



# Code of Conduct msg life Group

Version of November 30th, 2018

## 1. Vision, corporate goals and general principles

As parent company and representative of all msg life Group companies msg life ag is one of the leading suppliers of software and consulting services for life insurance companies and in the field of private and sponsored old-age pension schemes. Renowned companies put their faith in outstanding sector-specific expertise, extensive and excellent product and service portfolio and wide-ranging experience. Our customers appreciate msg life ag as a dependable partner whose sound advice and sustainable, intelligent software solutions carry conviction.

*‘We strive to be seen by our customers as a premium supplier at all times on the basis of high-quality standard software products and outstanding sector-specific and solution-related competence. In this way, we generate sustainable added value for all of our stakeholders.’*

To turn this vision into reality, the msg life Group (hereinafter referred to individually or jointly as ‘msg life’ or ‘the Company’) has set itself in particular the following Group-wide corporate objectives:

‘The quality of our products should be outstanding at all times.’

‘Our EBITDA margin should be at least 10 per cent every year.’

‘We operate sustainably for the benefit of society.’

‘We are a preferred employer in the industry.’

For the msg life Group, the achievement of commercial success on the basis of these corporate objectives is inextricably linked with corporate responsibility vis-à-vis the employees, business associates, society as a whole and the environment.

In accordance with our vision and corporate objectives we, the msg life Group, have therefore adopted legality and corporate responsibility into our Corporate Governance Principles. Each company in our msg life Group adheres to the applicable laws and other regulations in the countries where it conducts its activities (legality) as the minimum standard. In certain countries, we also give careful consideration to which principles of good corporate governance should be put into practice in addition to the respective national laws and regulations.

For the msg life Group, compliance also means adhering to its own ethical standards and acting in line with sustainability principles.

This Code of Conduct applies to all business relationships worldwide wherever and whenever msg life conducts its activities.

The rules in this Code of Conduct are obligatory for the Management Board and the wider management, executives, employees and all other employed persons (including e.g. temporary workers, student employees, interns), all of whom, for the sake of simplicity, are henceforth referred to jointly as 'employees'.

This Code of Conduct describes our Company's basic legal and ethical rules and serves as an aid and guideline for all employees that is designed to enable them to act in the interests of corporate responsibility and to make the right decisions in everyday commercial life, despite the inexorable increase in the density of statutory provisions. It is also designed, in particular, to help our employees conduct themselves properly in cases of doubt by making them aware of possible risks and conflict areas and specifying concrete guidelines and/or support for such areas.

Infringements of compliance can cause considerable damage for the Company, its employees and its business associates. As well as commercial losses and official sanctions, there is the risk of a substantial loss of reputation. msg life maintains a Compliance Management System in order to correctly and appropriately deal with risks of this kind.

Infringements of this Code of Conduct are not acceptable and shall be prosecuted systematically and punished as appropriate in the interests of all of the employees. Depending on the severity of the infringement, measures of this kind can range from warnings to dismissal without notice and ultimately civil actions for damages as well as criminal charges.

msg life obliges its management staff to ensure compliance with this Code of Conduct within their teams. This includes setting a good example in matters of compliance and regularly communicating the significance of this Code of Conduct to the team members.

msg life also expects all of its business associates (e.g. customers, suppliers, sub-suppliers, consultants, sales partners, agents) to comply with this Code of Conduct and reserves the right to terminate the commercial relationship in question in the event of severe or repeated infringements of compliance by the respective business associate.

The Code of Conduct may be supplemented by other national or Company-wide guidelines.

## 2. Conflicts of interest

Our employees take care that private interests do not interfere with the interests of our Company.

A conflict of interest arises when an employee's private interests interfere or 'conflict' with the exercise of his or her duties as an msg life employee. The msg life Group acknowledges and respects its employees' private interests and activities, but expects undivided loyalty from all of its employees.

Employees may not engage in activities that might conflict with the msg life Group's business and might interfere with the fulfilment of the employees' job responsibilities, which at all times must be performed in msg life's best interests. Employees may therefore not use their position with msg life, or msg life's information or assets, for their personal gain or for the improper benefit of third parties. To prevent the risks associated with conflicts of interest or their apparent nature, msg life Group employees are required to disclose any real or potential conflict of interest to their supervisor or the respective Compliance Officer, who will then address and resolve the conflict as and when required.

Secondary employment, work-related advisory activities and/or financial interests at a competitor, customer or supplier, as far as they are legally permitted, require approval and may not be contrary to the interests of msg life. This approval requirement shall not apply to the acquisition of marketable securities or to asset investments pure and simple if these are of insignificant magnitude.

Our employees comply with the prevailing insider regulations in respect of securities trading, for example the prohibition of insider trading. This means that they are prohibited particularly from misusing precise information that is not publicly available (insider information) for buying and/or selling shares or, based on insider information, to recommend third parties to buy or sell shares.

## 3. Preventing bribery and corruption

msg life does not tolerate any form of corruption, bribery, corruptibility or any other illicit means of granting undue advantages. Contraventions of this by employees regularly lead to the termination of their employment contracts and to criminal charges.

At msg life, integrity and fair dealing are therefore reflected in all of our business activities. All employees are obliged to refrain from engaging in corrupt behaviour of any kind. This means that all employees are responsible for avoiding corruption when transacting our business and may never offer, promise, pay or authorise to decision-makers anything of value, such as money, goods or services, or accept any other improper advantages from decision-makers. This obligation applies

to all business relationships, including those of our business associates, suppliers and other involved parties who act on our behalf.

All decision-makers, employees and agents are obliged to keep accurate and transparent records that reflect all actual commercial transactions and payments.

Any gifts or gratuities either from or to business associates shall, up to a certain order of magnitude, correspond to the usual business practices in the region concerned. Gifts and gratuities may not be granted or accepted if they lead to a conflict of interests and/or might damage the reputation of msg life.

This means that no employee may grant or accept advantages – in whichever form, particularly personal gifts of inappropriate value – if it must reasonably be assumed that these might influence commercial decisions or transactions. Invitations must remain within the boundaries of hospitality which are customary in the country in question. The acceptance and payment of money are generally prohibited. In cases of doubt, the matter must be discussed with the respective line manager, who in turn must consult the respective Compliance Officer when in doubt.

For smaller considerations in the form of non-cash gifts, the guideline value shall be up to 40.00 euros in the European Union, which may tacitly be regarded as approved. This applies e.g. for low-value services such as being given a lift to the airport or a meeting in a taxi, or for promotional articles such as pens. The value limit of 40.00 euros does not apply for hospitality and invitations. In this area, even a higher counter-value can be unobjectionable if the hospitality in question is customary and appropriate.

The acceptance and granting of invitations to events of an unofficial nature and without any specialist relevance (purely recreational events such as concerts, theatre visits, sporting events or other evening functions, but also e.g. company parties on customers' premises) shall always require the prior approval of the respective line manager, if necessary after consultation with the respective Compliance Officer. Approval shall be considered only if the invitation is made within the scope of customary business practice, a commercial contact is involved, the inviting party is present and the costs of any journey and accommodation are not paid by the inviting party.

Occupational and personal occasions should not be mixed. Accompanying persons should not be taken to official company events. Any exceptions must be approved by the line manager.

For dealings with office holders regarding small considerations in the form of non-cash gifts, a guideline value of 25.00 euros applies in the European Union. As far as office holders are concerned, stringent standards must be applied to the appropriateness and conventionality of invitations as regards the occasion and the status of the participants.

## **4. Fair competition / prohibition of cartels**

msg life pledges itself unreservedly to fair competition and to strict compliance with competition law.

Our employees adhere to prevailing antitrust and competition legislation and take particular care to ensure that neither prices nor other conditions are harmonised with those of competitors, that no information with market relevance is exchanged (such as prices, discounts, capacities, territories or customer groups) and that no markets are divided up with competitors (e.g. with regard to territories, products, customers or sources of supply). In all cases of doubt, msg life's employees shall consult the legal department and/or the respective Compliance Officer in good time.

## **5. Handling of data, information and operating assets**

### **5.1 Data protection**

msg life adheres to the prevailing data protection legislation and protects the personal data of employees and business associates. msg life collects, stores, processes or uses personal data only for legitimate and commercial purposes or as required by law and always does so on a statutory basis or with the consent of those affected.

Our employees adhere to the prevailing statutory provisions and guidelines on data protection. These also include the binding internal rules for data protection and IT security implemented by msg life for all of its employees.

msg life's employees are required to consult the msg life Data Protection Officer or the legal department in cases of doubt.

### **5.2 Trade secrets and confidential information**

Our employees treat company affairs which are not generally known, trade and business secrets and all work-specific facts as confidential and use such information only to the extent that it is necessary in the interests of business. This applies equally to sensitive information from and about business associates, suppliers or other involved parties.

## 5.3 Protection of operating assets

One of msg life's significant assets is its intellectual property. This includes patents, trademark rights and copyrights, technical expertise and other business and trade secrets. msg life's Group policy is to use, preserve, protect and defend intellectual property in a responsible manner. msg life respects the intellectual property of other natural persons and legal entities and uses applicable information, software and/or practical expertise solely in accordance with the respective licence agreements and/or within the scope of the statutory provisions.

As a matter of principle, our employees use tangible and intangible operating assets of the Company solely for operational purposes. They handle the Company's operating assets carefully and take care that these are not damaged, misused or wasted.

## 6. Social responsibility

### 6.1 Human rights

msg life is committed to complying with all of the internationally acknowledged human rights.

### 6.2 Anti-discrimination

msg life does not tolerate discrimination or harassment of any kind in the working environment, be it on grounds of age, disability, origins, gender, political views, race, religion or sexual orientation. msg life is committed to upholding equality of opportunity for all employees. There may be no narrowing of an employee's work spectrum and no restriction on support and encouragement as a result of any factors other than talent, experience, task-specific qualifications and achievement potential.

Furthermore, msg life shall not tolerate molestation, victimisation or violence of any kind at the workplace. This shall include, among other things, threats, intimidation, vulgar remarks, the ridiculing or exclusion of employees, and sexual harassment (for example, unwanted sexual advances, hidden or open coercion to engage in sexual activity, sexual innuendo, or indecent proposals).

Our employees cultivate matter-of-fact, friendly and fair interaction with other employees and business associates that is characterised by team spirit and a determination to act for the good of the Company and our joint success together with our business associates. They pay particular attention to human dignity, personality rights and the private sphere of those individuals with whom we have

business contacts. msg life expressly supports a culture of openness and honesty that appreciates and encourages straight answers and cooperation among all of the persons involved.

### **6.3 Forced labour**

msg life rejects all forms of forced labour. This includes forced prison labour, servitude and the like (in accordance with Conventions 29 and 105 of the International Labour Organisation [ILO]).

### **6.4 Child labour**

msg life does not tolerate any form of child labour. The Company is committed to complying with, among other things, Convention 138 (Minimum Age Convention) of the International Labour Organisation (ILO).

### **6.5 Fair working conditions**

msg life respects its employees' right to freedom of association within the scope of the prevailing rights and legislation.

msg life ensures that the remuneration of its employees corresponds at least to the respective legal minimum wage.

### **6.6 Health and safety**

msg life ensures working conditions for its employees that fulfil the requirements for safety at work and the protection of health, with the prevailing statutory provisions constituting the minimum requirements. In particular, suitable steps are taken to prevent work-related accidents and occupational illnesses.

Our employees are personally responsible for making sure that the in-house rules for health and safety in the workplace are complied with.

## **7. Environmental protection**

Even as a non-manufacturing company, msg life is aware of its responsibility for the environment and endeavours to use resources such as water and energy as responsibly as possible while also either preventing waste altogether or reducing it as far as possible. In the process, msg life makes

use of the means at its disposal for the recovery, conservation, recycling and the use of alternative materials.

msg life has already been rewarded for its efforts with the 'certificate of energy efficiency', which was presented at the Company's headquarters in Leinfelden-Echterdingen. In addition since many years msg life has been sourcing green energy at many of its locations. When renting new office space, care is taken to ensure that the buildings are energy-efficient and environmentally friendly. Furthermore, msg life, in collaboration with customers and suppliers, is working in particular towards a reduction in CO<sub>2</sub> emissions.

Our employees conserve resources while working and ensure that their activities are as eco-friendly as possible.

## 8. Organisation and procedure

The ever-increasing density of regulations in the statutory framework makes it necessary to monitor strictly the compliance with legal requirements and other standards and guidelines. Violations can result in severe penalties that may include fines, imprisonment, exclusion and blacklisting. Compliance with the rules in this Code of Conduct is designed to help prevent violations of the law and contribute towards msg life conducting its business equitably and in conformity with the law.

In order to establish compliance within the msg life Group and enforce this Code of Conduct, the Management and Supervisory Boards have set up a compliance unit. This compliance unit is accessible through the respective Compliance Officer. The msg life Group's business processes are checked regularly for adherence to the Code of Conduct, for the identification of problematic compliance areas and to investigate any infringements that have been ascertained (see also the compliance area in the intranet). In addition, each Compliance Officer reports regularly to the Management Board and the Supervisory Board.

The msg life Group's compliance unit will also be strengthened by a neutral external ombudsman sworn to strict confidentiality (an internationally active law firm appointed by msg life). Employees of the msg life Group and third parties can speak to the ombudsman – as a neutral authority – if they have observed any irregular business practices in companies belonging to the msg life Group. Submissions can be made by name or, if preferred, anonymously. Anonymised submissions can also be addressed to the ombudsman in English.

In the msg life Group's companies, msg life gives compliance training courses for employees at all hierarchical levels in the form of seminars and/or webinars. The content of these training sessions

comprises explanations of this Code of Conduct with the main emphasis on the prevention of corruption, competition law and data protection.

## **9. How to proceed when one has knowledge or suspicion of infringements**

Our employees are explicitly required to report without delay any information about any potential violation of this Code of Conduct or other legal infringement, provided that such information was given in good faith. This means that the employee in question should have objective grounds for assuming that the information imparted and all of the associated accusations are essentially true.

Employees who – in good faith – report known or supposed violations are protected from repressive measures. Any kind of repression against employees who provide information about violations of these principles is a clear and grave infringement of this Code of Conduct and shall be punished accordingly.

On the other hand, information that is designed to make false accusations against employees or executives shall not be tolerated. Such behaviour is likewise a clear and grave infringement of this Code of Conduct and shall be punished accordingly.

Employees can get in touch with the following contact persons if they want to report known or supposed violations and/or receive support and answers to compliance-related questions:

### **1. Line manager**

### **2. Compliance Officer**

e-mail: [compliance@msg-life.com](mailto:compliance@msg-life.com)

Further contact information in the compliance area in the intranet

### **3. Ombudsman**

Dr. Christian Dohm  
Kanzlei SOLEOS Rechtsanwälte  
Rosental 6  
80331 München  
Tel: +49 89 4522423-26  
Fax: +49 89 4522423-11  
[dohm@soleos.com](mailto:dohm@soleos.com)  
[www.soleos.com](http://www.soleos.com)

The respective Compliance Officer and the ombudsman shall treat the identity of the employees who report known or supposed violations as strictly confidential as far as is legally possible. Exceptions may be required on legal grounds, as a result of internal investigations or in relation to other employees' personality rights.

msg life undertakes to make a record of all reports and to initiate corrective action as and when required. The msg life Group undertakes additionally to prevent discrimination against any employee who reports a possible violation in good faith.

msg life ag, November 30th, 2018	[signed]	[signed]
	Rolf Zielke	Dr. Aristid Neuburger
	Chairman of the Executive Board	Deputy Chairman of the Executive Board