



Investment regulations

Vita Select

**Vita Select Collective Foundation
of Zurich Life Insurance Company Ltd, Zurich**

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Investment regulations

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1 General information

In application of sub-paragraph 3 (5) of the Foundation deed, the Foundation Board hereby issues these investment regulations according to the BVG [Federal Act on Occupational Old Age, Survivors' and Invalidity Pension Provision] provided it is applicable to unregistered pension plans within the extra-mandatory occupational pension plan. The goals, principles, tasks and competences that must be observed in managing the assets of an associated pension fund (hereinafter the pension fund) are laid down here.

Within the scope of the pension plans offered for the individual pension fund, the Foundation can also offer several investment strategies.

The assets of a pension fund include the pension savings of the active insured, any pension savings of pensioners, the underwriting reserves and any unrestricted assets.

While observing its management responsibilities pursuant to Art. 51a BVG and Art. 49a BVV 2 [Ordinance on Occupational Old Age, Survivors' and Invalidity Pension Provision], the Foundation Board allows the insured person in the individual pension funds to invest pension savings in one of several possible investment strategies, each with different risk profiles, on the condition that the provisions of these regulations are complied with in full. The conditions listed below apply in particular in this respect.

The Foundation Board determines the investment strategies available for selection in the pension funds. Investment of pension savings is recorded in the investment instructions of the insured person and notified to the Foundation.

2 Principles and guidelines

The investment of assets is governed by the legal provisions of the OPA and BVV2 (Ordinance on Occupational Retirement, Survivors' and Disability Pension Plans)

The Foundation Board chooses the asset investments and investment vehicles available for selection carefully and pays particular attention in this respect to safety, returns and fulfillment of the object of the pension fund.

The monitoring of the strategic guidelines and compliance with the principles laid down in the investment regulations may be delegated to an investment committee.

The insured person is informed of the risks and costs associated with the individual investment choice.

2.1 Safety / diversification

The investment vehicles available for selection have an appropriate risk distribution and take the obligations entered into vis-a-vis the beneficiaries into account. The funds are in particular distributed across different investment categories, regions and sectors (Art. 50 [3] BVV 2). Investments with an obligation to make additional contributions are prohibited (Art. 50 para. 4bis BVV 2).

The asset investments must preserve and ensure the financial balance of the pension fund in the long term.

2.2 Returns

The returns arise from the investment strategy selected by the insured person.

2.3 Liquidity

It must be ensured that the Vita Select Collective Foundation of Zurich Life Insurance Company Ltd (hereinafter: Foundation) is at all times able to meet its regulatory obligations to pay benefits.

To handle resignations, encouragement of home ownership early withdrawals or other payments of benefits, the prompt sale of shares in collective investments must be initiated in order to avoid debit bookings to the current account as far as possible.

Insured persons who are invested in an investment strategy (investment group) of the Zurich Investment Foundation pursuant to para. 9.1 with an amount determined by the Board of Trustees at the time of departure may transfer the units allocated to them to the Zurich Vested Benefits Foundation upon request. The corresponding application must be received by the Foundation in writing within one month prior to termination of the employment relationship.

2.4 Investment / divestment time

Investments or divestment (also as a result of incoming payments, benefit payments, changes in investment strategy) in investment products in accordance with the insured person's investment instructions shall be made within ten working days. In the case of a change of investment strategy this settlement period starts upon receipt of the investment instructions. The risk of market-related fluctuations in the value of the investments during the settlement period is borne by the insured person.

2.5 Exercise of shareholders' rights

Share investments occur exclusively indirectly as part of collective investments. Therefore, the ordinance on excessive remuneration in stock exchange listed Collective stock companies (VegüV) is not applicable.

In the case of collective investments which permit the expression of a voting preference, the Foundation Board can decide whether the preference is expressed or whether a preference expression is dispensed with.

2.6 Expansion of investment opportunities

The expansion of investment opportunities pursuant to Art. 53. Para. 1-4. 54, 54a, 54b, para. 1, 55, 56a para. 1. and 5 BVV 2. The compliance with Art. 50 para. 1 and 3 BVV 2 and the analogous compliance with Art. 50 para. 2 BVV 2 shall be conclusively presented by the Foundation in the notes to the annual accounts.

3 Organization

The management structure for asset investments is as follows:

- Foundation Board
- Pension fund (Administration Committee)
- Insured person
- Managing Director
- Asset manager

4 Foundation Board

As part of its overall responsibility, the Foundation Board has the following non-delegable duties, responsibilities and powers:

- determination of the principles and goals of asset investment
- determination of the permissible investment categories and qualitative requirements for investments
- determination of the investment vehicle available for selection by the insured persons
- monitoring of the observance of the principles specified in the investment regulations

5 Administration Committee

Fund management, as an executive body staffed equally by employee and employer representatives:

- approves the pension insurance concept and decides on the investment options for the insured persons within the foundation's guidelines
- observes the principles and objectives pursuant to the applicable regulations as part of the statutory regulations
- decides, in the event of operational changes (restructuring, mergers, etc.), on any restriction of the investment vehicles available for selection

6 Insured person

The insured person determines the investment strategy for their pension savings within the guidelines of the pension fund and the Foundation and records them in the investment instructions. If necessary or if the general conditions change, the investment strategy can be amended pursuant to the Foundation guidelines. When choosing an investment strategy, the insured person is informed about the various investment strategies and the associated risks and costs. The insured person must confirm the receipt of this information in writing in accordance with Art. 19a FZG. (Federal Law on Vesting in Occupational Old Age, Survivors' and Disability Pension Plans)

7 Managing Director

As part of the asset investment, the Managing Director has the following tasks, responsibilities and competences:

- implementation of decisions of the Foundation Board and fund management in compliance with the regulations and in a timely fashion
- making available the grounds for making decisions needed by the Foundation Board or fund management
- responsibility for correctly maintaining the Foundation accounts and issuing reports for the individual pension funds
- responsibility for reporting as part of the annual financial statement

8 Asset manager

The asset management may be entrusted to persons and institutions that meet the requirements of Art. 48f BVV2.

The asset manager of the Zurich Investment Foundation is responsible for selection of investments pursuant to subparagraph 9.1.

For investments pursuant to paragraph 9.2, the fund management selects a partner bank of the Foundation as an asset manager

The asset managers:

- manage the investment assets of the pension fund or of the insured person pursuant to the mandate assigned to

them as part of these regulations and the asset management agreement

- periodically draw up reports on asset management and define the scope and content of the reports to be drawn up
- immediately inform the Foundation of special events
- inform the Foundation as needed, normally annually, about the investment activity and the investment performance of the past year

9 Investment strategy

The Foundation Board of the pension fund decides whether the insured persons can choose from the investment strategies of Zurich Investment Foundation in accordance with para. 9.1 or from the investment strategies of a partner bank of the Foundation in accordance with para 9.2 (a combination is excluded).

In accordance with the requirements of their pension fund, insured persons can choose the investment strategies in accordance with para. 9.1 or para. 9.2. The entire pension assets can only be invested in one investment strategy. No combinations are permitted.

Both the investment strategies pursuant to para. 9.1 and the investment strategies pursuant to para. 9.2 include at least one strategy with low-risk investments pursuant to Art. 19a FZG and Art. 53a BVV 2.

9.1 Collective investments in the Zurich Investment Foundation

The investment strategies of Zurich Investment Foundation are listed in Annex 1.

9.2 Other collective investments with partner banks

Further investment strategies in the form of collective investments (fund solutions) with partner banks of the Foundation are also available for selection.

The Foundation concludes appropriate cooperation or asset management agreements with each partner bank. In particular, these agreements oblige the partner banks to comply with the provisions of these Investment Regulations

and all applicable legal provisions (in particular BVG and BVV 2 as well as FZG).

9.3 Number of investment strategies

Pursuant to Art. 1e sub-paragraph 2 BVV 2, a maximum of ten investment strategies are permissible per pension fund.

10 Value fluctuation of investments

The investment vehicles are subject to market-specific risks. The pension savings of the insured persons are exposed to corresponding fluctuations.

The Foundation exclusively insures salary shares one-and-a-half times above the upper amount limit according to Article 8 (1) BVG and offers the insured different investment strategies pursuant to Art. 1e BVV 2.

Based on Art. 19a FZG [Federal Act on the Vesting of Occupational Old Age, Survivors' and Invalidity Benefits], the Foundation provides the departing insured person notwithstanding Articles 15 and 17 FZG with the effective value of the pension savings at the time of departure. Any fluctuations in the market value between the time of withdrawal and payment are taken into account. No value fluctuation reserves are formed for the market-specific risks underlying the asset investments (including real estate) and no underwriting reserves are kept.

11 Loyalty in asset management

11.1 Assigned persons

Assigned persons are understood to mean all persons tasked with investing and managing pension assets.

For the purposes of these investment regulations, this includes:

- the from Zurich Investment Foundation mandated asset managers (natural or legal persons) or partner banks selected by the Foundation;
- members of the fund management;
- members of the Foundation Board;

- Executive Management and
- other third parties tasked with investment activity.

11.2 Requirements for Executive Management and asset management (Art. 48f BVV 2)

Assigned persons within the meaning of sub-paragraph 11.1 can be natural or legal persons who are qualified for this task and organized in a way that ensures they meet the requirements according to Art. 51b (1) BVG and the regulations according to Art. 48g – 48l BVV 2. In this respect, the specifications of the regulations in sub-paragraphs 11.3 – 11.7 must be borne in mind.

Moreover, the asset managers are obliged to observe the ASIP Charter.

If stricter regulations apply to individual asset managers, these are applicable.

11.3 Avoidance of conflicts of interest (Art. 48h BVV 2)

The persons entrusted with asset management are subject to a fiduciary duty of care and must observe the interests of the insured persons of the pension fund in their activities. For this purpose, they ensure that no conflict of interest arises due to their personal circumstances and business relationships. External persons or beneficial owners in companies who were entrusted with asset management may not be represented on the Foundation Board or in the fund management. It must be possible to dissolve agreements at the latest after a period of five years from conclusion without disadvantages for the pension fund.

11.4 Legal transactions with related parties (Art. 48i BVV 2)

Legal transactions with related parties are permissible if they serve the financial interests of all insured persons and correspond to the customary market conditions. Competing offers must be obtained in the case of significant legal transactions with related parties pursuant to Art. 48i (2) BVV 2. Complete transparency must exist with regard to the award.

11.5 Transactions on own account (Art. 48j BVV 2)

All persons and institutions tasked with the management or investment of assets of the pension fund shall observe the legal principles on integrity and loyalty in asset management. In particular, they may not:

- exploit knowledge of the orders of the pension fund for carrying out front-, parallel- or after-running transactions on own account
- trade with a security or in an investment as long as the pension fund is trading with this security or this investment and if a disadvantage can arise for the pension fund from this; trading shall be treated the same as participation in such transactions in another form
- reallocate custody accounts without an underlying economic reason for the pension fund

11.6 Surrender of capital gains (Art. 48k BVV 2)

The assigned persons within the meaning of sub-paragraph 11.1 must confirm annually in writing that they did not receive any additional financial benefits (retrocessions, sales commissions, holding commissions, etc.) for their activity for the Foundation or pension fund in addition to the compensation specified in the written agreement or that these were provided in full to the Foundation (pension fund).

11.7 Disclosure (Art. 48l BVV 2)

The Managing Director requires from the assigned persons pursuant to sub-paragraph 11.1 and from those responsible within the meaning of Art. 48g BVV 2 a written declaration on personal financial advantages and submits a report to the Foundation Board on this. The written declaration on this according to Art. 48l BVV 2 shall in particular include:

- disclosure of any combinations of interests and
- confirmation that no improper transactions on own account were carried out

12 Control and reporting

12.1 Custody account management / global custody

Custody account management for an investment mandate can be delegated to an independent third party (external asset manager or global custodian). The internal organization of the mandate holder or global custodian must include a guarantee for the observance of loyalty regulate pursuant to sub-paragraph 11.

12.2 Securities accounting

The securities accounts must be kept properly in accordance with Swiss GAAP FER 26. This task can be delegated to an independent third party

12.3 Valuation of investments

Investments are valued at their current prices (essentially their fair values). Otherwise, the provisions on technical recommendations pursuant to Swiss GAAP FER No. 26 apply (true & fair view).

12.4 Reporting

The asset managers regularly draw up a written report on the investment activity, the results achieved and composition of asset investments.

The managing director informs the Foundation Board regularly on investment activity. The corresponding reports must be drawn up by the asset manager and Foundation management.

13 Costs of asset management

The costs associated with the investment activity depend on the administration cost regulations of the Vita Select Collective Foundation.

14 Coverage deficiency

If a coverage deficiency arises for the pension fund, the fund management, in cooperation with experts for occupational retirement provision and the management of the Foundation, take suitable measures to eliminate the coverage deficiency.

15 Entry into force

These investment regulations shall enter into force as of January 1, 2024 and replace the previous investment regulations including any supplements.

The investment regulations can be amended at any time by the Foundation Board.

The German original of this regulation is binding.

Zurich, November 2023

Vita Select Collective Foundation of Zurich Life Insurance Company Ltd

The Foundation Board

Annex 1

Investment strategies / investment groups of the Zurich Investment Foundation

Zurich Investment Foundation		Valor	Investment strategies (incl. Bandwidths)				
			Investment style	Shares	Obligations,	Real estate, mortgages	Alternative investment
Investment strategy	Money market	000.722.858	Active	0%	100%	0%	0%
	Defensive profile	002.844.745	Active	10% - 25%	35% - 70%	0% - 30%	0% - 15%
	Balanced profile	002.844.737	Active	15% - 40%	30% - 60%	0% - 30%	0% - 15%
	Progressive profile	002.844.727	Active	25% - 50%	20% - 50%	0% - 30%	0% - 15%
	Dynamic	050.270.077	Active	40% - 60%	5% - 30%	0% - 30%	0% - 20%
	Mix 20	051.249.460	Active/ Passive	10% - 30%	30% - 50%	0% - 25%	0% - 15%
	Mix 45	051.249.461	Active / Passive	30% - 55%	15% - 35%	0% - 25%	0% - 15%
	Mix 65	051.249.462	Active/ Passive	40% - 75%	0% - 20%	0% - 25%	0% - 15%
	Mix 98	130.097.948	Passive	85% - 100%	05% - 10%	0% - 5%	0% - 5%

Annex 2

External investment strategies / Partner banks of the Foundation

None