

# Code of Compliance of the Swiss Life Group

Effective as of: 1 January 2006

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## Introduction

A good many people and institutions place their trust in Swiss Life: clients, shareholders, business partners, governmental bodies and agencies, and above all the staff themselves. Swiss Life is one of the leading European providers of pension and life insurance products. This is a huge responsibility.

The five values which underpin and inspire this confidence are:


**Expertise:** professional competence and experience  
**Proximity:** close relations with clients and business partners  
**Openness:** an open dialogue both within and outside the organisation  
**Clarity:** clear communication and a range of transparent products  
**Commitment:** the motivation and enthusiasm to help our customers, employees and shareholders achieve their goals

This Code of Compliance sets down concrete **rules of conduct** to accompany these values and explains what you must do in order to comply with legal and regulatory stipulations and internal instructions. We regard these rules as indispensable to the proper running of our company, both in terms of legal and ethical conduct and commercial profitability.

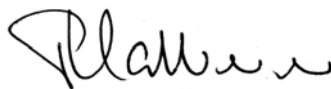
This document cannot include all the laws, regulatory provisions and ethical principles that Swiss Life employees have to comply with at the workplace. This Code therefore restricts itself to a brief description of principles and minimum standards in the most important areas of compliance. It cannot give you comprehensive instructions on how to behave in every single situation that may arise at work. Fuller details can therefore be found in our internal directives. The directives give concrete form to the provisions in this Code with due reference to the particular conditions prevailing in an individual area and to the specific legal requirements of the country concerned.

The present Code of Compliance applies to the employees of all companies belonging to the Swiss Life Group in Switzerland and Liechtenstein. In the units abroad it must be implemented with due regard to local laws.

If you have any questions relating to this Code of Compliance, our directives or the regulatory principles applicable to our operations, please contact your supervisor or the relevant Compliance Officer.



Bruno Pfister  
Group Chief Executive Officer



Peter Kalberer  
Group Compliance Officer

## **Principles and responsibilities**

### ***Every employee has a duty to abide by the Code of Compliance***

The objective and task of compliance is to guarantee the irreproachable conduct of business at all times and in all respects. Swiss Life can live up to this aim only if each and every employee understands and abides by the regulatory requirements (laws, ordinances, rules of professional conduct, directives etc.) applicable to his or her work, as well as the ethical principles adhered to by our company. Compliance therefore concerns each and every employee.\*

\* From here onwards, use of the masculine form in this document should be taken to refer to both male and female persons. This is purely to make it easier to read.

Simply knowing what the rules are is not enough. They must also be implemented in a systematic way. This means, for example, that dubious and opaque deals or procedures should be rejected, even if they would have led to a profitable outcome.

Demonstrating impeccable standards of compliance conduct presupposes that the individual has the right attitude generally, which particularly manifests itself in respectful and considerate behaviour towards clients, colleagues and business partners.

### ***Managers are responsible for ensuring that the Code of Compliance is put into practice***

Ensuring that the Code of Compliance is put into practice is a crucial management task. Supervisors ensure complete compliance in their area of responsibility through personal example, knowledge of the relevant regulations, issuing the necessary instructions and carrying out appropriate checks.

### ***Directives and instructions reinforce the Code of Compliance***

Directives bridge the gap between the actual working environment and the laws, ordinances and rules of professional conduct that apply. In addition, directives regulate the essential standard working practices and define correct behaviour as well as laying down how the decision-making process is implemented (allocation of competencies).

Employees are responsible for making themselves familiar with the directives and instructions that apply in their workplace, and for keeping up to date with developments. Supervisors are responsible for amending the directives in line with any changes to the regulatory requirements, briefing their staff and keeping them informed of any instructions from managers and superiors that may apply.

Details of the directives currently in force can be found on the LifeNet. The manager in charge of the area in question is responsible for issuing directives.

## ***The Compliance Officers are there to help staff implement the Code of Compliance***

Members of the Group Compliance team as well as the Compliance Officers attached to the individual operating units are there to help managers and staff comply with the regulatory requirements (laws, ordinances, etc.) and to ensure that the correct procedures are followed. They provide advice and training and carry out their own checks so as to be able to recognise and avoid potential regulatory risks in good time and avert damage to the company's reputation. The Basic Directive on Compliance and Regulatory Affairs gives Compliance Officers the unrestricted right to seek information, obtain access and carry out inspections with regard to all types of business information and procedures that fall within their area of competency.

Employees should consult their supervisor when they have questions or problems connected with this Code of Compliance, the directives or any other regulatory principles governing our business operations. They may also contact the appropriate Compliance Officer directly. The names of the Compliance Officers allocated to each individual business area may be found on the LifeNet under "Group Compliance & Regulatory Affairs".

## **Rules of conduct**

### **1 Maintaining integrity and trustworthiness**

Employees may find that their professional role or access they have to certain information could result in a situation in which a conflict of interest arises or where there could be an opportunity for unethical behaviour.

#### ***Basic principle: Avoidance of conflicts of interest***

In their professional lives, employees of Swiss Life must put their employer's interests first at all times. Conflicts of interest must be avoided. Such a conflict arises when the employee's ability to pursue his employer's objectives is affected by a competing interest. This is especially the case when the employee has a personal interest in the outcome of a particular business situation, or when a third party in his immediate circle has such an interest. If a conflict of interests really cannot be avoided, or if an employee faces a work dilemma of a similar nature, his supervisor must be notified and the two must find a way of solving the problem.

#### ***Secondary employment and external positions***

Employees must inform their supervisor before taking up secondary employment or accepting political office or commercial positions outside the workplace. Where there is a conflict in terms of time or material factors, the interests of the employer take precedence, as set out in detail in the staff regulations and in specific directives.

### ***Acceptance of benefits, invitations or other gifts of monetary value***

Accepting benefits, invitations or other gifts of monetary value for oneself or a related party could constitute bribery and is therefore not permitted. This ban does not include the usual type of business gifts of low commercial value. If there should be any doubt as to whether a particular gift or benefit is allowed, the employee's supervisor should be informed without delay. Gifts and benefits worth CHF 1'000 or more must be referred to the appropriate member of the Corporate Executive Board.

### ***Bribery***

Employees of Swiss Life must never attempt to entice a colleague or third party – particularly those working for an external auditor or public authority – to neglect their professional or official duty through the offer or promise of money, gifts or other advantages.

### ***Taking advantage of insider information***

Employees are forbidden to take advantage of insider information relating to the Swiss Life Group or any other listed company by effecting or arranging buy or sell transactions in order to obtain a (risk-free) advantage to themselves or another party. Passing on insider information is also forbidden. Insider information is information that a reasonable investor would count as important when deciding whether to buy or sell listed securities and which has not yet been announced to the general investment public or is not available to them. The ban on insider trading also applies to what is known as "front running" (exploiting knowledge of a forthcoming transaction likely to affect the share price). The specific rules of conduct – especially the obligation to abide by close periods – which particularly exposed persons ("insiders") must comply with are set out in the directive on this subject.

### ***Other offences, aiding and abetting***

In addition to avoiding the types of misconduct or offences already mentioned, employees must take care not to become involved in other offences such as theft, fraud, embezzlement, malfeasance or forgery (particularly forging signatures). Aiding and abetting such offences in any way, as well as carrying them out personally, is against the law, including labour law and criminal law. Employees must therefore refrain from making statements or issuing employment references (including verbal ones) that do not correspond to the true facts, whether to external or internal recipients.

## **2 Representing Swiss Life externally**

As legal persons, Swiss Life Holding and its subsidiaries are represented by their corporate bodies and employees. The decision-making processes within the

companies concerned, as well as the way they are represented to third parties, must therefore be carried out in a trustworthy and legally irreproachable manner.

### ***Competencies***

The responsibility and authority to make certain decisions on behalf of a Swiss Life company must be regulated and documented at all levels in accordance with the hierarchical organisational structure. This is particularly important when the company has obligations towards a third party. Employees must comply with these allocations of competencies.

### ***"Four eyes" principle***

A central principle is the "four eyes" principle. At least two persons with signing authority must approve any decision resulting in a legally valid obligation binding on a Swiss Life company. This principle finds its outward expression in the systematic use of joint signatures: according to this regulation, binding documents must always be signed by two authorised signatories. For business conducted by electronic means, it is crucial to ask another competent person to check the obligations entailed. If, exceptionally, a single individual is to execute a specific transaction, the relevant authorisation must be properly obtained. The details are laid down in the directive regarding signing authority.

### ***Commitments***

Agreements and commitments entered into on behalf of Swiss Life must be honoured.

### ***Communication with media and other external parties***

External communications – particularly with shareholders, business partners, professional associations and the media – must be carried out exclusively by the communications officer responsible for that particular message or dialogue. Other Swiss Life employees (particularly specialists) should engage in external communications only by prior agreement with the communications officer responsible, or at his request. If an internal communication nevertheless reaches a third party accidentally, the relevant manager/supervisor/office must be informed immediately.

### ***Communication with supervisory and other authorities***

Communications with the supervisory authorities are coordinated and supervised by the Group Compliance Officer. The statutory notification and disclosure requirements towards corporate bodies and supervisory authorities must be complied with fully. The relevant responsibilities are regulated under the direction of the General Counsel and the Group Compliance Officer. Copies of the communications concerned must be retained for ten years.

### ***Corporate identity***

Swiss Life maintains a standardised corporate identity. The Corporate Design Guidelines contain rules regarding the company name, logo and other visual elements, and must be complied with at all times. The form and content of all advertising materials and events relating to Swiss Life and its products must be agreed with the relevant persons in charge of advertising, and approved by them.

## **3 Ensuring the confidentiality and protection of information, data and documents**

For any service provider, information and data form the bedrock of all business relationships. Treating this information carelessly or even misusing it – whether in the course of obtaining, processing, transmitting, disclosing, retaining or destroying it – can have serious repercussions. In no other sector can trust be lost so quickly and enduringly – even when it's "merely" a question of simple negligence. Great attention must therefore be paid to data protection and confidentiality.

### ***Treatment of information, data and documents***

Employees must treat all business matters, proceedings and transactions confidentially, not only during their period of employment but also after they have left the company. All information about customers and business partners is the property of the employer and must not be disclosed to third parties or used for personal ends in any way.

### ***Highly confidential data***

Some particularly sensitive kinds of information must be treated with special care. These include personal information (concerning customers, business partners or employees), notably details of people's health, private life, claims for social welfare benefits, and official penalties (e.g. imprisonment).

### ***Business secrets***

The business secrets of Swiss Life Holding and its subsidiaries, particularly forthcoming business deals, earnings forecasts, capital increases or decreases, product calculations or changes of key managers or directors, are also classified as highly confidential.

### ***Need-to-know principle, classification of information and declarations of confidentiality***

Highly confidential data and business secrets should be made available only to authorised persons who require this information (the "need-to-know principle"). The relevant documents and electronic data must be classified by their author or by the designated person responsible for data protection, and subsequent users must protect them from unauthorised access at all times by taking appropriate organisational and/or technical steps (e.g. keeping them locked away or using password protection). If, in exceptional cases, highly confidential data or business secrets should need to be made known to third parties – especially people outside the Swiss Life organisation – then a written declaration of confidentiality must be obtained from them in consultation with the Compliance Officer responsible. The details are set out in the directives on data protection and business secrecy and also in the Directive concerning Inside Information.

### ***Documentation***

Employees must produce and maintain written records of all business dealings, so that it is possible to trace and if necessary provide evidence of the agreements concluded and procedures carried out.

### ***Filing, archiving and retention periods***

Business documentation must be filed in a logical manner, either in physical files or in electronic form. Hard-copy original documents should be archived when they are no longer in use. Electronic documents must be secured and archived in such a manner that they can be restored in full at any time. The legally-prescribed retention periods must be observed in both cases. Details are set forth in the relevant directives.

## **4 Data security and IT resources**

### ***Data security***

Even the best data protection policy is useless unless it is backed up by effective measures to maintain data security. When transmitting, filing and archiving data and information, employees should always use tools and channels which offer sufficient protection against unauthorised access or tampering.

### ***Passwords, badges and keys***

Passwords, badges and keys are authorised for use by a particular person and must therefore be issued on an individual basis. Care should be taken to prevent them being misused, and they must be kept under lock and key when not in use. In no circumstances should they be passed on to third parties – including colleagues, spouses or partners.

### ***E-mail and Internet use***

When using Swiss Life's IT resources – particularly e-mail and Internet access facilities – employees must always respect the employer's right of ownership of all data processed using these resources. Private use should be restricted in scope and is only permissible in accordance with the regulations. Details are set out in the relevant directives, the staff regulations and in the "For your eyes only" training programme.

## **5 Prevention of money laundering and financing of terrorism**

Money laundering refers to using the resources of the financial markets to conceal the origins of assets derived from criminal activities, as well as introducing these assets surreptitiously into legitimate business activities. Money laundering can even occur within the insurance and pensions business. For example, proceeds from drug trafficking can be invested in an insurance policy. When that policy is cashed in a short time later, the proceeds are paid out again in "laundered" money. Employees must therefore comply at all times with the special due diligence requirements and preventive measures to combat money laundering and the financing of terrorism. In particular, the following points must be stringently adhered to:

### ***Identifying the customer***

On entering into a business relationship, the customer's identity should be established beyond doubt and a record kept of the information used as verification.

### ***Continuous monitoring and background clarification***

Customer requests must always be checked for plausibility. Any business or transactions whose economic background is not clear must be investigated and detailed clarification sought.

### ***Reporting***

If there are definite grounds for suspicion or if a customer relationship appears dubious, the Anti-Money Laundering Officer or Anti-Money Laundering Specialist Unit should be consulted immediately. The relevant persons are listed on the LifeNet under "Group Compliance & Regulatory Affairs".

### ***Directives and training***

The exact details are set forth in the relevant directives. Training on the subject of combating money laundering will generally be conducted by the Anti-Money Laundering Specialist Unit using a standardised training program.

## **6 Conduct towards customers**

Employees have three basic obligations vis-à-vis the customer:

**Duty of care:** the same degree of care and diligence should be applied to upholding the customer's interests as to the company's own.

**Duty to explain:** the customer is to be provided with information regarding all the key elements in the business relationship, especially the risks.

**Duty of good faith:** the customer is to be treated honestly and fairly at all times.

These three obligations apply principally to the following areas:

### ***Knowing your customer and providing advice***

What we know about each individual customer – in particular regarding his needs and special characteristics – is to be recorded on the systems or set down in writing as part of that customer's dossier, in order to build up as individual and revealing a picture as possible of that customer ("customer profile"). Employees should refer to this profile when providing advice or customer service.

### ***Use of products and services***

Employees shall only offer customers those products and services which are meaningful in the specific context and are advantageous to both customer and Swiss Life alike. During this process, employees do not make any kind of promise that cannot legitimately and reliably be met by Swiss Life.

### ***Providing information***

Employees must ensure that the customer is clearly informed of the risks and cost implications associated with the product in which they are interested or with the service to be provided, prior to concluding the contract. The information provided is to be explicitly noted on the relevant form or in the customer dossier. Throughout the duration of the customer relationship, care should be taken to provide the customer with timely and appropriate information regarding new developments or any changes in the product or of customer advisor.

### ***Equality of treatment***

All customers with the same concern or in the same situation must receive equal treatment from employees. The latter shall uphold the interests of the customer and provide the care and support services which can reasonably be said to meet the customer's justified expectations in scope and quality.

### ***Complaints***

Complaints are to be dealt with quickly and effectively. If Swiss Life is to blame for the cause of the complaint, the customer is entitled to an apology. Any damage or

loss incurred is to be compensated. Goodwill payments are only to be made if the complaint meets the requirements set forth in the relevant directive.

## **7 Collaboration with business partners**

External business partners (brokers, intermediaries, banks, IT providers etc.) make a significant contribution to Swiss Life's overall performance. Many of these partners also represent us on the market by distributing Swiss Life products. It is therefore particularly important that meticulous arrangements are made regarding the basis of the collaboration and the maintenance of the relationship, above all ensuring adequate compliance with supervisory provisions.

### ***Selection***

Business partners are to be selected in accordance with a regular procedure. In particular, the same criteria must be applied as in the selection of the company's own employees. Any collaboration with partners failing to meet this rigorous standard in any way should be declined.

### ***Instruction and data protection***

If specific tasks or entire functions are outsourced to external parties, the latter are to be instructed in such a way that they will be able to exercise their function properly at all times. Above all, it must be ensured that any data or information that can be accessed by such external parties is protected in line with the legal requirements and Swiss Life's own rules.

### ***Monitoring***

Business partners are to be monitored throughout the duration of the business relationship. Should doubts arise as to the serious intent or personal integrity of any partner, such doubts must be eliminated, failing which the collaboration should be terminated as quickly as possible.

### ***Subdelegation***

Further delegation (subdelegation) of duties by a Swiss Life business partner to third parties is only to be permitted where a contractual agreement has been concluded to this effect. If instances of subdelegation become known to Swiss Life employees which were not subjected to prior discussion and approval, they must be questioned immediately and if appropriate disallowed.

## **8 Contracts and products**

### ***Reviewing contracts and products***

To avoid risks of a legal nature and pursuant to the Basic Directive on Compliance and Regulatory Affairs, all contracts as well as new forms and standardised contracts including separate General Terms and Conditions are to be reviewed by Legal Services or the competent Compliance Office prior to conclusion or application.

Equally, new or material developments in products and standardised services are to be submitted to the competent specialist unit or Compliance Office for review and approval.

### ***Form of contracts***

Contracts must always be drawn up in writing in a physical (paper) document and duly signed. Where forms or official standard texts exist, these are to be used exclusively.

### ***Ban on anti-competitive agreements***

The principle of open competition applies in those business segments in which Swiss Life is active. Neither prices (premiums, premium rates, interest rates or commissions) nor the scope of services may be agreed with competitors in any way ("hard core cartels"). Any exchange of information with other competitors in this respect is strictly forbidden.

Agreements with competitors and business partners aimed at restricting what is on offer to the customers (non-competitive agreements and "area cartels") or at hindering or driving out other market players (discrimination) are likewise prohibited.

Any infringement of these bans will be punished by the competition authorities through the imposition of tough sanctions. The resulting damage to the company's reputation would be of far greater consequence.

### ***Respecting protected works***

Non-company products and publications may have copyrights and brand rights attached. In recognition of this protection, the appropriate permission (licence) is to be obtained prior to own use or copying of other persons' or companies' products or publications. If this is not possible or too expensive, own use is not permitted.

## **9 Behaviour and security in the workplace**

Employees must devote their time at work primarily to the interests of Swiss Life. Private activities are to be kept to an absolute minimum and should not interfere with the performance of duties pursuant to the employment contract or impinge upon the Swiss Life infrastructure.

### ***Relations with colleagues***

Working together closely with colleagues – often in terms of space, too – requires a high degree of civility, mutual tolerance and respect. In particular, smoking is only permitted in the designated areas.

If the normal rules of considerate behaviour are infringed or the right to protection of one's individual sphere is violated, employees have the right to ask for help from their supervisors and/or HR officers to remedy the problem.

### ***"Clear Desk Policy" and work materials***

For reasons of data and fire protection, workplaces are to be left in a tidy state. Confidential business documents are to be locked away. PCs must be turned off or, at the very least, the user must be logged off. Work materials, office inventory and IT hardware and software are to be handled with all due care.

### ***Authorised access***

Persons not in an employment or other working relationship with Swiss Life may only be granted access to the offices, service rooms and archival spaces in exceptional, justified cases and in the company of a person who has authorised access. Areas containing sensitive equipment (e.g. mainframe computers) and archival spaces should additionally be protected through appropriate measures.

### ***Requests for access from official parties***

Should representatives of official bodies or authorities request direct access to Swiss Life premises or business documents, the supervisor as well as the competent Compliance Officer are to be informed immediately. Ask the official(s) to be patient until the supervisor and Compliance Officer arrive.

## **10 Duty to inform supervisors and implementation of these rules**

### ***Identifying and reporting misconduct***

Employees who witness material misconduct or damage accruing to Swiss Life must notify their supervisor immediately.

Reports of this kind are an obligation arising from the employment relationship, since they are in the interests of the company. The reporting employee can therefore rely on the fact that no personal or financial disadvantages of any kind will arise as a result of this action, unless the report was clearly not submitted in good faith or was even made wrongfully.

If the employee in question would prefer to report to a neutral person on a confidential basis, he can turn to the Group Compliance Officer.

### ***Reporting investigations or legal proceedings***

The Group Compliance Officer is to be notified of all cases in which an employee is threatened with civil, administrative or criminal proceedings or in which such proceedings have been instigated (in connection with the employee's professional activities).

### ***Sanctions***

All Swiss Life employees must diligently read this Code and are required to comply with its rules in the context of the employment relationship. Any violation of these rules of conduct will result in sanctions being imposed, which can range from disciplinary action to summary dismissal. Swiss Life reserves the right to notify the criminal prosecution authorities.

### **Closing remarks**

It is in the nature of business life that not every situation can be specifically regulated.

Employees responsible for a specific function or a specific area of activity should exercise common sense in their work and decisions and should accept responsibility. Anyone exercising responsibility in good faith and with professional competence can count on support from colleagues and supervisors.

Abiding by these rules and conducting yourself ethically will not only help to avoid costs, it will also make a significant contribution to furthering the good reputation of Swiss Life and thus its successful business performance.