

Organizational Regulations

Vita Invest Joint Foundation of Zurich Life Insurance Company Ltd, Zurich Edition 2017

Based on the Foundation Deed (subparagraph 4.3), the Foundation Council hereby issues the following Organizational Regulations.

1 Purpose

The Organizational Regulations govern the tasks and powers of the Foundation's directors, officers and committees.

2 Directors and officers of the Foundation

The directors and officers of the Foundation are:

- Foundation Council
- Administration Committee
- Business manager

3 Committees of the Foundation

¹ The committees of the Foundation are:

- Foundation Council Committee
- Branch office
- Secretary

² These are standing committees. The Foundation Council can establish other standing or temporary committees as needed.

4 Foundation Council

4.1 Constitution

The Foundation Council constitutes itself. It elects its chairman, deputy chairman and the members of the Foundation Council Committee from among its own ranks at the first ordinary meeting of each calendar year. The Deputy Chairman is also a member of the Founda-

tion Council Committee. The Chairman is an ex officio member of the Foundation Council Committee.

4.2 Tasks / delegation

¹ The Foundation Council is the supreme governing body of the Foundation and is ultimately responsible. It represents the Foundation vis-à-vis third parties except where the Foundation Deed or these Regulations delegate powers of representation to other directors, officers, committees or third parties. The Foundation Council delegates business management and other tasks to other directors, officers and committees of the Foundation and other third parties tasked with occupational retirement provision, unless otherwise required by law, the Foundation Deed or these Regulations.

² In individual cases or at any other time, the Foundation Council can give instructions to third parties whom it has engaged or directors, officers as well as committees that report to it, and can modify their tasks and powers.

³ The Foundation Council's non-delegable tasks include, without limitation (cf. BVG Art. 51a):

- To determine the financing system
- To determine performance objectives, pension plans and policies for the use of unrestricted assets
- To issue and modify regulations
- To amend the Foundation Deed
- To prepare and approve the annual financial statements
- To define the Foundation's organizational structure
- To ensure the insured individuals remain informed
- To ensure labor and management representatives receive initial training and continuing education

- To set reasonable compensation for the Foundation Council (cf. subparagraph 14 hereinafter) and review this compensation every year
- To decide whether to completely or partially reinsure the pension plan and, if so, which reinsurer to use
- To elect and dismiss the branch office
- To elect and dismiss auditors and the pension actuary
- To elect and dismiss the Foundation Council Chairman and Deputy Chairman and the members of the Foundation Council Committee
- To elect and dismiss the business manager and secretary
- To establish the investment strategy, investment organization and investment processes
- To notify the business manager, secretary and any other directors, officers, committees or persons of any and all incidents of relevance to their work for the Foundation
- To conclude and regularly review insurance contracts as well as outsourcing and service contracts

4.3 Powers of representation / signing authority

Every Foundation Council member has collective signing authority, jointly exercisable by two members.

4.4 Meetings and convocation

¹ The Chairman chairs the meetings of the Foundation Council or, in his absence, the Deputy Chairman.

² The Foundation Council meets at the invitation of the Chairman or, in his absence, the Deputy Chairman as often as business requires, but at least twice a year.

³ Every member of the Foundation Council is entitled to demand the convocation of a meeting at any time while stating the purpose of the meeting.

⁴ The Foundation Council has a quorum as soon as the majority of its members are present. Resolutions are passed by a majority of the votes present. If there is a tie, the Chairman's vote counts double.

⁵ Important decisions require a 2/3 majority. Important decisions include, without limitation, changes to the investment guidelines and election regulations as well as the termination of an insurance contract.

⁶ Minutes must be taken of the resolutions. Resolutions can also be passed by circulation.

⁷ The founder's representatives can attend Foundation Council meetings. They act solely as advisors.

5 Administration Committee

The organizational structure of the Administration Committee is set out in the organizational regulations for the Administration Committee.

6 Business manager

6.1 Election of the business manager

¹ The business manager is elected by the Foundation Council for one-year terms. There are no term limits.

² The business manager has collective signing authority, jointly exercisable with another authorized signatory.

6.2 Tasks

¹ The business manager is responsible for managing foundation business, unless otherwise required by law, the Foundation Deed or these Regulations. He has all the powers not incumbent on the Foundation Council, other foundation committees or other third parties tasked with occupational retirement provision.

² The business manager's tasks include, without limitation:

6.2.1 Documentation; annual financial statements; annual report

- Assisting with the preparation of internal guidelines and directives
- Assisting with the preparation of the annual financial statements

- Preparing the annual report

6.2.2 Assisting the Foundation Council

The business manager is responsible for assisting, supporting and informing the Foundation Council, all foundation committees and other third parties tasked with occupational retirement provision. In particular, this includes:

- Preparing for Foundation Council meetings
- Preparing for Foundation Council resolutions
- Coordinating interactions between the Foundation Council, pension actuaries, auditors, life insurers, the branch office, foundation secretary and other third parties tasked with occupational retirement provision
- Supervising the branch office and other third parties tasked with occupational retirement provision
- Preparing the wording of motions to be submitted to the Foundation Council.

6.2.3 Reporting

¹ The business manager provides written reports on the current development of business and key business transactions to the Foundation Council at its meetings. In case of extraordinary events, the business manager immediately notifies the Foundation Council Chairman or, in his absence, the Deputy Chairman and the secretary.

² In particular, the business manager keeps the Foundation Council apprised on the Foundation's financial condition.

7 Foundation Council Committee

7.1 Composition and appointment

¹ The Foundation Council Committee must have an equal number of labor and management representatives and consist of at least two members.

² The Foundation Council Committee is elected by the Foundation Council for one-year terms. There are no term limits. The Foundation Council Chairman must be an ex officio member of the Committee.

7.2 Tasks

¹ The Foundation Council Committee has all the tasks and powers not incumbent on the Foundation Council, other

foundation committees or other third parties tasked with occupational retirement provision under mandatory legal provisions, the Foundation Deed or these Regulations.

² In particular, the Foundation Council Committee is responsible, pursuant to a request made by the branch office, for granting signing authority to persons authorized to represent the Foundation, with the proviso that it may only grant collective signing authority if the authorization is jointly exercised by two authorized signatories.

³ In addition, the Foundation Council Committee prepares major transactions to reduce the workload for the Foundation Council. The Committee can recommend that the Foundation Council accept or refuse a transaction.

7.3 Adoption of resolutions

Resolutions are generally passed by circulation. However, every member of the Foundation Council Committee is entitled to demand the convocation of a meeting at any time while stating the purpose of the meeting.

8 Secretary

¹ The Foundation Council elects the secretary, who does not have to be a member of the Foundation Council, for one-year terms. The secretary can be re-elected at any time.

² The secretary helps the Foundation Council and business manager perform their duties. In particular, the secretary is responsible for taking the minutes of Foundation Council meetings.

9 Branch office

The Foundation shall instruct a branch office to administer the Foundation's affairs.

10 Guidelines for signing

¹ The Foundation Council will sign the following:

- Insurance contracts

² The Foundation Council and the manager or his representative will jointly sign the following:

- Asset management contracts

– Contracts with assumption of pension obligations

³ The manager or his representative and a further authorized signatory of the Foundation will sign the following:

- Affiliation contracts
- All contracts and agreements with Zurich Life Insurance Company or with Zurich Insurance Company or other third parties, which do not fall under paragraphs 1 and 2

⁴ Depending on the importance and content, the Foundation Council also reserves the right to sign contracts and agreements pursuant to paragraph 3.

⁵ The Foundation Council committee can authorize the manager to sign instead of a representative of the Foundation Board.

11 Integrity and loyalty

¹ The persons tasked with the business management or administration of the Foundation or with asset management must have a good reputation and assure the proper conduct of business.

² They have a fiduciary duty of care and must protect the interests of the Foundation's insured in the course of their work. For this reason, they must avoid all conflicts of interest stemming from their personal and business interests.

³ The competent supervisory authority must be notified of any changes in business managers and/or asset managers.

⁴ External persons tasked with business and/or asset management or beneficial owners of companies tasked with these duties may not be represented in the Foundation's supreme governing body.

⁵ If the organization concludes asset management, insurance and administration contracts for the purposes of occupational retirement provision, it must be possible to terminate them within five years of their conclusion without any detriment to the Foundation.

⁶ Competing offers must be obtained before concluding significant legal transactions with related parties pursuant to BVV 2 Art. 48i. The contract award process must be completely transparent; in particular, the Foundation must ensure that transactions are concluded at market-standard terms.

⁷ Persons and institutions tasked with investing and managing the assets must act in the best interests of the Foundation. The provisions of BVV 2 Art. 48j must be strictly followed. In particular, front-running, parallel-running and after-running are not permitted. Investments may not be rebalanced without having an economic reason that is in the best interests of the Foundation.

⁸ All persons tasked with investing and managing pension assets must follow the code of conduct set out in the ASIP charter, consisting of fundamental integrity and loyalty requirements.

⁹ Persons and institutions tasked with business or asset management must disclose their interests to the supreme governing body every year. The disclosure also includes, in particular, economic interests in companies that have a business relationship with the organization. The supreme governing body discloses its interests to the auditors.

¹⁰ Persons and institutions tasked with business management, administration or asset management must clearly specify the method and amount of compensation in a written agreement, pay over to the Foundation all pecuniary gains that they receive in addition to their compensation in connection with their work for the Foundation, and declare to the supreme governing body in writing every year that they have paid over all pecuniary gains pursuant to BVV 2 Art. 48k.

¹¹ These provisions do not cover trivial amounts or occasional gifts (non-cash gifts, event tickets, meals, etc.) worth no more than CHF 200 in each case for each business partner and year.

12 Transactions with related parties

The provisions of BVG Art. 51c govern transactions with related parties.

13 Responsibility

All persons tasked with the administration or business management of the Foundation as well as the pension actuaries are responsible for the damages or losses that they may intentionally or negligently inflict on the Foundation.

14 Internal control system

The Foundation maintains an internal control system (ICS) commensurate with its size. Wherever and while Zurich Insurance Company Ltd is charged with administering the Foundation, internal controls will be conducted as part of Zurich's internal audits in accordance with its standards.

15 Compensation

¹ The Foundation Board is entitled to appropriate compensation. The amounts per year or pro rata for periods of less than a year are:

Annual flat fee

President	CHF 8,000
Foundation Board Committee	CHF 5,000
Member	CHF 3,000
Expenses (everyone) (share of travel costs)	CHF 500

Attendance money per day

President	CHF 1,000
Member	CHF 750

Training costs

Budget per member	CHF 2,000
Allowance for special expenditure (per half day)	CHF 250

² Any additional expenses, such as for participation on committees, in workshops etc., will be reimbursed with CHF 250 per half day.

³ The taxes (VAT or AHV/IV/EO/ALV/FAK) will be covered by the Vita Invest Joint Foundation or Zurich. The amounts stated are thus net amounts.

⁴ Payment will be made once a year at the end of the year.

⁵ This compensation will be reviewed annually and redetermined if required

16 Unaddressed matters

If any matters are not addressed by these regulations, the Foundation Council will make a decision within its best judgment in accordance with the applicable laws, the Foundation Deed, the relevant regulations and the purpose of the Foundation.

17 Effective date/ modifications

¹ These regulations enter into force on January 1, 2017 and replace the existing version dated January 2016. They can be modified by the Foundation Council at any time.

² The current organizational regulations are available online at www.vita.ch.

Zurich, May 2017

The Foundation Council of Vita Invest
Joint Foundation of Zurich Life Insurance Company Ltd