

Annex 1 to the Organisational Regulations of the Collective Foundation for Supplementary Occupational Benefits of Allianz Suisse Life Insurance Company

Revised January 2013

Rules of conduct for those in a position of responsibility

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1. General provisions

1.1. Basis

Based on Art. 49a BVV2, the Board of Trustees shall take appropriate organisational measures in order to meet the statutory requirements placed on those in a position of responsibility in terms of integrity and loyalty (Art. 48f - I BVV 2).

1.2. Definitions

Responsible persons: All persons who fulfil a role with decision-making and/or supervisory powers in the Foundation or who work to provide the basis on which decisions are made in the Foundation or who have an advisory role in the decision-making process.

Persons subject to the regulations: All persons obliged to comply with some or all of these regulations, specifically those in a position of responsibility as well as external contractors and third parties subject to the disclosure obligation.

Related persons: Persons related to those in a position of responsibility are defined as, specifically, spouses, registered partners, children and relatives up to the second degree of kinship (parents, siblings, grandparents) as well as legal entities in respect of which they have an economic entitlement.

1.3. Implementation

In selecting implementation measures, priority shall be given to ensuring the loyalty and integrity of those in a position of responsibility. Implementation should be traceable (documented), completed in a proper manner and proportionate.

All of the Foundation's bodies ensure that all persons subject to the regulations are informed about the regulations and the measures taken to implement the regulations.

1.4. Delegation to third parties

If certain tasks are to be delegated to third parties, it must be ensured that these third parties adhere to the principles embodied in the integrity and loyalty requirements.

1.5. Quality assurance

The Board of Trustees shall ensure that the persons subject to the regulations ensure a good reputation and that business is done in an irreproachable manner and have fundamental practical and theoretical knowledge in the field of occupational pensions.

The Board of Trustees shall ensure that a declaration is obtained annually from the persons subject to the regulations in which they confirm their compliance with the regulations.

The Foundation shall periodically check that the regulations are being appropriately implemented. All relevant aspects are to be included in these checks such as

- compliance with the duty of loyalty and care;
- the policy on the provision of information;
- the agreements with regard to the way in which those in a position of responsibility are compensated;
- the handling of legal business with related persons;
- the disclosure of potential conflicts of interest; and
- sanctions.

1.6. Infringements

The Foundation shall impose appropriate sanctions in the event of infringements of these regulations and the corresponding internal regulations by the persons subject to them.

In addition, the provisions on sanctions pursuant to Art. 76 BVG are to be noted in this connection.

2. Obligations

The ultimate aim of those in a position of responsibility must be to safeguard the interests of the Foundation, the insured persons and the persons entitled to pensions within the framework of the Swiss Federal Act on Occupational Retirement, Survivors' and Disability Pension Plans (BVG).

2.1. Duty of loyalty

Those in a position of responsibility shall act in the interests of the Foundation, the insured persons and the persons entitled to pensions. To this end, they shall ensure that no conflicts of interest arising from their private or business affairs and that they disclose any that do arise.

2.2. Duty of care

The duty of care involves, among other things, providing clear information that forms the basis for decision-making and carefully selecting, instructing and supervising contractors.

2.3. Information provision and reporting obligations

The Board of Trustees shall ensure that the insured persons and persons entitled to pensions as well as any other entitled groups (e.g. employers, pension commissions, supervisory authorities, auditors, occupational pension experts) are informed about business activities within the statutory framework truthfully, as appropriate and regularly.

A change of personnel on the Board of Trustees or of the Head of Operations or Accounts of Allianz must be reported to the responsible supervisory authorities immediately.

3. Material benefits

Those in a position of responsibility shall gain no material benefits from their activities beyond the standard compensation agreed in writing.

3.1. Pecuniary benefits

The way in which those in a position of responsibility are compensated must be clearly set out in written regulations.

Those in a position of responsibility must not accept any pecuniary benefits (except for invitations to business meals, minor payments, gifts or perks worth up to CHF 100) that they would not receive if it were not for their position with the Foundation.

Allianz has to make the required annual declarations pursuant to Art. 48l Para. 2 BVV2 to the Board of Trustees, and the Board of Trustees in turn has to make them to the auditors.

If related persons receive pecuniary benefits, these are treated in the same way as pecuniary benefits received by those in a position of responsibility directly.

3.2. Legal business with related persons

If significant legal business is to be done with related persons, competing offers must be obtained. There must be complete transparency when contracts are awarded.

4. Avoidance of conflicts of interest

Natural persons on the Board of Trustees or legal entities with responsibility for managing the pension scheme or providing the Foundation with other services agreed in writing must not have any lasting conflicts of interest. Interests that could compromise – or appear from the outside to compromise – independence must be disclosed. Third parties are also subject to the same disclosure obligation if they are involved in the decision-making processes of the Foundation.

4.1. Potential conflicts of interest

Potential conflicts of interest occur through

- people fulfilling more than one role in connection with activities for the Foundation;
- membership of supervisory or decision-making bodies;
- significant financial involvement;
- close private business relationships;
- close personal relationships and/or family ties to contact persons, decision-makers or owners

if the companies or institutions concerned are business associates of the Foundation.

Vested interests can result in conflicts of interest. This must be borne in mind, in particular, in the case of the following business processes and transactions:

- the award of mandates (IT, consulting, construction, etc.);
- the purchase, sale or renovation of properties.

4.2. Group of persons with a disclosure obligation

All those in a position of responsibility in the Foundation are obliged to disclose their potential conflicts of interest. The disclosures of the Board of Trustees are forwarded to the auditors.

Third parties are obliged to disclose their potential conflicts of interest if they are entrusted by the Foundation with the provision of employee benefits or services to the Foundation. The disclosures are made to the Board of Trustees.

4.3. Handling of conflicts of interest

On potential conflicts of interest becoming known, the Board of Trustees shall take effective measures. The focus is on the following precautions, in particular:

- The person with a potential conflict of interests must either withdraw or delegate decisions to another competent person or body when decisions are taken, when work is done to prepare for a decision to be taken or when supervisory tasks are performed.
- The exclusion of an involved business partner from an ongoing or pending bidding process or termination of an existing business relationship.
- The termination of vested interests deemed to be in breach of contract, including, if need be, the resignation of the relevant person or the decision to relieve the person of his or her duties.

Persons with managerial responsibility for running the pension scheme or providing other services to the Foundation that have been agreed in writing may not be represented on the Board of Trustees. It must be possible to annul insurance and administration contracts at the latest five years after they are concluded without any associated disadvantages to the Foundation.