requires the termination of the labour or administrative relationship and suspension of the employment contract in accordance with the cases of legal unemployment

listed in article 208.1 and 208.2 of the Consolidated Text of the General Law on Social Security approved by Royal Legislative Decree 1/1994 of 20 June and the supplementary and implementing regulations.

Vested rights can be made effective via a payment or successive payments where such situations can be duly demonstrated.

2. From 1 January 2025, members may receive as an advance the total or partial payment of their vested rights corresponding to contributions made at least 10 years previously.

Article 24. Benefit amount and payment modalities

1) Pension plan benefits are paid in accordance with the following amounts and payment modalities:

   a) One-off lump sum: equal to the value of the vested rights of the member at the time the benefit is paid.

   b) Annuity: two or more successive payments on a regular basis, including at least one annual payment. There are two types of annuity:

      1. Period-certain annuity: a constant amount determined by applying a financial calculation to the value of the vested rights of the member when the payment is made. This annuity is paid until the date set by the member.

      2. Non-period-certain annuity: payment of a constant amount on a periodic basis until the member's economic rights are used up.

         Under this modality, the last monthly payment occurs when the remaining balance of the vested rights of the member is less than the initially set monthly amount.

      3. Pure life annuity: amount determined by applying actuarial parameters payable until the death of the member.

   c) Period-certain life annuity: free combination of the first two modalities.

2) If the beneficiary opts for payment as a period-certain or pure life annuity, the annuity is guaranteed by a single-premium annuity group insurance policy that covers the pension plan. The management company takes out this policy with a demonstrably solvent insurance company.

3) The beneficiary, at the time the entitlement to the benefit arises, may choose the modality and timing of payment they see fit. If they make no choice, they receive the benefit as a lump sum.

4) The beneficiary chooses the timing of the payment and the start date (immediate or deferred) for the payment of any of the annuity modalities.
5) Where there are multiple beneficiaries, the benefit is distributed according to the member's duly stipulated instructions. If the member did not state a distribution preference, the benefit is distributed equally among the beneficiaries.

6) Once entitlement to the benefit has been recognised, the payment format chosen cannot be changed.

Article 25. Recognition and payment of benefits. Time-limit on actions.

1. Applicants must apply to the management company to receive payment of benefits under the pension plan, also submitting the documents that prove the contingency and any other documents the applicant see as convenient or that are required by the management company.

2. The application and the accompanying documents are assessed by the management company, which may require that the applicant provide other documents.

3. Recognition of entitlement to the benefit is notified to the beneficiary in a document signed by the management company within 15 days following submission of the corresponding documentation. This document specifies the format, modality and amount of the benefit, payment frequency and expiry dates, revaluation formulas, any rollbacks, and the level of insurance or guarantee. It also notifies of any risk assumed by the beneficiary and all other elements that define the benefit in accordance with article 24 of these Regulations or the option chosen by the beneficiary.

4. If the collection modality acknowledged is period-certain or pure life annuity, the beneficiary must sign the individual certificate for the insurance taken out with the insurance company in force under the policy referred to in article 24.2 of these Regulations.

   In the case of immediate lump sum payments, the beneficiary is paid within seven working days from when the corresponding documentation is submitted.

5. If, after the benefit has been applied for, at the time of payment, the beneficiary declines receiving it or specifies another method of payment, the management company may deposit the amount in a credit institution at the disposal of and on behalf of the beneficiary with the benefit considered to have been paid.

   The actions arising from the entitlement to benefits are subject to the time-limits set for these effects in the current legislation and, where the legislation sets no time-limit, is five years from the date of the triggering event.

CHAPTER 7 SUPERVISION AND OVERSIGHT OF THE PENSION PLAN

Article 26. Obligations and duties of the provider

The provider has the duties and responsibilities set out in the current legislation with regard to the pension plan supervisory committees.

The provider must:

a) Supervise the operation and implementation of the plan and, in particular, compliance with these Regulations with regard to the rights and obligations of members and beneficiaries.

b) Select the actuary who must, when required by law, issue an opinion on compliance with the financial/actuarial system of the plan and on its adequacy.

c) Make any amendments it sees fit to these Regulations, interpret these Regulations and resolve any doubts arising from their application.

d) Oversee the rectifying of the balance of the plan's standing account in the pension fund and make sure it complies with the requirements of the financial/actuarial system of the plan.

e) Appoint the plan's representative before the pension fund supervisory committee.

f) Designate a members' ombudsman.

g) Decide on other questions over which it legally has power.

h) Represent the interests of members and beneficiaries of the plan in and out of court.

i) Perform all the acts and hand down all the decisions required in accordance with these Regulations and the pension plan and fund legislation.

j) Admit the vested rights of members coming from other pension plans where these meet the applicable requirements.

k) Perform any other functions given to it in these Regulations or the legislation on pension plans and funds.

Article 27. Appointment, removal and duties of the members' ombudsman.

1. The provider must appoint an independent entity or expert of renowned prestige as the members' ombudsman with whom members and beneficiaries or their successors in title may file

claims against the management company or depository institutions of the pension fund of which the plan forms part of or against the provider of the pension plan.

2. The members' ombudsman is appointed for an unlimited term and is removed for the following reasons:

   a) Decision by the provider to dismiss the ombudsman. Such a decision must be accompanied by the appointment of a new ombudsman.
   b) The ombudsman standing down. The ombudsman must give the provider three months' notice prior to the effective date of resignation.
   c) Death, disability or disqualification for carrying out duties. d) The end of the pension plan.

3. When removal of the members' ombudsman occurs owing to the reasons stated in letters a) or c), claims being processed are suspended until the new ombudsman is appointed. The processing of claims filed after the ombudsman has given notice of their resignation are also suspended in this manner. In the other cases, the ombudsman must continue processing claims underway until resolution.

4. The provider must inform members and beneficiaries of the current person or entity that assumes the duties of the members' ombudsman.

Article 28. Purpose and requirements of the claims

1. Persons who were or would have been members or beneficiaries of the plan or their successors in title may file claims with the members' ombudsman provided the time-limit for the rights whose protection they are claiming has not expired and the plan has not been terminated. The provider, the management company or the depository institution always, jointly or individually, has standing to be sued. These entities are bound to the decisions of the members' ombudsman that find totally in favour of the interests of the claimants.

2. The purpose of claims is the defence of the rights of persons with standing to file claims in accordance with Spanish law, the pension plan and fund regulations, and the provisions herein linking them to the plan.

3. Persons with standing may file claims in the two years following the date of the triggering events giving rise to the claim.

4. Claims may be filed with the members' ombudsman and, in all cases, at the registered office of the provider, which will send them to the members' ombudsman.

5. Claims may be submitted personally or via a representative on paper or via digital, electronic or online means provided that the documents submitted can be read, printed and stored and are in

accordance with the provisions of Law 59/2003, of 19 December, on the electronic signature or any supplementary or implementing regulations.

6. The procedure is initiated via submission of a document that must state:

   a) Full name and address of the claimant, their duly appointed representative (if applicable), and their national ID (DNI or NIE) or passport number.
   b) Reason for the claim, clearly specifying the matters on which a decision is sought.
   c) Department or service where the facts forming the subject-matter of the claim occurred.
   d) A statement that the claimant is not aware of any administrative, arbitration or judicial proceeding in progress dealing with the subject-matter of the claim.
   e) Place, date and signature.

7. The claimant must attach to the aforementioned document any documentary proof they have on which the claim is based.

Article 29. Claim processing

1. Time-limits.

   The members' ombudsman must issue a decision within two months following filing of the claim with them. After this time-limit, the claimant may contact the Committee for the Defence of the Insured and Pension Plan Members.

   Claims not submitted directly to the members' ombudsman are sent to them as soon as possible where the claim has not been resolved in favour of the claimant by the service or department to which they were addressed.

   The previous paragraph is to be interpreted without prejudice to the fact that the calculation of the time-limit begins from when the claim is submitted to the members' ombudsman.

2. Acknowledgement of receipt.

   In all cases, the claimant is sent a written acknowledgement of receipt stating the date the claim was submitted for the purposes of calculating the time-limit for a decision. Once the claim has been received by the members' ombudsman, the claim file is opened.

   Claims are only accepted for processing once and cannot be repeatedly filed with different bodies of the provider.

3. Claim amendment.

   If the identity of the claimant is not sufficiently demonstrated, or if the facts underlying the claim cannot be clearly established, the claimant will be asked to complete the documentation sent

within 10 calendar days. This notice will specify that if the claimant does not provide this information, the claim will be archived and not processed any further.

The time taken by the claimant to correct the errors referred to in the previous paragraph is not included in the calculation of the time-limit of two months for providing the decision.

4. Processing.

In processing the claims, the members' ombudsman collects from the claimant and the departments and services of the affected entities, any data, clarifications, information or evidence it deems necessary for making its decision. Departments and services must respond to these requests within the non-extendable time-limit of five days.

5. Non-admittance of the claim.

Claims may not be admitted only in the following cases:

a) When there is a non-rectifiable lack of details essential for processing. This includes the reason for the claim not been specified.
b) The matter submitted as a claim is subject to an appeal or action in an administrative, arbitration or judicial body or such a claim is pending resolution or dispute in or has been resolved by an administrative, arbitration or judicial body.
c) When the facts, grounds and application forming the basis for the subject-matter of the claim do not refer to specific transactions.
d) When claims are filed regarding previously resolved claims submitted by the same claimant on the same facts.
e) When the time-limit for submitting claims has elapsed.
f) When it becomes known that a claim is being processed at the same time that an administrative, arbitration or judicial proceeding is underway on the same subject-matter. In this case, claim processing must cease.

When the claim is not admissible for processing for one of the reasons specified, the claimant will be notified in a reasoned decision and given a time-limit of 10 calendar days to submit counter arguments. Where the claimant does submit counter arguments and the reasons for non-admission remain, the claimant is informed of the final decision.

6. Withdrawal and acceptance of claims.

Claimants may withdraw their claims at any time. Withdrawal of a claim immediately ends the procedure for the claimant.

Claimants must make withdrawal notices in writing. They must specify the reference number of the claim file that the members' ombudsman had assigned to their claim and that was specified in the acknowledgement of receipt.

If in light of a claim, the institution rectifies the matter to the satisfaction of the claimant, this must be communicated to the competent department and duly documented, except where the claimant expressly withdraws the claim. In such cases, the claim is archived without further processing.

However, the members' ombudsman may decide to continue with the procedure as part of its duty to promote and ensure compliance with the regulations on transparency and member protection.

7. Finalisation and notification of the decision.

Claimants are notified of decisions within 10 calendar days of the decision date on paper or via digital, electronic or online means provided that the notice can be read, printed and stored and is in accordance with the requirements of Law 59/2003, of 19 December, on the electronic signature, as expressly designated by the claimant or in the same format via which the claim was submitted.

The decision must be justified, contain clear conclusions on the petition of the claim and be based on the clauses and specifications of the pension plan, the regulations applicable to pension plans and funds, the regulations on transparency and customer protection, and best financial practice and custom.

If the decision diverges from criteria specified in previous similar cases, the change in criteria must be justified.

The notice of the decision on the complaint must specify the right the claimant has — if they do not agree with the decision — to pursue the matter with the Committee for the Defence of the Insured and Member of Pension Plans.

CHAPTER 8
REVIEW, AMENDMENT AND LIQUIDATION

Article 30. Economic/financial report

In addition to the audited annual accounts of Fondloreto Pensiones F.P., the management company must issue an economic/financial report where required by the legislation.

Article 31. Pension plan amendment

The provider may amend these Regulations subject to notification of members and beneficiaries of the proposed amendment with at least one month notice prior to when the amendment is to take effect.

Article 32. Pension plan termination

The pension plan may be terminated and liquidated for the following reasons:

a) Resolution by the provider to end the pension plan.
b) The dissolution of the plan's provider where no other provider takes over the plan.
c) No members and beneficiaries for more than one year.
d) Any other lawful reason.

In all cases, the following are prerequisites for ending the plan: the individualised guarantee of the triggered benefits and the integration of the vested rights of members and the economic rights of beneficiaries in another pension plan, insured pension plan or insured company pension plan.

Article 33. Pension plan liquidation

Plan liquidation is performed by the management company under the supervision of the provider in accordance with the following rules:

a) The plan's provider must resolve to end the plan and notify members and beneficiaries with at least three months' notice prior to the effective termination date. The habitually used means for communicating with pension plan members and benefits must be used.

b) The provider must select the pension plan to which the vested rights of members and the economic rights of beneficiaries are transferred.

   During the period of three months referred to in point 1 above, members must notify the provider of the plan they want to transfer their vested rights to. If on the termination date of the pension plan a member has not made this notification, their vested rights are transferred to the pension plan selected by the provider.

c) Already triggered benefits are individually guaranteed.

d) Once the triggered benefits have been guaranteed and the vested rights of all members of the plan have been transferred, the management company notifies the provider of the liquidation of the standing account so that the provider may definitively terminate the plan.

DEFINITIONS

- **Contribution**

The economic contribution of a member of a pension plan. Either periodic or extraordinary. The legislation governs the maximum amount that can be contributed each financial year.

- **Beneficiary**

The natural person entitled to receive the benefits of a pension plan. When the benefit arises owing to retirement, disability, exceptional circumstances of long-term unemployment and/or serious illness, the beneficiary is the member. In contrast, in case of death, the beneficiaries are the persons designated by the member in their application form.

- **Pension fund supervisory committee**

The body that supervises and oversees the operation and administration of the pension fund that the pension plan forms part of.

- **Depository commission**

The commission charged by the depository institution for its work.

- **Management commission**

The commission charged by the management company for its work.

- **Contingency**

The contingencies covered by the pension plan are the circumstances in which the member of a pension plan is entitled to a benefit of the plan. The pension plan Regulations specify the following cases:

  - Ordinary or early retirement.
  - Disability of the member.
  - Death of the member.

Exceptional payment of vested rights for long-term unemployment is also provided.

- **Members' ombudsman**

The independent person or entity of renowned prestige who extrajudicially decides, with respect to the proper observance of the pension plan, on claims submitted by members and beneficiaries against the provider, management company and/or depository institution.

- **Vested rights**

Economic rights of a member consisting of their contributions to the pension plan plus any applicable returns less any payable fees. The vested rights of each member is calculated by multiplying the number of equity interests the member has by the net asset value of the equity interest.

- **Depository institution**

The financial entity (bank) responsible for custody and deposit of the assets of the fund and subscribing and redeeming the equity interests. It also supervises and monitors the management company. One institution can be the depository of several funds. However, each fund can only have one depository institution.

- **Management company**

Entity that manages and administers the assets of the fund the plan forms part of. One institution cannot be the depository institution and the management company at the same time.

- **Provider**

The entity that creates the pension plan and participates in setting it up in accordance with the current legislation. For individual plans, the provider performs the functions that the regulations require of the supervisory committee for the other types of plans.

- **Pension fund**

Equity that has no legal personality to which one or more pension plans form part of to fulfil the purpose of the plans.

- **Member**

Natural person for which the plan is created who, having expressed their will to become a member of the plan and being able to contract, may become a member in accordance with the provisions of the Regulations.

- **Pension plan**

Instrument that defines, in accordance with the rules established in these Regulations and the current legislation, the rights of persons for whom the plan is constituted to receive annuities or lump sums for contingencies covered by the plan (retirement, disability, death), the obligations for contributing towards these rights, and the rules for setup and operation on which observance of the rights must be based. The pension plan forms part of a pension fund.

- **Benefit**

A pension plan benefit is the economic payment received in virtue of a covered contingency occurring.

- **Annual return**

The return obtained in a calendar year. Calendar years are calculated from 31 December of the previous year to 31 December of the current year.

- **Annualised return**

The return obtained by the plan in the current year until the date of the last net asset valuation.

- **Transfer of economic rights**

The transfer of vested rights from one plan to another.

- **Units of account**

The equity interests in the pension plan. The economic contributions of members are converted into equity interests when they are subscribed. Each member accumulates via successive contributions a number of equity interests that multiplied by the net asset value determine the member's vested right.