

# Corporate Governance

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# Corporate Governance Report

Baloise is a company that adds value, and, as such, we attach great importance to practising sound, responsible corporate governance.

Operating in line with the requirements of *economiesuisse's* Swiss Code of Best Practice and the SIX Swiss Exchange Corporate Governance Guidelines, Baloise strives to foster a corporate culture of high ethical standards that emphasises the integrity of the Company and its employees. Baloise firmly believes that high-quality corporate governance has a positive impact on its performance.

This chapter reflects the structure of the SIX Corporate Governance Guidelines as amended on 29 June 2022 in order to improve comparability with previous years and with other companies. It includes the requirements of *economiesuisse's* Swiss Code of Best Practice for Corporate Governance, which contains recommendations on the remuneration paid to the Board of Directors and the Executive Committee. In item 5 of its Corporate Governance Report, Baloise publishes the principles used to determine the content and scope of the disclosures on remuneration in the Remuneration Report (Appendix 1 to the Corporate Governance Report, page 53 onwards).

The information contained in the Corporate Governance Report refers to the situation on the balance sheet date (31 December 2022). Additional reference is made to material changes occurring between the balance sheet date and the print deadline for the Annual Report.

Sustainable business management plays an important role at Baloise. In addition to the information provided in the Corporate Governance Report, governance structures – both general and relating to specific areas – are described in more depth in the sustainability section of the Company's Annual Review.

## 1. Structure of the Baloise Group and shareholder base

### Structure of the Baloise Group

Headquartered in Basel, Switzerland, Baloise Holding Ltd is a public limited company that is incorporated under Swiss law and listed on the Swiss Exchange (SIX). The Baloise Group had a market capitalisation of CHF 6,535.7 million as at 31 December 2022.

- Information on Baloise shares can be found in the Annual Review from page 40 onwards.
- Significant subsidiaries, joint ventures and associates as at 31 December 2022 can be found from page 226 onwards in the notes to the consolidated annual financial statements, which form part of the Financial Report.
- Segment reporting by region and operating segment can be found from page 165 onwards in the notes to the consolidated annual financial statements within the Financial Report.
- The Baloise Group's operational management structure is presented on page 48 onwards.

### Shareholder base

As a public company with a broad shareholder base, Baloise Holding Ltd is a member of the SMI Mid (SMIM) Index.

### Capital structure

A total of 27,343 shareholders were registered in Baloise Holding Ltd's share register as at 31 December 2022. The number of registered shareholders had increased by 2.8 per cent compared with the previous year. The 'Significant shareholders' section on page 251 provides information on the structure of the Company's shareholder base as at 31 December 2022.

The reports that were submitted to the issuer and to SIX Swiss Exchange AG's disclosure office during the reporting year in compliance with article 120 of the Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading (FinfraG) and were published on the latter's electronic reporting and publication platform in compliance with article 124 FinfraG can be viewed using the search function at [www.six-exchange-regulation.com/en/home/publications/significant-shareholders.html](http://www.six-exchange-regulation.com/en/home/publications/significant-shareholders.html).

### Treasury shares

Bâloise Holding Ltd held (directly and indirectly) 311,418 treasury shares (0.7 per cent of the issued share capital) as at 31 December 2022.

### Cross-shareholdings

There are no cross-shareholdings based on either capital ownership or voting rights.

## 2. Capital structure

### Dividend policy

Bâloise Holding Ltd pursues a policy of paying consistent, earnings-related dividends. It uses other dividend instruments such as share buy-backs to supplement conventional cash dividends. Shareholders have received a total of CHF 1,994.8 million from cash dividends and share buy-backs over the last five years.

	Cash dividends	Share buy-backs	Total
Year (CHF million)			
2018	292.8	135.1	427.9
2019	312.3	190.0	502.3
2020	312.3	92.8	405.1
2021	320.6	-	320.6
2022	338.9 <sup>1</sup>	-	338.9
<b>Total</b>	<b>1,576.9</b>	<b>417.9</b>	<b>1,994.8</b>

All figures stated as at 31 December.

<sup>1</sup> Proposal to the Annual General Meeting on 28 April 2023.

### Bâloise Holding's equity

The table below shows the changes in equity during the last three reporting years.

#### Changes in Bâloise Holding Ltd's equity (before appropriation of profit)

	31.12.2020	31.12.2021	31.12.2022
CHF million			
Share capital	4.9	4.6	4.6
General reserve	11.7	11.7	11.7
Reserve for treasury shares	9.2	7.6	7.8
Free reserves	922.3	502.8	573.6
Distributable profit	372.5	391.6	407.4
Treasury shares	-491.3	-9.3	-8.1
<b>Equity attributable to Bâloise Holding Ltd</b>	<b>829.3</b>	<b>909.1</b>	<b>997.0</b>

Since the capital reduction decided on 30 April 2021, the share capital of Bâloise Holding Ltd totals CHF 4.58 million and is divided into 45,800,000 dividend-bearing registered shares with a par value of CHF 0.10 each.

### Authorised and conditional capital; other financing instruments

#### Authorised capital

A resolution adopted by the Annual General Meeting on 30 April 2021 has authorised the Board of Directors until 30 April 2023 to increase the Company's share capital by up to CHF 400,000 by issuing up to 4,000,000 fully paid-up registered shares with a par value of CHF 0.10 each (see article 3 [4] of the Articles of Association). The company law reform that came into effect on 1 January 2023 replaces authorised capital with the concept of the capital band. The Annual General Meeting on 28 April 2023 will be asked to delete the provision relating to authorised capital from the Articles of Association and introduce a capital band with a floor of CHF 4,122,000 and a ceiling of CHF 5,038,000, valid until 28 April 2028.

[www.baloise.com/rules-regulations](http://www.baloise.com/rules-regulations)

## Corporate Governance

### Conditional capital

Conditional capital has also been created that enables the Company's share capital to be increased by up to 5,530,715 registered shares with a par value of CHF 0.10 each (see article 3 [2] of the Articles of Association). This constitutes a nominal share capital increase of up to CHF 553,071.50.

Conditional capital is used to cover any option rights or conversion rights granted in conjunction with bonds and similar securities. Shareholders' pre-emption rights are disapplied. Holders of the pertinent option rights and conversion rights are entitled to subscribe for the new registered shares. The Board of Directors may restrict or disapply shareholders' pre-emption rights when issuing warrant-linked bonds or convertible bonds in international capital markets (see article 3 [3] of the Articles of Association).

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### Upper limit for the disapplication of pre-emption rights

The Annual General Meeting on 28 April 2023 will be asked to include a new provision in the Articles of Association limiting to 10 per cent the total number of registered shares that will be issued from the conditional capital and from the capital band, in each case disapplying or limiting shareholders' pre-emption rights.

### Other equity instruments

The Company has no profit-participation certificates.

### The Baloise Group's consolidated equity

The Baloise Group's consolidated equity amounted to CHF 4,552.1 million on 31 December 2022. Details of changes in consolidated equity in 2021 and 2022 can be found in the consolidated statement of changes in equity on pages 88 and 89 in the Financial Report. All pertinent details relating to 2020 can be found in the consolidated statement of changes in equity on page 90 in the 2021 Annual Report.

### Bonds outstanding

Bâloise Holding Ltd and Baloise Life Ltd (with Bâloise Holding Ltd acting as guarantor) have issued bonds publicly. As at the end of 2022, a total of 14 public bonds were outstanding. On 19 January 2023, Bâloise Holding Ltd placed a further green bond in an amount of CHF 175 million. Details of outstanding bonds can be found on pages 210 and 249 and on the website.

[www.baloise.com/bonds](http://www.baloise.com/bonds)

### Credit rating

On 15 June 2022, the credit rating agency Standard & Poor's confirmed its rating for the Baloise Group's core companies of A+ with a stable outlook. Standard & Poor's awarded this credit rating in recognition of Baloise's excellent capitalisation – which is comfortably above the AAA level according to the S&P capital model – as well as its high operational profitability, robust risk management and solid competitive position in its profitable core markets. Information about the ratings of Bâloise Holding Ltd and its subsidiaries Baloise Belgium NV (Belgium), Baloise Sachversicherung AG (Germany), Baloise Insurance Ltd (Switzerland) and Baloise Life Ltd (Switzerland) can be found on the website.

[www.baloise.com/rating](http://www.baloise.com/rating)

## 3. Board of Directors

### Election and term of appointment

The Board of Directors consisted of ten members last year. Each member of the Board of Directors has been elected for a term of one year at a time. As at 31 December 2022, the average age on the Board of Directors was 58. The average term of office is 3.6 years.

The Organisational Regulations state that the term of appointment for members of the Board of Directors usually ends at the Annual General Meeting that follows the member's 70th birthday (age limit).

### Members of the Board of Directors

All members of the Board of Directors (including the Chairman) are independent and are non-executives. They were not involved in the day-to-day management of any Baloise Group companies in any of the three financial years immediately preceding the reporting period, and they maintain no material business relationships with the Baloise Group.

During the reporting year, Dr Thomas von Planta, Christoph Mäder, Christoph B. Gloor, Hugo Lasat, Dr Karin Lenzlinger Diedenhofen, Dr Markus R. Neuhaus, Professor Hans-Jörg Schmidt-Trenz and Professor Marie-Noëlle Venturi - Zen-Ruffinen were re-elected as members of the Board of Directors for a one-year term until the end of the next Annual General Meeting. Dr Maya Bundt and Claudia Dill were newly elected to the Board of Directors, also for a one-year term until the end of the next Annual General Meeting.

All members of the Board of Directors will be standing for re-election at the Annual General Meeting on 28 April 2023.

Further information on the members of the Board of Directors can be found on the website.

[www.baloise.com/board-of-directors](http://www.baloise.com/board-of-directors)

Members

	Strategy and Governance Committee	Investment and Risk Committee	Remuneration Committee	Audit Committee	Nationality	Born in	Appointed in
Dr Thomas von Planta, Chairman (since 2021), Zurich	C	C			CH	1961	2017
Christoph Mäder, Vice-Chairman (since 2022), Hergiswil	DC		C		CH	1959	2019
Dr Maya Bundt, Adliswil				M	D/CH	1971	2022
Claudia Dill, Zufikon		M			CH	1966	2022
Christoph B. Gloor, Riehen		M	M		CH	1966	2014
Hugo Lasat, Kessel-Lo (B)		DC			B	1964	2016
Dr Karin Lenzlinger Diedenhofen, Wermatswil			M		CH	1959	2021
Dr Markus R. Neuhaus, Zollikon	M			C	CH	1958	2019
Prof. Dr Hans-Jörg Schmidt-Trenz, Hamburg (D)			DC	M	D	1959	2018
Prof. Dr Marie-Noëlle Venturi - Zen-Ruffinen, Crans-Montana	M			DC	CH	1975	2016

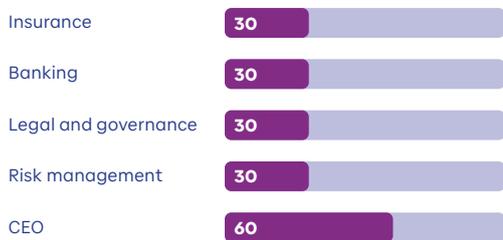
C: Chair, DC: Deputy Chair, M: Member.

# Corporate Governance

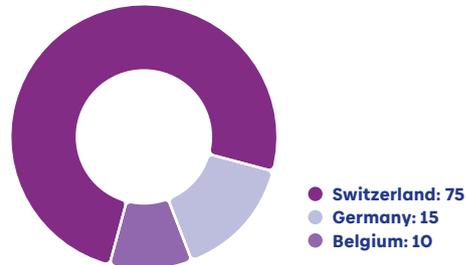
## Diversity on the Board of Directors

Per cent

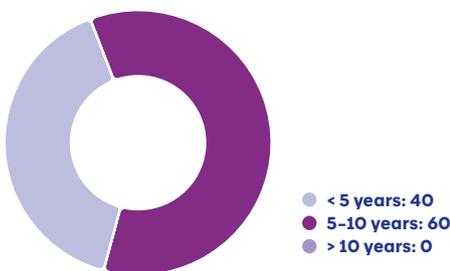
### Professional background / experience / expertise \*



### Nationality\*\*



### Term of appointment



### Gender



\* More than one category may apply

\*\* One Board member has two nationalities. Each of these nationalities is counted as a half in the chart.

## Statutory rules concerning the number of permitted activities

The Articles of Association contain a provision (article 33) concerning the maximum number of directorships that can be held outside the Company. Subsection 1 stipulates that the number of external directorships held by members of the Board of Directors or Corporate Executive Committee must be compatible with the commitment, availability, capabilities and independence necessary for the performance of their duties as members of the Board of Directors or Corporate Executive Committee. Subsection 3 specifies numerical restrictions. Subsection 2 defines directorships as seats on the supreme governing bodies of legal entities external to the Company that are required to be registered in the commercial register. The company law reform that came into effect on 1 January 2023 has altered the legal requirement to include directorships held by members of the Board of Directors or Corporate Executive Committee in comparable functions in other companies with a commercial purpose. The Annual General Meeting on 28 April 2023 will be asked to amend article 33 of the Articles of Association concerning directorships in companies outside the Baloise Group accordingly. In this Annual Report, directorships are disclosed in accordance with both the currently applicable and future provisions of the Articles of Association and in accordance with the SIX Corporate Governance Guidelines.

## Interlocking directorates

There are no interlocking directorates.

## Internal organisation

### Functions and responsibilities of the Board of Directors

Subject to the decision-making powers exercised by shareholders at the Annual General Meeting, the Board of Directors is the Company's ultimate decision-making body. Decisions are taken by the Board of Directors unless, on the basis of the Organisational Regulations, authority on the matter is delegated to the Chairman of the Board of Directors, its committees, the Group CEO or the Corporate Executive Committee.

Article 716a of the Swiss Code of Obligations (OR) and section A3 of the Organisational Regulations state that the Board of Directors' main functions and responsibilities are to act as the Company's ultimate managerial and supervisory body, to oversee the Company's finances and to determine its organisational structures.

[www.baloise.com/rules-regulations](http://www.baloise.com/rules-regulations)

Information on the Board of Directors' role in corporate social and environmental responsibility can be found on page 97 onwards in the Company's Annual Review.

The Chairman of the Board of Directors chairs the meetings of both the Board of Directors and the Strategy and Governance Committee. He also chairs the Investment and

Risk Committee. He represents the Company externally and, acting in this capacity, maintains contact with investors, government agencies, trade associations and other Baloise stakeholders. The Chairman of the Board of Directors maintains close contact with the Group CEO. He attends the meetings of the Corporate Executive Committee when appropriate, for example whenever matters of strategic or long-term importance are being discussed. He ensures that the decisions of the Board of Directors are implemented by the Corporate Executive Committee and, conversely, that the Board of Directors is kept informed on all matters of material importance to the decision-making and monitoring process at Baloise.

The Board of Directors has a Vice-Chairman who is an ex officio member of the Strategy and Governance Committee (see section C2.2 of the Organisational Regulations); he is also the Chairman of the Remuneration Committee. The Chairman of the Audit Committee is also a member of the Strategy and Governance Committee. The heads of the control functions (Risk Management, Compliance, Group Internal Audit and the appointed Actuary) report to him, as do the external auditors. The Chairman of the Audit Committee has powers that enable him to ensure the independence of the control functions. The members of the Strategy and Governance Committee have the right to convene a meeting at any time. If necessary, the Board of Directors can appoint an experienced member of the Board of Directors as Lead Director in order to ensure the independence of the Board of Directors as a governing body (see section A 3.7 of the Organisational Regulations).

### Committees of the Board of Directors

The Board of Directors has four committees, which support it in its activities. These committees report to the Board of Directors and submit proposals and motions. The Investment and Risk Committee and the Remuneration Committee have their own decision-making powers.

The committees appointed by the Board of Directors generally consist of four members, who are newly elected every year by the Board of Directors. Article 733 OR requires the members of the Remuneration Committee to be individually elected by the Annual General Meeting. The Chairman and Vice-Chairman of the Board of Directors are ex officio members of the Strategy and Governance Committee. The Chairman of the Board of Directors is not allowed to sit on the Audit Committee. The committees' basic functions and responsibilities are specified in the Organisational Regulations. Additional specific regulations applicable to individual committees govern administrative and other aspects.

### Functions and responsibilities of the committees

The **Strategy and Governance Committee** monitors the progress of strategy and sustainability matters on behalf of the Board of Directors. The Board of Directors is responsible for both areas (in the case of strategy, this is mandated by article 716a OR) and, where required, adopts the rele-

vant resolutions. The Strategy and Governance Committee prepares nominations within the parameters of the Board of Directors' responsibility for nominations and elections.

The **Investment and Risk Committee** supports the Board of Directors in the areas of investment management, capital management and risk management. It oversees investment activities and assesses capital adequacy and asset and liability management as part of its overall review of financial risks. Key influencing factors (such as solvency, cover assets and reserves) are now taken into account in the committee when reviewing asset management.

The committee reviews the risk strategy and risk appetite of the Group for the attention of the Board of Directors and takes note of risk reports (function to be taken over by the Audit Committee after the 2023 Annual General Meeting).

The **Remuneration Committee** proposes to the Board of Directors – for subsequent approval by the Annual General Meeting – the structure and amount of remuneration paid to the members of the Board of Directors and of the salaries paid to the members of the Corporate Executive Committee. Under article 735 OR, the remuneration paid to the Board of Directors and the Corporate Executive Committee has to be approved by the Annual General Meeting. The Remuneration Committee approves the target agreements and performance assessments that are applied to the Corporate Executive Committee members in order to determine their variable remuneration. It also sanctions the remuneration policies applicable to the Corporate Executive Committee members and ensures that they are being correctly implemented. It approves the variable remuneration granted to individual members of the Corporate Executive Committee; this remuneration has to be within the maximum amount approved by the Annual General Meeting. Furthermore, it specifies the total amount available in the performance pool. The Remuneration Committee is elected by and reports to the Annual General Meeting.

The **Audit Committee** supports the Board of Directors in its supervision of accounting, financial and regulatory reporting, and compliance with statutory provisions. Only independent members of the Board of Directors may sit on the Audit Committee, which receives the reports from the various control functions (such as the external auditors, Internal Audit, Compliance and Risk Management).

## Corporate Governance

### Meetings of the Board of Directors and its committees

The Organisational Regulations stipulate that the full Board of Directors must meet as often as business requires, but no fewer than four times a year.

[www.baloise.com/rules-regulations](http://www.baloise.com/rules-regulations)

The full Board of Directors of Baloise Holding Ltd met on six occasions in 2022. Each one of these meetings was attended by the full complement of members. All members of the relevant committee in each case attended every one of the additional 20 committee meetings. This means that the Board of Directors achieved an overall attendance rate of 100 per cent. Meetings of the Board of Directors usually last a full working day, while the meetings of its committees last either half a working day or a full working day.

The Strategy and Governance Committee convened eight times in 2022, which included one two-day strategy meeting. The Investment and Risk Committee met on four occasions. The Audit Committee held five meetings, and the Remuneration Committee convened three times.

Meetings of the Board of Directors are regularly attended by members of the Corporate Executive Committee. Meetings of the Strategy and Governance Committee are usually attended by the Group CEO and the Head of Corporate Division Finance. Those present at Audit Committee meetings are the Head of Corporate Division Finance, the Head of Group Internal Audit and, occasionally, representatives of the external auditors and the heads of control functions such as Risk Management and Compliance. The main attendees at Remuneration Committee meetings are the Group CEO, the Head of Group Human Resources and the Head of Compensation and Benefits. Meetings of the Investment and Risk Committee are usually attended by the Group CEO and the heads of Corporate Division Asset Management, Asset Strategy and Investment Control, Corporate Division Finance and Group Risk Management. The Secretary to the Board of Directors attends all meetings of the full Board of Directors and those of its committees.

### Self-evaluation

Every year, a comprehensive self-evaluation is carried out in the full Board of Directors and in all committees. The results are then discussed in each body.

### Training and development

The members of the Board of Directors participate in a multi-day introductory programme in preparation for a new role on the board and/or committee and then receive ongoing training (at least once a year) in half-day seminars on specific topics. In 2022, two long-serving members stepped down from the Board of Directors. The resulting changes in the committees necessitated a number of introductory programmes for the new committee chairmen and members. Two seminars were held for the Board of Directors on cyber security and IFRS Accounting Standards 17/9.

### Succession planning

There are changes to the Board of Directors on an ongoing basis. Succession planning is the responsibility of the Strategy and Governance Committee, which is also responsible for planning personnel changes in the Corporate Executive Committee.

Care is taken to ensure that the composition of the Board of Directors is balanced in terms of the experience and knowledge of its members and their nationality, term of appointment and gender (see diversity charts on page 38). Any restrictions on availability and potential conflicts of interest arising from other mandates are also taken into account.

The election of Maya Bundt and Claudia Dill to the Board of Directors by the Annual General Meeting in April 2022 replaced and strengthened the expertise in insurance, IT and digitalisation called for by the Strategy and Governance Committee and increased the proportion of female members to 40 per cent.

### **Division of authorities, functions and responsibilities between the Board of Directors and the Corporate Executive Committee**

The division of authorities, functions and responsibilities between the Board of Directors and the Corporate Executive Committee is governed by law, the Articles of Association and the Organisational Regulations. The Organisational Regulations are reviewed on an ongoing basis and updated as changing circumstances require. As a result of the company law reform that came into effect on 1 January 2023, amendments to the Articles of Association will be requested at the Annual General Meeting on 28 April 2023. The Board of Directors will then amend the Organisational Regulations in accordance with the changes to the Articles of Association. [www.baloise.com/rules-regulations](http://www.baloise.com/rules-regulations)

### **Tools used to monitor and obtain information on the Corporate Executive Committee**

Group Internal Audit reports directly to the Chairman of the Board of Directors.

Effective risk management is essential for any insurance group. This is why Baloise has devoted a separate chapter to the subject of financial risk management: from page 27 onwards and in the Financial Report starting on page 123.

The members of the Board of Directors have access to the minutes of all meetings of the committees. The Chairman of the Board of Directors may attend meetings of the Corporate Executive Committee at any time.

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**Thomas von Planta** (1961, Switzerland, Dr iur., lawyer)

has been a member of the Board of Directors since 2017 and its Chairman since April 2021. Until 2019, he was Chairman of the Boards of Directors of Bellevue Group AG, Bank am Bellevue AG and Bellevue Asset Management AG. Before that, he had worked for Goldman Sachs in Zurich, Frankfurt and London for around ten years and had been the interim Head of Investment Banking and Head of Corporate Finance for the Vontobel Group in Zurich between 2002 and 2006. Until 2021, he was managing director of CorFinAd AG, a company he founded that specialises in consultancy for M&A transactions and capital market finance. Dr Thomas von Planta sits on the Board of Directors of BB Biotech AG. He is an independent non-executive director.

**Christoph Mäder** (1959, Switzerland, lawyer)

has sat on the Board of Directors since 2019 and has been Vice-Chairman since May 2022. From 2000 to 2018, he was a member of the Syngenta International AG executive team with responsibility for legal and tax. He was also a member of the Management Board of the Basel Chamber of Commerce and of scienceindustries until 2018, serving as the latter's president between 2008 and 2014. He has been president of economiesuisse, the umbrella organisation representing Swiss business, since 2020. Christoph Mäder is Vice-Chairman of the Board of Directors of Lonza Group AG, a member of the Boards of Directors of EMS Chemie Holding AG and Assivalor AG and, since 2021, a member of the Bank Council of the Swiss National Bank. He is an independent non-executive director.



**Maya Bundt** (1971, Germany/Switzerland, Dr sc. nat. ETH Zurich, geocologist)

has been a member of the Board of Directors since April 2022. She has worked for the reinsurance company Swiss Re in a variety of roles, including heading the Cyber & Digital Solutions department and holding the functions as Cyber Practice Leader and chair of the Swiss Re Cyber Council. Before joining Swiss Re, Maya Bundt spent three years working for the Boston Consulting Group as a strategy consultant in a variety of sectors. She sits on the Boards of Directors of Valiant Bank AG and APG SGA AG as an independent member. She is an independent non-executive director.

**Claudia Dill** (1966, Switzerland, economist, MBA)

has sat on the Board of Directors since April 2022. From 1999 to 2020, she worked for the Zurich Insurance Group in a range of managerial positions in Zurich, New York and São Paulo, including as CFO for internal reinsurance and the reinsurance run-off unit, CFO for European business and COO for the property insurance business. In her most recent role as a member of the Corporate Executive Committee, she was responsible for the Latin American market. Before working for Zurich, Claudia Dill worked for Credit Suisse, Deutsche Bank, Commerzbank, and Coopers and Lybrand. Until March 2022, she was an independent member of the Board of Directors of Nordea Bank Abp. Claudia Dill is a member of the Boards of Directors of Credit Suisse (Switzerland) AG and Juno BidCo NV, trading as Intix. She is an independent non-executive director.



**Christoph B. Gloor** (1966, Switzerland, degree in business economics HWV) has been a member of the Board of Directors since 2014. Since 2019, he has been a director and limited partner in Basel-based private bank E. Gutzwiller & Cie, Banquiers. He had previously been partner and Chief Executive Officer of private bank La Roche & Co AG before going on to become a member of the Executive Committee and Deputy CEO of Notenstein La Roche Privatbank AG and Deputy Head of Wealth Management at Bank Vontobel AG. Prior to joining La Roche & Co AG in 1998, he worked for Swiss Bank Corporation (SBC) before moving to Vitra (International). Christoph B. Gloor served as president of the Association of Swiss Private Banks from 2013 to 2015 and was a member of the Board of Directors of the Swiss Bankers Association from 2013 to 2015. He was a member of the Board of Managing Directors of the Basel Banking Association until 2019. He holds an Executive Master in Change from INSEAD, where he also completed the International Directors Program in 2018. He is an independent non-executive director.

**Hugo Lasat** (1964, Belgium, Master in Economic Sciences, Master in Finance) has sat on the Board of Directors since 2016. He has been Group CEO of Brussels-based Degroof Petercam since 2021. In this role, he also chairs the Board of Directors of Degroof Petercam Asset Management (DPAM), a company he previously ran as CEO. Hugo Lasat is a member of the Boards of Directors of Banque Degroof Petercam in Luxembourg and Febelfin vzw/asbl, Brussels, and his previous managerial roles include CEO of Amonis Pension Fund and of the Candriam Investors Group. He is a guest professor at KU Leuven (Brussels Campus). He is an independent non-executive director.





**Karin Lenzlinger Diedenhofen** (1959, Switzerland, Dr oec. HSG) has been a member of the Board of Directors since 2021. She has been Vice-President of SV Group AG since 2017 and Chair of the Board of Directors and of the staff pension fund of Zürcher Oberland Medien AG since 2015. She is a member of the Boards of Directors of Bank Linth LLB AG and Übermorgen Ventures Investment AG and sits on various boards of foundations and organisations with portfolios including corporate responsibility and sustainability. Dr Karin Lenzlinger Diedenhofen has been President of the Zurich Chamber of Commerce and a member of the Board of Directors of economiesuisse since 2013. Between 1991 and 2019, she held various positions, most recently as CEO and delegate of the Board of Directors of Lenzlinger Söhne AG, Nänikon/Uster. She is an independent non-executive director.

**Markus R. Neuhaus** (1958, Switzerland, Dr iur., qualified tax expert) has been a member of the Board of Directors since 2019. He was the Chairman of the Board of Directors of PricewaterhouseCoopers AG (PwC) from 2012 to 2019 and served as its CEO for a period of nine years prior to that. He did not hold any operational role at PwC from July 2012 and was not personally involved in the Company's audit engagement for Baloise (until 2015). Dr Markus R. Neuhaus is Vice-Chairman of the Boards of Directors of Barry Callebaut AG and Orior AG. He is a member of the Boards of Directors of Galenica AG and Jacobs Holding AG. Dr Markus R. Neuhaus is also Vice-President of Avenir Suisse and of the Zurich Chamber of Commerce, and a member of the Board of Foundation of the ETH Foundation. He is an independent non-executive director.



**Hans-Jörg Schmidt-Trenz** (1959, Germany, Prof. Dr rer. pol., economist) has sat on the Board of Directors since 2018. He is a Professor of Economics at Saarland University and the University of Hamburg (specialising in institutional economics and governance) and Founding President of the HSBA Hamburg School of Business Administration, where he has been an honorary senator since 2019. From 1996 to 2017, he was Chief Executive Officer of the Hamburg Chamber of Commerce, and from 2010 to 2018, President of the Working Committee of European Chamber Chief Executives. Since 2022 he has been Vice-Chair of the World Chamber Federation of the International Chamber of Commerce (ICC). He was a long-serving member of the Supervisory Board of Hamburg Airport, Hamburg Exhibition Centre and the NDR Broadcasting Council, as well as a member of the Board of Trustees of Hamburger Sparkasse. He is a member of the Board of Trustees of the Hamburg Academic Foundation, Chairman of the Board of Trustees of the Tafel foundation of Hamburg-Schleswig-Holstein and managing director of STconnect GmbH. He is an independent non-executive director.



**Marie-Noëlle Venturi - Zen-Ruffinen** (1975, Switzerland, Prof. Dr iur., lawyer) has been a member of the Board of Directors since 2016. She holds a PhD and master's degree in law and a master's degree in philosophy from the University of Fribourg. She is a lawyer and honorary professor at the School of Economics and Management at the University of Geneva, where she mainly lectures on corporate law. Professor Marie-Noëlle Venturi - Zen-Ruffinen was a partner in the Geneva law firm Tavernier Tschanz (Niederer Kraft Frey since 1 January 2023) until 2012, and since that time has been of counsel for the firm. She is Vice-Chair of the Board of Foundation of the Swiss Board Institute, Vice-Chair of the Board of Directors of Banco Santander International SA, a member of the Boards of Directors of Ina Invest Holding AG and Ina Invest AG and a member of the Board of Management of the Swiss Institute of Directors. She is an independent non-executive director.

Secretary to the Board of Directors:  
Dr Philipp Jermann,  
Buus (BL)

Head of Group Internal Audit:  
Christian Schacher,  
Breitenbach (SO)

### 4. Corporate Executive Committee



**Gert De Winter** (1966, Belgium, MSc)

studied applied economics at the University of Antwerp. From 1988 to 2004 he performed various roles at Accenture in Brussels for issues relating to IT and business transformation management in the financial sector. He was made a partner at the firm in the year 2000. In 2005, he joined the Baloise Group as Chief Information Officer and Head of HR of the Mercator insurance company in Belgium. From 2009 to 2015, Gert De Winter was Chief Executive Officer of Baloise Insurance, which was formed in 2011 from the merger of the three insurance companies Mercator, Nateus and Avéro. Gert De Winter has been Group CEO since January 2016. He is a member of the Management Boards of the Basel Chamber of Commerce and the Swiss-American Chamber of Commerce.

**Alexander Bockelmann** (1974, Germany, Dr rer. nat.)

studied geoecology and environmental sciences at the universities of Bayreuth (Germany) and East Anglia (UK) before completing his doctorate at the University of Tübingen's faculty of geosciences. Dr Alexander Bockelmann is a proven expert in IT digitalisation and transformation, and has many years of experience in the industry. He previously worked as an IT strategy and transformation consultant at the Boston Consulting Group and in various senior roles at Allianz SE in Germany and the USA, where he was CIO. At the end of 2013, he moved to UNIQA Insurance Group AG in Austria in the role of Group CIO and ultimately became Chief Digital Officer and Group Chief Information Officer on the Management Board. Dr Alexander Bockelmann joined the Baloise Group in February 2019 as head of the newly created Corporate Division IT, the position he has held ever since. He is a member of the Steering Committee of the Swiss FS-CSC association.



**Matthias Henny** (1971, Switzerland, Dr phil.)

completed his undergraduate and postgraduate studies in physics at the University of Basel. From 1998 to 2003, he was employed at McKinsey&Co., before switching to what was then the Winterthur Group, where he was Head of Financial Engineering in Asset Management until 2007. Subsequently, he was a member of the management team at AXA Winterthur, as Head of Asset Management (until 2010) and as CFO. In 2012, Dr Matthias Henny joined the Baloise Group. As CEO of Baloise Asset Management AG, he was responsible for the administration of approximately CHF 50 billion in assets. Dr Matthias Henny became a member of the Corporate Executive Committee in May 2017. He manages the Corporate Division Asset Management incorporating the Investment Strategy and Investment Controlling, Business Development, Portfolio Management, Finance, Real Estate and Corporate Services units.



**Michael Müller** (1971, Switzerland, lic. oec. publ.) graduated in economics from the University of Zurich, specialising in insurance and accounting/finance. He began his career at Baloise in 1997, starting as a management trainee, then working in Group Finance and eventually becoming Deputy Head and, in 2004, Head of Financial Accounting for the Baloise Group. In 2009, as Head of Finance and Risk, he became a member of the senior management team in Corporate Division Switzerland. He has been a member of the Corporate Executive Committee and CEO of Corporate Division Switzerland since March 2011, and as such has been in charge of business in Switzerland. Michael Müller is Vice President of the Swiss Insurance Association (SVV) and a member of the Board of Foundation of Stiftung Finanzplatz Basel and the Executive Board of the Association of Basel Insurance Companies. He also sits on the board of the Promotion Society of the Institute of Insurance Economics at the University of St. Gallen. He has been treasurer of the Swiss Employers Confederation since the end of June 2022.

**Carsten Stolz** (1968, Germany/Switzerland, Dr rer. pol.) studied business economics at Fribourg University and gained a doctorate specialising in financial management. He holds an Executive Master in Change from INSEAD. He joined the Baloise Group in 2002 as Head of Financial Relations. From 2009 to 2011, he was the Baloise Group's Head of Financial Accounting & Corporate Finance. Between 2011 and 2017, he was Head of Finance and Risk, and thus a member of the Executive Committee, at Baloise in Switzerland. Dr Carsten Stolz has been Head of Corporate Division Finance since May 2017 and is a member of the Corporate Executive Committee. He is an executive director at creace GmbH and a member of the Finance and Regulation Committee of the Swiss Insurance Association (SVV).



With the exception of the mandates listed above, no Corporate Executive Committee members serve on the Boards of Directors at companies outside the Baloise Group. There are no management agreements that assign executive functions to third parties. Further information on the members of the Corporate Executive Committee can be found on the website.

[www.baloise.com/corporate-executive-committee](http://www.baloise.com/corporate-executive-committee)

## Management structure

(as at 31 December 2022 )



\* Member of the Corporate Executive Committee.

### Events after the balance sheet date

Gert De Winter has decided to step down as Group CEO this summer. The Board of Directors of Baloise Holding Ltd has appointed Michael Müller (52) to replace him with effect from 1 July 2023. Michael Müller is currently Head of Corporate Division Switzerland. The process to find his successor has already begun.

### 5. Remuneration, shareholdings and loans

The Remuneration Report in **Appendix 1** to the Corporate Governance Report (page 53 onwards) describes the remuneration policies adopted and the remuneration system in place, and contains in particular the remuneration paid and the loans granted to members of the Board of Directors and the Corporate Executive Committee in 2022 as well as the investments they hold. The content and scope of these disclosures are determined by articles 734 to 734f OR, the corporate governance information guidelines published by SIX Swiss Exchange AG (version as at 29 June 2022) and economisuisse's Swiss Code of Best Practice for Corporate Governance.

The report of the external auditors on the audit of the Remuneration Report can be found in **Appendix 2** to the Corporate Governance Report (page 77 onwards).

### 6. Shareholder participation rights

#### Voting rights

The share capital of Baloise Holding Ltd consists solely of uniform registered shares. Each share confers the right to one vote. No shares carry preferential voting rights. To ensure a broad-based shareholder structure and to protect minority shareholders, no person (as defined in article 5 of the Articles of Association) is registered as holding more than 2 per cent of voting rights, regardless of the size of their shareholding. The Board of Directors can approve exceptions to this provision if a majority of two-thirds of all its members is in favour (article 5 of the Articles of Association). There are currently no exceptions. A motion will be submitted to the Annual General Meeting on 28 April 2023 proposing that shareholders be allowed to delegate the exercise of their voting rights to the independent proxy and, in a change to the current rules, to persons of their choosing rather than just to other shareholders. When exercising voting rights, no person (with the exception of the independent proxy) can accumulate more than one-fifth of the voting shares at the Annual General Meeting directly or indirectly for his or her own votes or proxy votes (article 16 of the Articles of Association).

Powers of attorney and voting instructions may also be given to an independent proxy electronically without requiring a qualifying electronic signature (article 16 [2] of the Articles of Association).

### Statutory quorums

The Annual General Meeting is quorate regardless of the number of shareholders present or proxy votes represented, subject to the mandatory cases stated by law (article 17 of the Articles of Association).

The consent of at least three-quarters of the votes represented at the Annual General Meeting is required to suspend or create exemptions from statutory restrictions on voting rights. The votes must also represent at least one-third of the total shares issued by the Company. This qualified majority also applies to the cases specified in article 17 (3)(a) to (h) of the Articles of Association. Otherwise, resolutions are adopted by a majority of the votes cast, subject to compulsory legal provisions (article 17 of the Articles of Association).

### Convening the Annual General Meeting

The Annual General Meeting generally takes place in April, but must be held within six months of the end of the previous financial year. Baloise Holding Ltd's financial year ends on 31 December. The Annual General Meeting is convened at least 20 days before the date of the meeting. All registered shareholders receive a personal invitation, which includes the agenda. The invitation and the agenda are published in the Swiss Official Gazette of Commerce and on the website.

The Annual General Meeting, the Board of Directors or the external auditors decide whether to convene extraordinary general meetings. Furthermore, legal provisions also require the Board of Directors to convene an extraordinary general meeting if requested by the shareholders (article 11 of the Articles of Association). Article 699 (3) OR states such requests must be made by shareholders who represent at least 5 per cent of the share capital or the votes.

### Requesting agenda items

The statutory provisions concerning shareholder requests to place items on the agenda were changed as a result of the company law reform that came into effect on 1 January 2023. Accordingly, the Annual General Meeting on 28 April 2023 will be asked to update article 14 of the Articles of Association. Shareholders representing at least 0.5 per cent of the share capital or votes will now be able to demand that items be placed on the agenda or motions submitted. As before, such requests must be submitted in writing to the Board of Directors at least six weeks before the Annual General Meeting is held, giving details of the agenda item and the motion to be put to the Annual General Meeting (article 14 of the Articles of Association).

### Entry in the share register

Shareholders are entitled to vote at the Annual General Meeting provided they are registered in the share register as shareholders with voting rights on the cut-off date stated by the Board of Directors in the invitation. The cut-off date should be several days before the Annual General Meeting (article 16 of the Articles of Association).

Article 5 of the Articles of Association determines whether nominee entries are permissible, taking into account any percentage limits and entry requirements. The procedures and requirements for suspending and restricting transferability are set out in article 5 and article 17 of the Articles of Association.

[www.baloise.com/rules-regulations](http://www.baloise.com/rules-regulations)

[www.baloise.com/calendar](http://www.baloise.com/calendar)

## 7. Changes of control and poison-pill measures

Shareholders or groups of shareholders acting together by agreement are required to issue a takeover bid to all other shareholders when they have acquired more than 33 1/3 per cent of all Baloise shares. Baloise Holding Ltd has not made any use of the option to deviate from or waive this regulation. There is no statutory opting-out clause or opting-up clause as defined by the Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading (FinfraG).

The members of the Corporate Executive Committee have a notice period of twelve months. Baloise has not agreed any arrangements in respect of changes of control or non-compete clauses with members of either the Board of Directors or the Corporate Executive Committee.

## 8. External auditors

The external auditors are elected annually by the Annual General Meeting. Ernst & Young AG (EY), Basel, has been the external auditing firm for Baloise since 2016. Christian Fleig holds the post of auditor-in-charge. In accordance with article 730a (2) OR, the role of auditor-in-charge is rotated every seven years. EY is the external auditing firm for almost all Group companies.

### External auditors' fees

	2021	2022
CHF (including outlays and VAT)		
Audit fees	5,025,285	6,489,699
Consulting fees	48,369	27,342
<b>Total</b>	<b>5,073,654</b>	<b>6,517,041</b>

## Corporate Governance

Audit fees paid to EY include fees for engagements with a direct or indirect connection to a particular audit engagement and fees for audit-related activities (namely, statutory and regulatory special audits).

The services were rendered in accordance with the relevant provisions on independence set forth in the Swiss Code of Obligations, the Swiss Audit Supervision Act and FINMA Circular 2013/3 on 'auditing' published by the Swiss Financial Market Supervisory Authority (FINMA).

At its meetings, primarily at meetings about the annual and half-year financial statements, the Audit Committee received detailed explanations and documents about the external auditors' main findings from the auditors' representatives.

The performance of the external auditors and their interaction with Group Internal Audit, Risk Management and Compliance are assessed by the Audit Committee. The Audit Committee's discussions with the external auditors focus on the audit work the latter have undertaken, their reports and the material findings and most important issues raised during the audit.

Before the start of the annual audit, the Audit Committee reviews the scope of the audit and suggests areas that require special attention. The Audit Committee reviews the external auditors' fees, their independence and the quality of the service.

## 9. Information policy

### Information principles

Baloise provides (potential) shareholders, investors, employees, customers and the public with information on a regular, open and comprehensive basis. All registered shareholders each receive a summary of the Annual Report once a year and a letter to shareholders every six months, which provide a review of business. The full Annual Report is sent to shareholders on request. In addition, a presentation is created for every set of financial statements that summarises the financial year or period for financial analysts and investors. All publications are simultaneously available to the public. All market participants receive the same information. Baloise offers teleconferences, podcasts, videos and live streaming in order to make information generally and easily accessible.

### Information events

Baloise provides detailed information about its business activities as follows:

- Details about its financial performance, targets, strategies and operations are provided at media conferences covering its annual and half-year financial statements.
- Teleconferences for financial analysts and investors take place when the annual and half-year financial statements are published. The events can then be downloaded as podcasts.
- Shareholders are informed about business during the year at the Annual General Meeting.
- Roadshows are regularly staged at various financial centres.
- At Investor Days, the Company presents its corporate strategy and targets as well as any other matters relevant to its business. The documents used for this and the recording of the event are made publicly available on various media.
- Ongoing relationships are maintained with analysts, investors and the media. Full details of individual Baloise events can be accessed at [www.baloise.com](http://www.baloise.com).

### Information about Baloise shares

Information about Baloise shares begins on page 40 of the Annual Review.

[www.baloise.com/baloise-share](http://www.baloise.com/baloise-share)

### Financial calendar

Important dates for investors are available at [www.baloise.com](http://www.baloise.com). This is where the publication dates for the annual and half-year reports and the Q3 interim statement are listed and where the date of the Annual General Meeting, the invitation to the Annual General Meeting, the closing date for the share register and any ex-dividend dates are published.

[www.baloise.com/calendar](http://www.baloise.com/calendar)

### Availability of documents

Annual and half-year reports, media releases, disclosures, recent announcements, presentations and other documents are available to the public at [www.baloise.com](http://www.baloise.com).

Please register for the latest corporate communications at [www.baloise.com/maillinglist](http://www.baloise.com/maillinglist).

[www.baloise.com/media](http://www.baloise.com/media)

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# Remuneration Report

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# Letter from the Chairman of the Remuneration Committee

### Dear shareholders,

I took over the role of Chairman of the Remuneration Committee at the Annual General Meeting at the end of April 2022. Now, I am delighted to present to you the first remuneration report of my tenure and to inform you about the activities of the Remuneration Committee in the reporting year.

At the 2022 Annual General Meeting, a binding vote was held on the maximum total remuneration for the Board of Directors and the Corporate Executive Committee, and an advisory vote was held on the remuneration report, in order to give our shareholders the opportunity to express their opinion of our remuneration policies. The shareholders approved the proposed remuneration figures for the Board of Directors and the Corporate Executive Committee with a large majority. In contrast, the advisory vote on the remuneration report returned an approval rate of 79.3 per cent.

This result prompted us to engage in a dialogue with our investors and shareholder representatives in order to gain a better understanding of their reservations about our remuneration policies. I personally participated in a number of these conversations. The Remuneration Committee used the insights gained during this process in order to implement measures to improve our remuneration system and our disclosure practices.

An overview of the outcomes of these improvement measures is provided on the next three pages of this report. It summarises the issues raised by our dialogue partners along with information on how the Remuneration Committee addressed each of them.

The structure of the remuneration report was also improved as a result of this review process. It has now been subdivided into a 'static' and a 'dynamic' part. Chapter 7 gives the reader direct access to the remuneration data for the reporting year. Chapters 3 to 6 describe our remuneration governance and principles and the remuneration systems for the Board of Directors and the Corporate Executive Committee in more general terms, without reference to the actual remuneration paid in any specific year.

As announced in the 2021 remuneration report, the short-term variable remuneration model was simplified significantly with effect from 2022 and aligned more closely with the Company's strategic objectives. The 2022 remuneration report provides the first comprehensive explanation of the new, simplified performance pool (see page 63). The model is centred on the cash remittance into Bâloise Holding, which also forms the basis for the distributions to shareholders, and on four supplementary performance quality metrics: strategic customer targets, employee targets, a sustainability assessment and an integral risk assessment.

The report also explains which factual criteria were applied by the Remuneration Committee in its determination of the performance pool factor (see page 71).

These are just two examples of the changes that the Remuneration Committee has adopted in the reporting year. We are confident that the improved transparency and clearer structure will meet the expectations of our shareholders.

On behalf of all members of the Remuneration Committee, I would like to thank you, our esteemed shareholders, for your interest and your trust.

Basel, March 2023



**Christoph Mäder**

Chairman of the Remuneration Committee

## 1. Shareholder engagement

At the 2022 Annual General Meeting, the remuneration report received an approval rate of 79.3 per cent. The Baloise Group used this as an opportunity to enter into a dialogue with institutional shareholders and proxy advisors in order to understand and address their concerns. The shareholders raised concerns about certain aspects of the remuneration systems for the Corporate Executive Committee and the Board of Directors and our reporting on these systems. A summary of the issues raised and the responses to each is provided below.

### Shareholder concerns

### Response from Baloise

#### **Determination of the performance pool:**

The process for the determination of the performance pool (concept, performance targets and results) is not explained in sufficient detail.

We have improved the disclosure significantly by providing a more detailed description of the performance pool mechanism. This includes information on financial and non-financial key performance indicators of relevance to the determination of the performance pool and the reasons why these KPIs were selected. In order to further increase transparency, we have also decided to disclose the medium-term target linked to each KPI, as well as information on the progress made towards each target in the reporting year and the impact of this progress on the performance pool for the Corporate Executive Committee. Illustrations were added to make the performance pool mechanism easier to understand.

#### **Performance pool allocation:**

The way in which the performance pool is allocated across the members of the Corporate Executive Committee and the extent of discretion used in the process are not made transparent.

Personal performance pool payments are allocated to the individual members of the Corporate Executive Committee by means of a formalised process that is based on predefined performance targets for teams and individuals. This report provides more detailed information on the performance pool allocation process and its outcomes in the reporting year.

#### **Disclosure of short-term variable remuneration (STI) shares at the purchase price:**

The STI shares awarded to the Corporate Executive Committee and the restricted shares granted to the Board of Directors are stated at their discounted value in the remuneration tables.

Disclosure of the allocations of restricted shares to members of the Corporate Executive Committee and members of the Board of Directors is now based on the market value of the shares.

## Shareholder concerns

## Response from Baloise

### Remuneration mix:

Too much emphasis is placed on short-term remuneration.

Although the amount of short-term variable remuneration paid is based on annual performance, members of the Corporate Executive Committee receive at least 50 per cent of their short-term variable remuneration (a high proportion compared with industry peers) in the form of deferred shares that are subject to a three-year closed period during which they are exposed to the usual share price volatility. When also taking long-term variable remuneration into account, the members of the Corporate Executive Committee receive an expected proportion of 70 per cent of their total variable remuneration in the form of deferred shares or prospective entitlements, while only 30 per cent is paid out directly in cash. The high proportion of remuneration in shares (including prospective entitlement) sharpens the focus on shareholder interests and underlines the long-term orientation of the remuneration system. We will review the weighting of long-term variable remuneration in 2023.

### Long-term variable remuneration (LTI):

LTI is based on just one vesting condition, the relative total shareholder return (TSR).

The relative TSR measures the company's ability to achieve higher returns for its shareholders than peer companies. Consequently, this vesting condition is strongly focused on shareholder interests because executive remuneration is tied directly to the return for shareholders. We will review the vesting conditions for long-term variable remuneration in 2023.

### Payment of LTI:

If the relative performance level is below the median of the peer group, the LTI payment may be reduced to a partial payout.

Our remuneration philosophy follows an approach under which a market-typical level of remuneration is paid for performance that is in line with expectations (i.e. 100 per cent attainment). Baloise's aim is to design incentive plans with an appropriate amount of scalability (no 'all or nothing' plans). This means that a small payment can still be made even if performance fell short of the agreed targets. Baloise thus recommends a partial payout if the performance at least exceeds the first quartile of the relevant peer group. By contrast, remuneration for outstanding performance should be capped at 200 per cent. This concept strikes a healthy balance between the Company's pay-for-performance philosophy and its obligation to use sustainable remuneration programmes that do not provide inappropriate incentives. The statistical probability of a median performance is 50 per cent. Making a median performance level the threshold for any payout would therefore mean that no payment would be awarded under the incentive plan in 50 per cent of all cases.

## Shareholder concerns

## Response from Baloise

**Policy on share ownership:**

Performance share units (PSUs) are taken into account in mandatory share ownership compliance checks.

Baloise introduced mandatory share ownership requirements in 2018 in order to align the interests of executives more closely with the interests of shareholders. Currently, PSUs that have not yet been converted still count towards the shares owned by a member of the Corporate Executive Committee. This practice has drawn criticism. Going forward, PSUs that have been awarded but are as yet unvested will not be taken into account for the purposes of compliance with mandatory share ownership rules, because these shares have not been converted. In addition, the minimum share ownership requirement for the Group CEO will be raised to 300 per cent of their annual basic salary. This new policy applies with effect from 2023 and the new requirements must be met within a period of five years.

**Reductions of variable remuneration (malus) and clawback provisions:**

Events prompting clawbacks are not disclosed to a satisfactory level.

Baloise has decided to add expiry and clawback provisions to the short-term variable remuneration plan and to supplement the existing expiry provisions of the long-term variable remuneration plan with clawback provisions. In the event of a restatement due to a material breach of applicable financial reporting standards or an incident of misconduct on the part of an individual, the new provisions will enable the Remuneration Committee to reduce future variable remuneration elements (malus) or claw back payments that have already been made. For the members of the Corporate Executive Committee, these provisions will apply to short-term and long-term remuneration components granted in 2023.

**Annual General Meeting:**

In respect of the long-term variable remuneration plan, shareholders can vote on the value of the allocation, not on the maximum payment upon conversion.

The variable remuneration amount presented for shareholders to vote on represents the maximum possible payout under the short-term variable remuneration plan and the maximum allocation value under the long-term variable remuneration plan for the Corporate Executive Committee. This approach is in line with the disclosures made in the remuneration report, which comprise the actual payout under the short-term variable remuneration plan for the reporting year and the value of the allocation granted in the reporting year under the long-term variable remuneration plan. By choosing an approach that is aligned with the disclosures made in the remuneration report, we ensure that shareholders can directly compare the remuneration amount they approved with the remuneration amount that was actually paid out and reported. In the remuneration report, we also disclose the maximum multiplier for the long-term variable remuneration plan in the year of allocation, the multiplier achieved in the year in which the awarded shares vest, and the gain in value of each plan upon vesting (including share price performance). Moreover, the remuneration report is presented to the shareholders for an advisory vote at the Annual General Meeting. This vote is a useful opportunity for shareholders to express their opinion on the remuneration policies and programmes.

## Remuneration Report

### 2. Overview of remuneration

#### Remuneration system for the Board of Directors

The members of the Board of Directors receive fixed remuneration for their service as members of the board and its committees, as set out in the table below. These amounts provide appropriate compensation for the responsibility and workload involved in their various functions and have not been raised since 2008.

#### Board of Directors' fees and mandatory share ownership

	CHF thousand / year	of which shares in Baloise Holding Ltd <sup>1</sup>
Total fee – Chairman	1,300	1/3
Base fee – Member	125	1/4
Additional fee – Vice-Chairman	50	1/4
Additional fee – Chair of Committee	70	1/4
Additional fee – Committee Member	50	1/4
Mandatory share ownership		1,000 shares each

<sup>1</sup> The share elements of the fee are blocked for three years, the 1,000 mandatory shares until resignation.

#### Remuneration paid to the members of the Board of Directors for the reporting year

The Annual General Meeting held on 30 April 2021 approved an amount of CHF 3.4 million for the remuneration (including

social security contributions and Share Subscription Plan discount) payable to the Board of Directors for 2022. The amount paid out was CHF 3.4 million.

#### Remuneration system for the Corporate Executive Committee

Members of the Corporate Executive Committee of the Baloise Group receive fixed remuneration and variable remuneration that comprises a short-term component (performance pool) and a long-term component (performance share units, PSUs). At least 50 per cent of short-term variable remuneration is awarded in shares. PSUs under the long-term variable remuneration plan are prospective entitlements to shares that are either converted and definitively allocated after three years or expire at this point, depending on whether or not the performance requirement has been met.

These elements ensure that remuneration is competitive and reflective of performance. They also incentivise recipients to achieve ambitious targets while simultaneously emphasising the importance of sustainable management practices. In addition, they strengthen the Company's ability to retain high performers and to align their interests with those of stakeholder groups, particularly the shareholders.

All elements of Corporate Executive Committee remuneration are determined individually by the Remuneration Committee in keeping with the maximum amounts approved by the Annual General Meeting.

Description	Purpose
<b>Fixed remuneration</b> <ul style="list-style-type: none"> <li>Basic salary</li> <li>Fringe benefits</li> <li>Social security contributions</li> </ul>	<ul style="list-style-type: none"> <li>Competitiveness in the marketplace</li> <li>Fairness and transparency</li> <li>Financial hedging</li> </ul>
<b>Short-term variable remuneration</b> <ul style="list-style-type: none"> <li>Performance pool</li> <li>Paid in cash and restricted shares</li> </ul>	<ul style="list-style-type: none"> <li>Remuneration for the achievement of annual targets (Company, team and individual targets)</li> <li>Participation in the success of the business</li> </ul>
<b>Long-term variable remuneration</b> <ul style="list-style-type: none"> <li>Performance share units (PSUs)</li> </ul>	<ul style="list-style-type: none"> <li>Strengthening of senior managers' loyalty, to the Company</li> <li>Alignment of senior managers' interests with those of shareholders</li> </ul>

#### Remuneration paid to the members of the Corporate Executive Committee for the reporting year

The Annual General Meeting held on 30 April 2021 approved an amount of CHF 4.0 million for the fixed remuneration (including social security contributions) payable to the Corporate Executive Committee for 2022. The amount paid out was CHF 4.0 million. In addition, the Annual General Meeting held

on 29 April 2022 approved a maximum amount of CHF 4.8 million for the variable remuneration (including social security contributions and discounted subscriptions under the Share Subscription Plan) payable for 2022. The total amount paid out was CHF 3.6 million. The chart below shows the remuneration of the individual members of the Corporate Executive Committee for 2022 and the breakdown by remuneration component.

Name	Year	Fixed (%)	Short-term variable (%)	Long-term variable (%)	Total
Gert De Winter	2022	55%	27%	18%	CHF 2.1 million
Dr Alexander Bockelmann	2022	56%	27%	17%	CHF 1.4 million
Dr Matthias Henny	2022	58%	26%	16%	CHF 1.2 million
Michael Müller	2022	54%	30%	17%	CHF 1.7 million
Dr Carsten Stolz	2022	58%	26%	17%	CHF 1.2 million

■ Fixed (includes basic salaries, non-cash remuneration and employer contributions to the state-run social security schemes and the occupational pension scheme)

■ Short-term variable remuneration (includes payments from the performance pool in shares and cash)

■ Long-term variable remuneration (includes allocations of shares)

### 3. Governance

#### Remuneration-related provisions in the Articles of Association

Article 31 of the Articles of Association of Baloise Holding Ltd defines the approval process for the remuneration of members of the Board of Directors and the Corporate Executive Committee. The process involves separate approvals of:

- the total amount of remuneration for the Board of Directors for the next financial year;
- the total amount of fixed remuneration for the Corporate Executive Committee for the next financial year;
- the maximum amount of variable remuneration payable to the Corporate Executive Committee for the current financial year.

The Articles of Association of Baloise Holding Ltd also stipulate the applicable remuneration principles and include the following provisions:

- mandatory share ownership rules for the Board of Directors (Article 20)
- term of remuneration contracts (Article 29)
- additional amount for the remuneration paid to Corporate Executive Committee members appointed since the last Annual General Meeting (Article 30)
- principles of variable remuneration (Article 32)
- loans and credit facilities (Article 34)

[www.baloise.com/en/home/investors/shareholders/articles-of-association](http://www.baloise.com/en/home/investors/shareholders/articles-of-association)

#### Remuneration Committee of the Board of Directors

The Remuneration Committee is tasked with helping the Board of Directors to frame the Company's remuneration policy. It has been vested with special powers and ensures, among other things, that:

- the remuneration offered by Baloise is in line with the going market rate and performance-related in order to attract and retain individuals with the necessary skills and character attributes;
- remuneration paid is demonstrably dependent on the Company's sustained success and individuals' personal contributions and does not create any false incentives;
- the structure and amount of overall remuneration are consistent with Baloise's risk policies and encourage risk awareness.

#### Approval structure

	Group CEO	Chairman of the Board of Directors	Remuneration Committee	Board of Directors	Annual General Meeting
Remuneration policies			Proposal	Approval	
Maximum total remuneration for the Board of Directors and the Corporate Executive Committee			Proposal	Review	Approval (binding vote)
Remuneration for the Chairman of the Board of Directors			Proposal	Approval	
Remuneration for the Group CEO		Proposal	Approval		
Remuneration for the Corporate Executive Committee	Proposal		Approval		
Remuneration report			Proposal	Approval	Advisory vote

The Remuneration Committee's main functions and responsibilities are to:

- submit proposals to the Board of Directors on the structure of remuneration in the Baloise Group;
- submit proposals to the Board of Directors – for approval by the Annual General Meeting – on the maximum amount of remuneration for the Chairman and members of the Board of Directors and for the members of the Corporate Executive Committee;
- approve the basic salaries and the variable remuneration paid to individual members of the Corporate Executive Committee (in compliance with the pay caps stipulated by the Annual General Meeting);
- specify the total amount available in the performance pool and the total amount set aside for the allocation of performance share units (PSUs);
- approve inducement payments and severance packages for senior managers that, in individual cases, exceed CHF 100,000 (subject to the proviso that members of the Board of Directors or the Corporate Executive Committee may not be granted severance packages and may be granted an inducement payment only in order to offset a verifiable financial disadvantage).

The Remuneration Committee consists of at least three members of the Board of Directors, who are elected every year by the Annual General Meeting. Christoph Mäder (Chairman), Prof. Dr Hans-Jörg Schmidt-Trenz (Deputy Chairman), Christoph Gloor and Dr Karin Lenzlinger Diedenhofen were elected to the Remuneration Committee by the Annual General Meeting on 29 April 2022. The Remuneration Committee maintains a regular dialogue with senior management throughout the year and meets at least three times per year. In addition to the committee secretary being present, these meetings are usually also attended by the Group CEO and the Head of Group Human Resources, who participate in an advisory capacity. The Group CEO leaves the meeting when his personal remuneration is being discussed and decided. The Chairman of the Remuneration Committee reports to the Board of Directors at its next meeting on the committee's activities.

## 4. Remuneration principles

The remuneration principles and parameters applied across the Baloise Group have been set out in a Remuneration Guideline. This Remuneration Guideline applies to all employees throughout the Baloise Group. It is based on the principles set out in the sections below.

### Competitiveness in the marketplace

Baloise aims to pay basic salaries that are broadly in line with the market, i.e. around the market median. Total remuneration should exceed the market median in the event of outstanding performance by the Company and outstanding individual performance. Baloise therefore regularly compares the salaries paid to its employees with those paid in the wider market in Switzerland and Europe. This involves taking part in benchmarking surveys conducted by Willis Towers Watson and Kienbaum. In 2021, Baloise participated in Willis Towers Watson's standard survey on executive compensation. As surveys of this type cover a wide spectrum of companies, the peer group used to benchmark the remuneration for the Corporate Executive Committee is broad-based and includes companies from outside the financial sector.

In 2022, a market analysis of executive remuneration structures was carried out with support from PwC. Two peer group data sets were used for this purpose. One set comprised 26 SMIM companies, namely Adecco, Bachem, BB Biotech, Clariant, EMS, Galenica, Kühne + Nagel, PSP, SIG Combibloc, Straumann, Swiss Prime Site, Temenos, Zur Rose, ams, Barry Callebaut, Cembra, Dufry, Flughafen, Georg Fischer, Julius Baer, Lindt, Schindler, Sonova, Swatch, Tecan and VAT (cross-sectoral peer group), while the other comprised listed Swiss companies, namely Helvetia, Swiss Life, Swiss Re and Zurich Insurance (insurance peer group).

### Individual performance and the Company's success

As a performance-driven organisation, Baloise always maintains a clear and transparent link between the Company's strategic targets, team targets and the targets of individual employees. The amount of short-term variable remuneration is influenced by the individual contributions to the achievement of these targets.

### Fairness and transparency

In addition to the regular benchmarking of overall remuneration against the market, Baloise also aims to ensure that pay within the Company is fair when setting salary levels. Baloise applies the fair-pay principle that people who do the same job and have the same qualifications should be paid the same amount. Baloise carried out a wage equality analysis in Switzerland in 2013 and again in 2018. In both cases, differences in pay that could not be objectively explained were below the Swiss government's defined tolerance threshold of 5 per cent. A further wage equality analysis

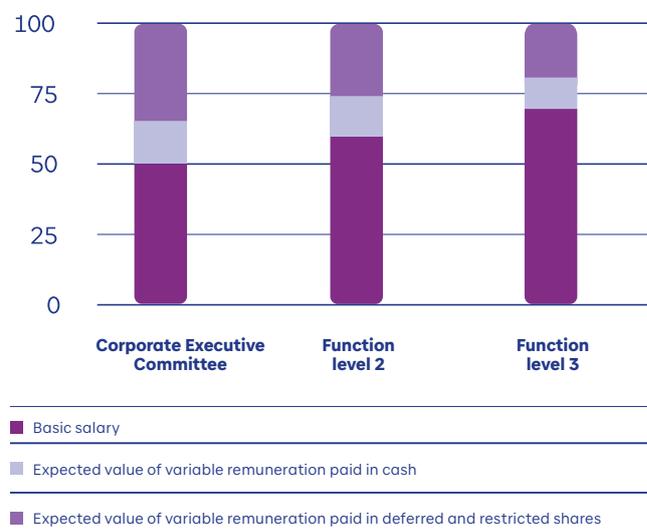
was conducted in 2021 in connection with the amended Swiss Gender Equality Act. Baloise received support from PwC with its EQUAL-SALARY method. The findings of the analysis confirmed that wage equality for women and men had been maintained at Baloise in accordance with the provisions of the Gender Equality Act. The findings were confirmed both by Ernst & Young and by Baloise's employee commission in an independent audit.

### Sustainable remuneration

Baloise attaches considerable importance to managing its business sustainably and retaining high performers. It also matters to Baloise that its remuneration not only is competitive and achievement-oriented but also encourages managerial staff to align their long-term focus with the interests of stakeholders, particularly shareholders. To this end, the remuneration system provides for a significant portion of the variable remuneration to be awarded in shares that are restricted for three years and exposed to market risk during this period. Furthermore, the three most senior function levels receive performance share units, which means that a further component of their salaries is paid out as prospective entitlements; these PSUs must be held for three years before being converted into shares as a form of deferred remuneration. Both the proportion of variable remuneration in the total pay package and the proportion of remuneration awarded in restricted shares or as deferred remuneration increases in line with employees' scope of strategic responsibility and influence.

Excessive remuneration is prevented by means of clearly defined caps for the remuneration of the Board of Directors and the Corporate Executive Committee that are approved by the Annual General Meeting.

### Remuneration structure of the three most senior function levels



## 5. Remuneration system for the Board of Directors

The members of the Board of Directors receive fixed remuneration for their service as members of the board. The Chairman of the Board of Directors performs his various functions on a full-time basis, in return for which he is paid a fixed fee of CHF 1,300,000. He is not entitled to any variable remuneration. The tasks of the Chairman are described in more detail in the corporate governance report (pages 42 & 43).

All other members of the Board of Directors receive CHF 125,000. The Vice-Chairman of the Board of Directors receives an additional fee of CHF 50,000. The additional fee for the chair of a committee is CHF 70,000, while committee members receive an additional fee of CHF 50,000.

The members of the Board of Directors are obliged to lodge 1,000 shares with the Company for the duration of their term of appointment (Article 20 of the Articles of Association). They do not participate in any share ownership programmes that are predicated on the achievement of specific performance targets.

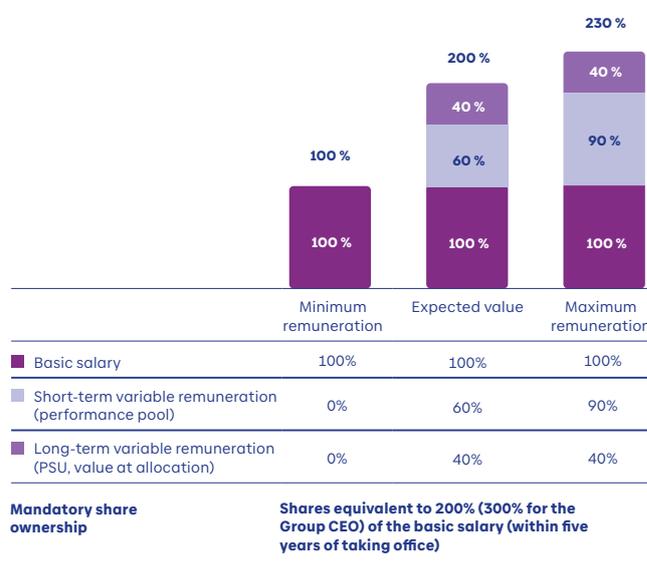
These amounts provide appropriate compensation for the responsibility and workload involved in their various functions and have not been raised since 2008.

One-third (Chairman) or one-quarter (other members) of the annual remuneration is awarded in the form of shares that remain restricted for three years. The subscription price is based on the closing price on the first trading day in June, on which the same 10 per cent discount is granted as on shares under the Share Subscription Plan.

	Relevant closing price	
	as at	CHF
Shares received by members of the Board of Directors 2022	01.06.2022	161.70
Shares received by members of the Board of Directors 2021	01.06.2021	149.10

## 6. Remuneration system for the Corporate Executive Committee

### Remuneration structure



### Basic salary

The basic salary constitutes the level of remuneration that is commensurate with the functions and responsibilities of the position concerned. A market comparison of basic salary is carried out periodically. Fair pay within the Baloise Group is also taken into consideration. The Baloise Group applies the fair-pay principle that people who do the same job and have the same qualifications should be paid the same amount.

### Short-term variable remuneration: performance pool

Short-term variable remuneration is the reward for achieving annual targets. It is distributed from the performance pool, which is the total amount of short-term variable remuneration that is to be distributed. The aim of the performance pool is to reward members of the Corporate Executive Committee and other eligible employees in a measure that reflects the extent to which their achievements in the preceding year have contributed to achieving the Company's targets and satisfying the interests of shareholders.

Members of the Corporate Executive Committee and employees at senior management level are eligible for performance pool payments.

## Remuneration Report

The variable remuneration paid to employees who perform control functions (Risk Management, Compliance, Group Internal Audit and the Appointed Actuary) is structured in such a way that it is not determined directly by the profitability of the unit being monitored or by the profitability of individual products or transactions. The Remuneration Committee reviews the remuneration paid to the heads of the control functions on an annual basis.

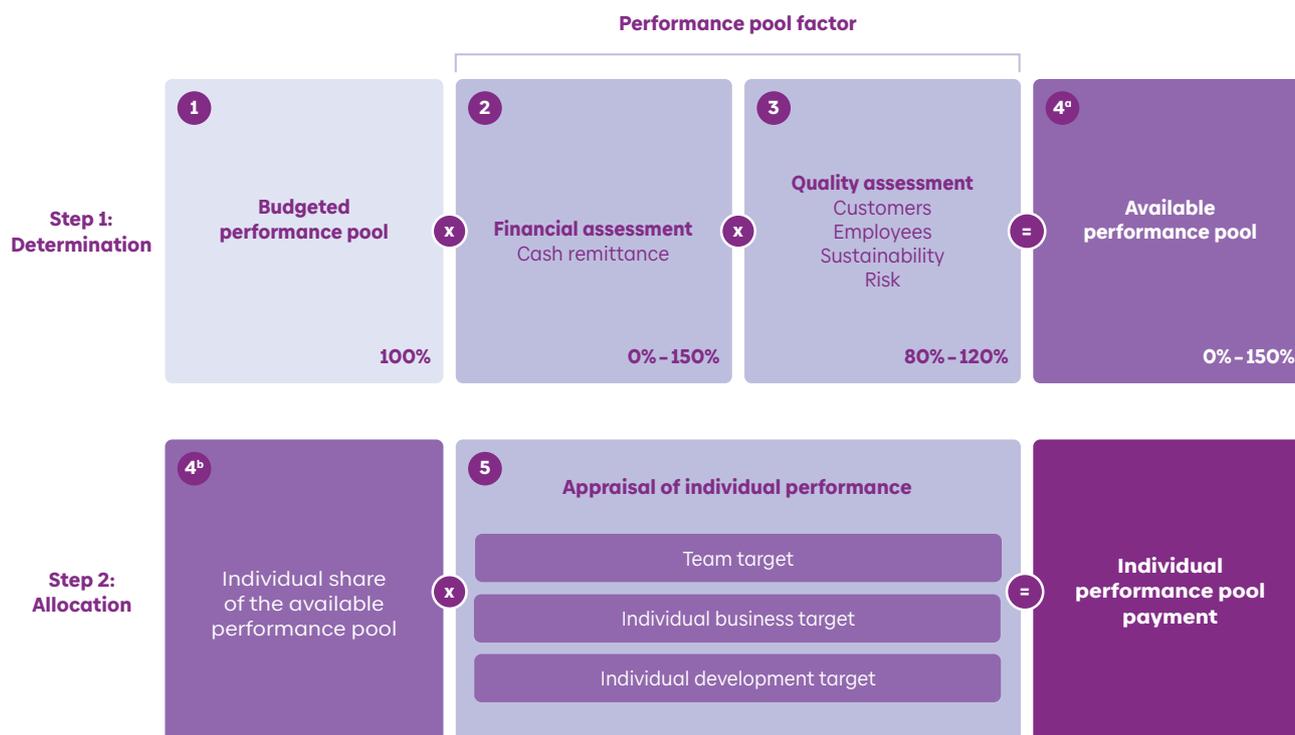
Those entitled to receive short-term variable remuneration generally have a choice as to what percentage of their remuneration is paid out and what proportion they receive in the form of shares with a closed period of three years (see the 'Share Subscription Plan' section of this chapter). This choice is limited for senior managers, who are obliged to subscribe for shares on a sliding-scale basis. The members of the Corporate Executive Committee must receive at least 50 per cent of their short-term variable remuneration in the form of shares in order to ensure that their own interests are more strongly aligned with those of shareholders. This mandatory purchase of shares ensures that, compared with the market as a whole, a significant proportion of their remuneration is granted in the form of deferred shares. The expectation is that deferred shares make up 70 per cent of variable remuneration, which equates to 35 per cent of total remuneration (see chart on page 68).

The Remuneration Committee decides on the short-term variable remuneration awarded to the individual members of the Corporate Executive Committee from the available performance pool. It uses team targets as well as personal performance and development targets as a basis for these decisions. Team targets are used to assess collaboration across business units and national subsidiaries, and across all functions and departments. The quantitative targets include the achievement of the 2022 business plan of the Baloise Group and the achievement of milestones for strategic goals regarding employee satisfaction, growth of the customer base, and the cash remittance to Baloise Holding Ltd. The qualitative targets relate to the successful launch of strategic initiatives.

The allocation is based on proposals submitted to the Remuneration Committee by the Chairman of the Board of Directors for the Group CEO and by the Group CEO for the other members of the Corporate Executive Committee. The Committee discusses each individual member, assessing their performance during the year under review and any changes compared with the prior year.

Short-term variable remuneration is measured on the basis of the performance pool factor. The Remuneration Committee determines the performance pool factor for the preceding year. To this end, the Committee systematically analyses the achievement of targets using the following indicator model.

Indicator model, performance assessment and the resulting allocation of individual short-term variable remuneration



**1 Budgeted performance pool:**

Total sum of basic salary paid to the Corporate Executive Committee multiplied by the expected value of 60 per cent.

**2 Financial assessment:**

The financial assessment is based on the cash remittance to Baloise Holding Ltd. This key figure is one of Baloise's three strategic targets and forms the basis for enabling investors to share in the Company's success. The target achievement rate for the financial assessment is capped at 150 per cent.

**3 Quality assessment:**

In addition to the assessment of financial performance, the quality of the results is assessed on the basis of four strategic key factors – employee satisfaction, the sustainability strategy, risk management and the growth of our customer base. The Company's performance in these areas is evaluated annually, using medium-term ambitions as the benchmark. The result of this quality-focused assessment (80-120 per cent) is multiplied by the result of the financial assessment.

**4a Available performance pool:**

The Remuneration Committee reviews and approves the final size of the performance pool based on the aforementioned factors. The available performance pool is capped at 150 per cent of the budgeted performance pool. If the performance pool factor is set at 100 per cent, this means that the targets have been met and short-term variable remuneration will be allocated.

**5 Assessment of individual performance and determination of personal performance pool allocations:**

The Remuneration Committee discusses and evaluates the performance of each member of the Corporate Executive Committee in the relevant year under review on the basis of a shared team target and individual performance and development targets. This provides the Committee with a clear framework and a structured process within which it can use its discretion to make well-founded decisions. The allocation from the available performance pool (see 4b in the chart) to each member of the Corporate Executive Committee is determined in accordance with the appraisal of their individual performance.

## Remuneration Report

### Long-term variable remuneration: performance share units

The aim of long-term variable remuneration is to strengthen senior managers' loyalty to the Baloise Group and align the interests of senior management with the interests of stakeholder groups such as the shareholders. Long-term variable remuneration is granted in the form of performance share units (PSUs). PSUs are prospective entitlements to shares. At the beginning of each vesting period, the participating employees are granted rights in the form of PSUs, which entitle them to receive a certain number of shares free of charge after the vesting period has elapsed. The Remuneration Committee specifies the grant date and applies its own discretion in deciding which senior managers are eligible to participate. It determines the total number of PSUs available

and decides how many are to be awarded to each member of the Corporate Executive Committee.

The number of shares that can be subscribed after three years – i.e. at the end of the vesting period – depends on the total shareholder return (TSR) of Baloise Holding Ltd relative to a peer group. The peer group comprises the leading European insurance companies within the STOXX Europe 600 Insurance Index (see table below).

### Companies in the STOXX Europe 600 Insurance Index (as at 31 December 2022)

ADMIRAL GRP	BALOISE	LEGAL & GENERAL GRP	SCOR
AEGON	BEAZLEY	MUENCHENER RUECK	STOREBRAND
AGEAS	DIRECT LINE INSURANCE GROUP	NN GROUP	SWISS LIFE HLDG
ALLIANZ	GJENSIDIGE FORSIKRING	PHOENIX GROUP HDG	SWISS REINSURANCE COMPANY
ASR NEDERLAND NV	HANNOVER RUECK	POSTE ITALIANE	TRYG
ASSICURAZIONI GENERALI	HELVETIA HLDG	PRUDENTIAL	ZURICH INSURANCE GROUP
AVIVA	HISCOX	PZU GROUP	
AXA	HOMESERVE	SAMPO	

Source: <https://www.stoxx.com/index-details?symbol= SXIP>

One PSU generally represents an entitlement to one Baloise share. This is the case if the Baloise TSR performs in line with the median of the peer group during the vesting period. In this scenario, the performance multiplier is 1.0. Participants receive more shares in exchange for their PSUs if the Baloise TSR for the vesting period is higher than the TSRs of the peer group. The multiplier reaches the maximum of 2.0 if Baloise has the highest TSR of all companies in the peer group.

The multiplier amounts to 0 if the Baloise TSR is in the bottom quartile of companies in the peer group. If this happens, no PSUs are converted into shares and the prospective entitlements expire. Consequently, the performance multiplier increases on a linear basis from the bottom quartile upwards from 0.5 to 2.0 (see page 72).

The performance multiplier is based on the closing stock market prices on the final trading day, taking account of dividends paid.

Participants receive the pertinent number of shares once the three-year vesting period has elapsed.

If an individual's employment contract ends during the vesting period, the PSUs expire without the person concerned receiving any consideration or compensation. This does not apply if the employment contract ends due to retirement, disability or death. If the employment contract ends due to termination, the Remuneration Committee can, at its

discretion, apply a 'good leaver' procedure which means that only a proportion of awarded PSUs expire. In addition, the Remuneration Committee has the powers to claw back some or all of the PSUs allocated to an individual or to a group of participants if there are specific reasons for doing so (malus provision).

### Share Subscription Plan

Members of the Corporate Executive Committee are obliged to receive at least half of their short-term variable remuneration in the form of shares. Through the Share Subscription Plan, they can subscribe to dividend-bearing shares with a closed period of three years at a preferential price (10 per cent discount). The terms of the Share Subscription Plan are defined by the Remuneration Committee.

In order to simplify the remuneration model for the Corporate Executive Committee, the previous Share Participation Plan was discontinued with effect from 2022. The last allocation of shares under this plan was made in the spring of 2022 to award variable remuneration for 2021. Detailed information on this plan can be found in the 2021 remuneration report.

### **Mandatory share ownership rules for the Corporate Executive Committee**

Each member of the Corporate Executive Committee is required to hold at least 200 per cent of their basic salary – or 300 per cent in the case of the Group CEO – in free float or restricted shares within a period of five years from the start of their term of office. From 2023, awarded but as yet unvested PSUs will not be taken into account for the purposes of compliance with mandatory share ownership rules, because they have not been converted. In addition, the minimum share ownership requirement for the Group CEO has been raised to 300 per cent of their annual basic salary. This new policy applies with effect from 2023 and the new requirements must be met within a period of five years.

### **Reductions of variable remuneration (malus and clawback provisions)**

In the event of a restatement due to a material breach of applicable financial reporting standards or an incident of misconduct on the part of an individual, the Remuneration Committee may recalculate the allocation of short-term variable remuneration and use its discretion to reduce outstanding remuneration entitlements or let a proportion of allocated but as yet unvested PSUs expire (malus) for members of the Corporate Executive Committee. The Remuneration Committee may also demand that an amount of variable remuneration that has already been disbursed be paid back in part or in full by the members of the Corporate Executive Committee and/or that vested shares awarded in previous vesting periods be returned to the Company without consideration or compensation (clawback).

### **Employment contracts, change-of-control clauses, inducement payments and severance packages**

All members of the Corporate Executive Committee have a notice period of twelve months. There are no change-of-control clauses. No severance packages may be awarded to members of the Corporate Executive Committee. Inducement payments that do not compensate a demonstrable loss of entitlement to remuneration are not allowed. Any offsetting payments of this nature made at the start of an employment contract must be approved by the Remuneration Committee irrespective of the amount payable.

## Remuneration Report

### 7. Remuneration for the reporting year

#### A. Remuneration paid to the members of the Board of Directors

The Annual General Meeting held on 30 April 2021 approved an amount of CHF 3.4 million for the remuneration (including social security contributions and Share Subscription Plan discount) payable to the Board of Directors for 2022. The amount paid out was CHF 3.4 million.

#### Remuneration paid to the members of the Board of Directors

2021	Basic fee	Fee for additional functions	Total remuneration	Share Subscription Plan discount	Social security contributions	Total	Of which: in shares
CHF thousand							
<b>Dr Thomas von Planta</b>			941.7	36.0	10.5	988.2	343.5
Chairman of the Board of Directors (since 1 May 2021)	866.7						
Member of the Board of Directors (until 30 April 2021)	41.7						
Chairman's Committee (until 30 April 2021)		16.7					
Investment Committee (until 30 April 2021)		16.7					
<b>Dr Andreas Burckhardt (until 30 April 2021)</b>	440.0		440.0	6.1	-	446.1	110.0
Chairman of the Board of Directors		-					
<b>Dr Andreas Beerli</b>	125.0		295.0	8.6	-	303.6	82.3
Vice-Chairman of the Board of Directors		50.0					
Chairman's Committee		50.0					
Chair of the Audit and Risk Committee		70.0					
<b>Christoph B. Gloor</b>	125.0		225.0	6.6	6.2	237.8	62.8
Investment Committee		50.0					
Audit and Risk Committee		50.0					
<b>Hugo Lasat</b>	125.0		175.0	5.1	-	180.1	48.8
Investment Committee		50.0					
<b>Christoph Mäder</b>	125.0		175.0	5.1	6.2	186.3	48.8
Remuneration Committee		50.0					
<b>Dr Markus R. Neuhaus</b>	125.0		208.3	6.1	6.2	220.6	58.1
Remuneration Committee (since 1 May 2021)		33.3					
Audit and Risk Committee		50.0					
<b>Dr Karin Lenzlinger Diedenhofen (since 1 May 2021)</b>	83.3		116.7	3.4	5.8	125.9	32.5
Investment Committee		33.3					
<b>Thomas Pleines</b>	125.0		245.0	7.2	5.0	257.1	68.3
Chair of the Remuneration Committee		70.0					
Chairman's Committee		50.0					
<b>Prof. Dr Hans-Jörg Schmidt-Trenz</b>	125.0		175.0	5.1	-	180.1	48.8
Remuneration Committee		50.0					
<b>Prof. Dr Marie-Noëlle Venturi - Zen-Ruffinen</b>	125.0		225.0	6.6	6.2	237.8	62.8
Audit and Risk Committee		50.0					
Chairman's Committee (since 1 May 2021)		33.3					
Remuneration Committee (until 30 April 2021)		16.7					
<b>Total for the Board of Directors</b>	<b>2,431.7</b>	<b>790.0</b>	<b>3,221.7</b>	<b>95.9</b>	<b>46.1</b>	<b>3,363.6</b>	<b>966.6</b>

#### Explanatory notes to the table

As of 2022, the value of subscribed shares is stated at the market price. The disclosure of remuneration for 2021 has been adjusted accordingly. As a result of the fact that this report uses the closing price on 1 June 2022 (compared with the closing price on 31 May 2021 in the 2021 remuneration report), the reported total for the Board of Directors has increased by CHF 4,907. This is attributable exclusively to the adjusted valuation of the shares. **Social security contributions:** The information disclosed for 2021 includes the contributions that the employer is required by law to pay into the state-run social security schemes (up to the pensionable or insurable threshold in each case). Statutory employer contributions are made to a vocational pension scheme for the new Chairman of the Board of Directors, who was elected in April 2021 and works in this role on a full-time basis. No contributions to vocational pension schemes are made for the other members of the Board of Directors. **Shares:** A proportion of the contractually agreed overall remuneration is paid in shares, which remain restricted for three years. In 2021, the previous Chairman of the Board of Directors received half of his share-based remuneration in shares from the Share Subscription Plan for the Board of Directors (with a closed period of five years instead of the usual three years) and half in shares under the Share Participation Plan (excluding loan-financed shares). The new Chairman received all of his share-based remuneration under the Share Subscription Plan for the Board of Directors (with a closed period of three years).

## Remuneration paid to the members of the Board of Directors

2022	Basic fee	Fee for additional functions	Total remuneration	Share Subscription Plan discount	Social security contributions	Total	Of which: in shares
CHF thousand							
<b>Dr Thomas von Planta</b>	1,300.0		1,300.0	44.3	12.5	1,356.8	477.5
Chairman of the Board of Directors							
<b>Christoph Mäder</b>	125.0		255.0	6.5	6.2	267.7	70.2
Vice-Chairman of the Board of Directors (since 30 April 2022)		33.3					
Remuneration Committee (Member until 29 April 2022, Chair since 30 April 2022)		63.3					
Strategy and Governance Committee (since 30 April 2022)		33.3					
<b>Dr Maya Bundt (since 30 April 2022)</b>	83.3		116.7	3.0	5.8	125.5	32.0
Audit Committee		33.3					
<b>Claudia Dill (since 30 April 2022)</b>	83.3		116.7	3.0	5.8	125.5	32.0
Investment and Risk Committee		33.3					
<b>Christoph B. Gloor</b>	125.0		225.0	5.7	6.2	236.9	61.9
Investment and Risk Committee		50.0					
Audit Committee (until 29 April 2022)		16.7					
Remuneration Committee (since 30 April 2022)		33.3					
<b>Hugo Lasat</b>	125.0		175.0	4.5	–	179.5	48.2
Investment and Risk Committee		50.0					
<b>Dr Karin Lenzlinger Diedenhofen</b>	125.0		175.0	4.5	6.2	185.7	48.2
Investment and Risk Committee (until 29 April 2022)		16.7					
Remuneration Committee (since 30 April 2022)		33.3					
<b>Dr Markus R. Neuhaus</b>	125.0		238.3	6.1	6.2	250.6	65.7
Audit Committee (Member until 29 April 2022, Chair since 30 April 2022)		63.3					
Strategy and Governance Committee (since 30 April 2022)		33.3					
Remuneration Committee (until 29 April 2022)		16.7					
<b>Prof. Dr Hans-Jörg Schmidt-Trenz</b>	125.0		208.3	5.3	–	213.7	57.4
Remuneration Committee		50.0					
Audit Committee (since 30 April 2022)		33.3					
<b>Prof. Dr Marie-Noëlle Venturi - Zen-Ruffinen</b>	125.0		225.0	5.7	6.2	236.9	61.9
Strategy and Governance Committee		50.0					
Audit Committee		50.0					
<b>Dr Andreas Beerli (until 29 April 2022)<sup>1</sup></b>	41.7		98.3	2.5	–	100.8	27.0
Vice-Chairman of the Board of Directors		16.7					
Chair of the Audit Committee		23.3					
Strategy and Governance Committee		16.7					
<b>Thomas Pleines (until 30 April 2022)</b>	41.7		81.7	2.1	3.1	86.8	22.5
Chair of the Remuneration Committee		23.3					
Strategy and Governance Committee		16.7					
<b>Total for the Board of Directors</b>	<b>2,425.0</b>	<b>790.0</b>	<b>3,215.0</b>	<b>93.2</b>	<b>58.2</b>	<b>3,366.4</b>	<b>1,004.5</b>

### Explanatory notes to the table

<sup>1</sup> Prior to 2012, newly elected members of the Board of Directors only received six months' pay in the first calendar year. Remuneration for the first two months following election to the Board of Directors (May and June) was only paid following their departure. Dr Beerli was elected in 2011 and thus received remuneration totalling CHF 42,099 following his departure as remuneration for his first two months in the role in 2011. Since 2012, newly elected members of the Board of Directors receive a fee for the full eight months of their first calendar year and in the year of their resignation they are paid for just four months. **Social security contributions:** The information disclosed for 2022 includes the contributions that the employer is required by law to pay into the state-run social security schemes (up to the pensionable or insurable threshold in each case). Statutory employer contributions are made to a vocational pension scheme for the Chairman of the Board of Directors, who works in this role on a full-time basis. No contributions to vocational pension schemes are made for the other members of the Board of Directors. **Shares:** A proportion of the contractually agreed overall remuneration is paid in shares, which remain restricted for three years. Shares are stated on the basis of the closing price on 1 June 2022 (CHF 161.70)

## Remuneration Report

### Amounts receivable and remuneration on a non-arm's-length basis

No remuneration on a non-arm's-length basis was paid to former members of the Board of Directors or companies or individuals who are related to members of the Board of Directors. Related parties are spouses or life partners; children under 18 years or dependent family members; companies owned or controlled by directors; individuals who act as trustees for them; children, relatives, companies and trustees of the spouse or life partner. No amounts receivable from current or former members of the Board of Directors or any of the aforementioned persons or companies have been waived. No remuneration was paid to former members of the Board of Directors.

### B. Remuneration paid to the members of the Corporate Executive Committee

#### Remuneration for 2022

The actual level of remuneration paid to the Corporate Executive Committee is determined in accordance with the table below.

Type of remuneration	Determined by
Fixed remuneration for 2022	2021 Annual General Meeting
Variable remuneration for 2022	
- cap	2022 Annual General Meeting
- individual payment	Remuneration Committee in February 2022 for long-term variable remuneration and in February 2023 for short-term variable remuneration (in compliance with the cap set by the 2022 Annual General Meeting)

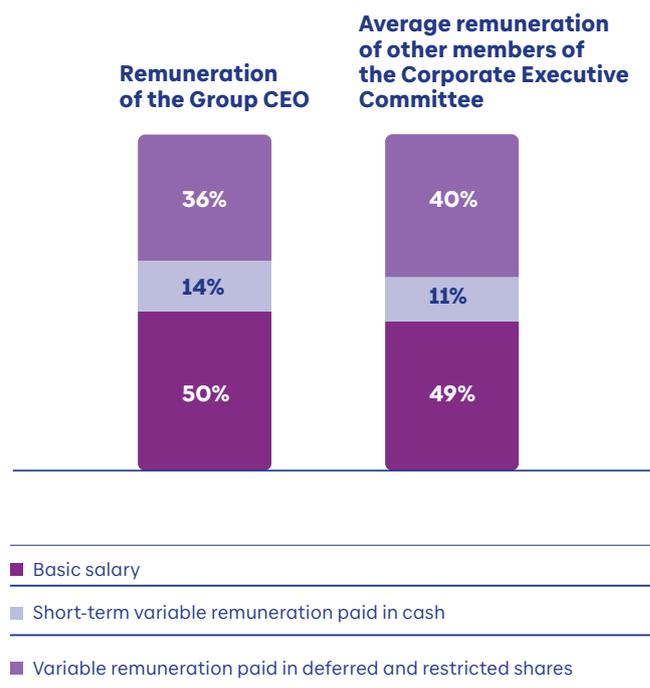
Subject to approval by the Annual General Meeting of the amendment to the Articles of Association, variable remuneration will be determined in advance for the following financial year from 2023 onwards (in line with the procedure for fixed remuneration).

The Annual General Meeting held on 30 April 2021 approved an amount of CHF 4.0 million for the fixed remuneration (including social security contributions) payable to the Corporate Executive Committee for 2022. The amount paid out was CHF 4.0 million. In addition, the Annual General Meeting held on 29 April 2022 approved a maximum amount of CHF 4.8 million for the variable remuneration (including social security contributions and discounted subscriptions under the Share Subscription Plan) payable for 2022. The total amount paid out was CHF 3.6 million.

On 1 March 2022, the performance share units allocated in 2019 were converted into shares as scheduled. These PSUs had a value of CHF 1.3 million at the time of allocation. The actual value of the shares granted was CHF 0.8 million.

The remuneration paid to the members of the Corporate Executive Committee for the 2021 and 2022 financial years is set out in the tables below. The disclosure is made in accordance with the accrual principle. The tables include all forms of remuneration awarded for performance in each financial year even if individual components are not paid until a later date.

#### Distribution of remuneration for 2022



## Remuneration paid to the members of the Corporate Executive Committee

	Basic salary		Variable remuneration			Total basic salary plus variable remuneration	Variable remuneration as percentage of basic salary	Non-cash benefits	Social security contributions	Total remuneration	
	Cash payment (fixed)	Cash payment (variable)	Share Subscription Plan	Share Participation Plan	PSU (granted in 2021)	Total variable remuneration					
2021											
CHF thousand											
<b>Gert De Winter</b>	950.0	313.6	329.0	-	380.0	1,022.5	1,972.5	108%	-	219.2	2,191.7
Group CEO											
<b>Dr Alexander Bockelmann</b>	600.0	59.5	207.8	138.6	240.1	645.9	1,245.9	108%	-	179.5	1,425.4
Head of Corporate Division IT											
<b>Dr Matthias Henny</b>	500.0	0.1	207.8	132.0	200.1	539.9	1,039.9	108%	5.0	197.1	1,241.9
Head of Corporate Division Asset Management											
<b>Michael Müller</b>	700.0	184.9	290.9	-	280.1	755.8	1,455.8	108%	7.0	198.3	1,661.1
Head of Corporate Division Switzerland											
<b>Dr Carsten Stolz</b>	500.0	165.1	173.1	-	200.1	538.2	1,038.2	108%	5.0	197.1	1,240.3
Head of Corporate Division Finance											
<b>Total for the Corporate Executive Committee</b>	<b>3,250.0</b>	<b>723.1</b>	<b>1,208.4</b>	<b>270.6</b>	<b>1,300.3</b>	<b>3,502.3</b>	<b>6,752.3</b>	<b>108%</b>	<b>16.9</b>	<b>991.2</b>	<b>7,760.4</b>

### Explanatory notes to the table

As of 2022, the value of subscribed shares under the Share Participation Plan is stated at the market price. The disclosure of remuneration for 2021 has been adjusted accordingly. As a result of the fact that this report uses the closing price on 1 March 2022 (rather than the closing price on the cut-off date for choosing the proportion of shares – 10 January 2022 – used in the 2021 remuneration report), the reported total for the Corporate Executive Committee has decreased by CHF 70,893. This is attributable exclusively to the adjusted valuation of the shares.

Remuneration is disclosed in accordance with the accrual principle. The table includes all forms of remuneration awarded for performance in 2021 even if individual components are not paid until a later date. Amounts are gross, before deduction of social security contributions, etc.

**Share Subscription Plan** Proportion of variable remuneration received directly as shares, which are valued at their market value as per closing price on the date of transfer of title, 1 March 2022 = CHF 150.00.

**Share Participation Plan** Proportion of variable remuneration received as shares (excluding loan-financed shares). In order to simplify the remuneration model for the Corporate Executive Committee, the Share Participation Plan has been discontinued with effect from 2022. Detailed information on this plan can be found in the 2021 remuneration report.

**PSU** Disclosure at the value as at the date of allocation (CHF 174.72), measured using a Monte Carlo simulation that calculates a present value for the payout expected at the end of the vesting period.

**Non-cash benefits** All remuneration elements required to be declared on the Swiss salary certificate, including long-service awards, taxable benefits relating to shares received in connection with the Employee Incentive Plan (maximum of 100 shares per annum).

**Social security contributions** These comprise the employer contributions to the state-run social security schemes and the occupational pension scheme (up to the pensionable or insurable threshold in each case). The members of the Corporate Executive Committee are insured under the pension scheme run by Baloise Insurance Ltd. They are subject to the same terms and conditions as all other insured office-based members of staff.

# Remuneration Report

## Remuneration paid to the members of the Corporate Executive Committee

	Basic salary		Variable remuneration			Total basic salary plus variable remuneration	Variable remuneration as percentage of basic salary	Non-cash benefits	Social security contributions	Total remuneration
	Cash payment (fixed)	Cash payment (variable)	Share Subscription Plan	PSU (granted in 2022)	Total variable remuneration					
CHF thousand										
<b>Gert De Winter</b>	950.0	270.8	314.9	380.0	965.7	1,915.7	102%	-	224.5	2,140.3
Group CEO										
<b>Dr Alexander Bockelmann</b>	600.0	171.1	198.8	240.0	609.9	1,209.9	102%	2.0	183.9	1,395.8
Head of Corporate Division IT										
<b>Dr Matthias Henny</b>	500.0	0.1	314.0	200.1	514.1	1,014.1	103%	25.3	183.3	1,222.7
Head of Corporate Division Asset Management										
<b>Michael Müller</b>	700.0	184.8	322.4	280.0	787.3	1,487.3	112%	4.4	203.1	1,694.8
Head of Corporate Division Switzerland										
<b>Dr Carsten Stolz</b>	500.0	142.5	165.7	200.1	508.3	1,008.3	102%	4.4	186.7	1,199.5
Head of Corporate Division Finance										
<b>Total for the Corporate Executive Committee</b>	<b>3,250.0</b>	<b>769.3</b>	<b>1,315.8</b>	<b>1,300.2</b>	<b>3,385.4</b>	<b>6,635.4</b>	<b>104%</b>	<b>36.1</b>	<b>981.6</b>	<b>7,653.0</b>

### Explanatory notes to the table

Remuneration is disclosed in accordance with the accrual principle. The table includes all forms of remuneration awarded for performance in 2022 even if individual components are not paid until a later date. Amounts are gross, before deduction of social security contributions, etc.

**Share Subscription Plan** Proportion of variable remuneration received directly as shares, which are valued at their market value as at 1 March 2023 = CHF 156.20.

**PSU** Disclosure at the value as at the date of allocation (CHF 159.28), measured using a Monte Carlo simulation that calculates a present value for the payout expected at the end of the vesting period.

**Non-cash benefits** All remuneration elements required to be declared on the Swiss salary certificate, including long-service awards, taxable benefits relating to shares received in connection with the Employee Incentive Plan (maximum of 100 shares per annum).

**Social security contributions** These comprise the employer contributions to the state-run social security schemes and the occupational pension scheme (up to the pensionable or insurable threshold in each case). The members of the Corporate Executive Committee are insured under the pension scheme run by Baloise Insurance Ltd. They are subject to the same terms and conditions as all other insured office-based members of staff.

### Amounts receivable and remuneration on a non-arm's-length basis

No remuneration on a non-arm's-length basis was paid to former members of the Corporate Executive Committee or companies or individuals who are related to members of the Corporate Executive Committee. Related parties are spouses or life partners; children under 18 years or dependent family members; companies owned or controlled by directors; individuals who act as trustees for them; children, relatives, companies and trustees of the spouse or life partner. No amounts receivable from current or former members of the Corporate Executive Committee or any of the aforementioned persons or companies have been waived.

### Performance pool factor for 2022

For 2022, the Remuneration Committee set a factor of 100 per cent for the performance pool. The outcomes of the financial and quality assessments are explained in greater detail in the following.

Metrics	Targets 2022-2025	Results for 2022 / annual performance	Performance appraisal by the Remuneration Committee	Overall status						
<b>1 Financial assessment</b>				<b>110%</b>						
<b>Cash generation</b>	CHF 2 billion into Baloise Holding	<p>CHF 471 million</p> <table border="1"> <tr><th>Year</th><th>Cash (CHF million)</th></tr> <tr><td>2022</td><td>471</td></tr> <tr><td>2025</td><td>2000</td></tr> </table>	Year	Cash (CHF million)	2022	471	2025	2000	In a challenging year characterised by exceptional external conditions, we generated CHF 471 million in cash in 2022 and thus achieved a solid contribution of 24 per cent towards our strategic ambition in the first year of this strategic phase. On this basis, we are very confident in our ability to achieve the overall target of CHF 2 billion for Simply Safe: Season 2.	
Year	Cash (CHF million)									
2022	471									
2025	2000									
<b>2 Quality assessment</b>				<b>90%</b>						
<b>Customers</b>	1.5 million new customers	<p>173,000 new customers</p> <table border="1"> <tr><th>Year</th><th>New Customers</th></tr> <tr><td>2022</td><td>173,000</td></tr> <tr><td>2025</td><td>1,500,000</td></tr> </table>	Year	New Customers	2022	173,000	2025	1,500,000	In spite of challenging market conditions in 2022, we were able to expand our customer base, adding 173,000 new customers through organic growth. This represents slightly lower growth than we had originally anticipated. Nonetheless, we continue to work with confidence on growing and strengthening the networks in our ecosystems and placing even greater emphasis on the needs of our customers in order to achieve our ambition of adding 1.5 million new customers by 2025.	
Year	New Customers									
2022	173,000									
2025	1,500,000									
<b>Employees</b>	Top 5% of all employers in Europe by the end of 2025	<p>Top 36% of all employers in Europe</p> <table border="1"> <tr><th>Year</th><th>Ranking</th></tr> <tr><td>2022</td><td>Top 40</td></tr> <tr><td>2025</td><td>Top 5</td></tr> </table>	Year	Ranking	2022	Top 40	2025	Top 5	As part of the Simply Safe: Season 2 strategic phase, we are measuring satisfaction ('employee happiness') by asking our employees "How happy are you to work at Baloise?". Nearly 80 per cent of employees provided a positive response to this question in 2022, whereas just 4 per cent of responses were negative. Based on this new metric and the expanded benchmark, Baloise ranked within the top 36 per cent at the end of 2022. In a challenging environment, this puts Baloise within touching distance of the top third in the ranking of the best employers in Europe.	
Year	Ranking									
2022	Top 40									
2025	Top 5									
<b>Sustainability</b>	Upper mid-level ranking in the indices published by MSCI and Sustainalytics, the SAM Score by S&P, and RepTrak	<p>MSCI: AA 80th percentile</p> <p>Sustainalytics: 20.4 75th percentile</p> <p>SAM Score: 43 46th percentile</p> <p>RepTrak: 69.9</p>	Progress with the implementation of internal processes and structures is reflected in sustainability indices in the form of rating improvements. In 2022, we were able to improve our MSCI rating for the fourth time since 2017, with an upgrade for Baloise from A to AA. The Sustainalytics rating of Baloise improved as well, while the SAM score remained on a par with the previous year. Our RepTrak score is at the threshold to 'strong'. Baloise's positioning compared with the overall market remains stable, in spite of the improvements in specific areas.							
<b>Risk</b>	Positive integral qualitative risk assessment	Overall assessment: good	The risk situation can be classified as 'good'. This classification is underpinned by the Company's excellent solvency, which improved from an already high level and is reflected in an impressive expected SST ratio of 230 per cent, as well as by its strong compliance track record and its positive external perception as a very robustly capitalised business.							
<b>3 Performance pool factor for 2022</b>				<b>100%</b>						

## Remuneration Report

### Assessment of the Corporate Executive Committee's performance in 2022

The team targets for the Corporate Executive Committee comprise quantitative and qualitative targets. Alongside the financial performance of the Group, the focus in 2022 was on the launch of Simply Safe: Season 2. This new strategic phase, which will last until 2025, was kicked off under challenging external circumstances. Jointly, the members of the Corporate Executive Committee acted as role models for the transformation they are seeking to bring about and handled the Group CEO's absence due to illness commendably. The Company ranked within the top 36 per cent of best employers in Europe and thus remained within touching distance of the top third. The customer base continued to grow across all parts of the Group. Compared with previous years, the cash remittance to Baloise Holding Ltd increased once again in 2022, rising to CHF 471 million.

### PSUs for the period 2019 to 2022

During the calculation period, Baloise was ranked 25th out of the 35 insurance companies in the STOXX Europe 600 Insurance Index. The company ranked first is the one with the best TSR performance in the calculation period. Baloise's ranking equates to a performance multiplier of 0.67 (1st place = performance multiplier of 2; 28th place = performance multiplier of 0.5; 29th place to 35th place = performance multiplier of 0).

### Range for the performance multiplier and Baloise's ranking during the 2019–2022 calculation period



- 25th place (Baloise) equates to a performance multiplier of 0.67
- Performance multiplier, dependent on the ranking within the peer group

The chart shows the possible range for the performance multiplier, depending on Baloise's ranking out of the 35 companies in the STOXX Europe 600 Insurance Index.

This means that a person who was granted, for example, a prospective entitlement to 100 shares in 2019 will receive 67 shares upon conversion in 2022 based on the performance multiplier of 0.67.

The value of PSUs is exposed to market risk until the end of the vesting period and may, of course, fluctuate significantly, as shown in the table below.

### PSU-Plans

	Price when granted CHF	Price when converted CHF	Performance multiplier	Value when converted CHF	Total gain in value
2015–2018	124.00	149.20	1.34	199.90	61%
2016–2019	126.00	163.00	1.32	215.15	71%
2017–2020	130.70	154.90	1.34	207.55	59%
2018–2021	149.20	158.90	1.22	193.85	30%
2019–2022	163.00	154.10	0.67	103.25	-37%

The table shows the plans that expired in the past five years.

**C. Loans and credit facilities granted to members of the Board of Directors and the Corporate Executive Committee (as at 31 December)**
**Loans and credit facilities granted to members of the Board of Directors and the Corporate Executive Committee (as at 31 December)**

	Mortgages		Loans pertaining to the Share Participation Plan		Other loans		Total	
	2021	2022	2021	2022	2021	2022	2021	2022
	CHF thousand							
<b>Total for the Board of Directors</b>	-	-	-	-	-	-	-	-
<b>Corporate Executive Committee member with the highest outstanding loan:</b>								
<b>Dr Alexander Bockelmann</b>	-	-	-	2,190.5	-	-	-	2,190.5
Head of Corporate Division IT								
<b>Dr Matthias Henny</b>	-	-	2,024.7	-	-	-	2,024.7	-
Head of Corporate Division Asset Management								
<b>Other members of the Corporate Executive Committee</b>	1,700.0	1,700.0	1,752.2	2,086.7	-	-	3,452.2	3,786.7
<b>Total for the Corporate Executive Committee</b>	<b>1,700.0</b>	<b>1,700.0</b>	<b>3,776.9</b>	<b>4,277.2</b>	<b>-</b>	<b>-</b>	<b>5,476.9</b>	<b>5,977.2</b>

**Explanatory notes to the table**

**Loans and credit facilities** No loans or credit facilities were granted at non-market terms and conditions

a) to former members of the Board of Directors or the Corporate Executive Committee;

b) to individuals or companies who are related to members of the Board of Directors or Corporate Executive Committee. Related parties are spouses or life partners; children under 18 years or dependent family members; companies owned or controlled by directors; individuals who act as trustees for them; children, relatives, companies and trustees of the spouse or life partner.

**Mortgages** of up to CHF 1 million are granted to staff at the following terms and conditions: 1 per cent below the customer interest rate for variable-rate mortgages and at a preferential interest rate for fixed-rate mortgages.

**Loans associated with the Share Participation Plan** Loans for the purpose of leveraging the Share Participation Plan. Loans are subject to interest at a market rate (2022: 0.5 per cent) and have a term of three years.

**Other loans** There are no policy loans.

# Remuneration Report

## D. Shares and options held

### Shares held by members of the Board of Directors (as at 31 December)

	Discretionary shares		Restricted shares		Total share ownership		Percentage of issued share capital	
	2021	2022	2021	2022	2021	2022	2021	2022
Quantity								
<b>Dr Thomas von Planta</b>	1,805	3,286	4,195	6,714	6,000	10,000	0.013%	0.022%
Chairman								
<b>Christoph Mäder</b>	733	733	1,682	2,116	2,415	2,849	0.005%	0.006%
Vice-Chairman (since 30 April 2022)								
<b>Dr Maya Bundt (since 30 April 2022)</b>	-	-	-	1,198	-	1,198	-	0.003%
Member								
<b>Claudia Dill (since 30 April 2022)</b>	-	-	-	1,198	-	1,198	-	0.003%
Member								
<b>Christoph B. Gloor</b>	8,976	9,410	2,312	2,261	11,288	11,671	0.025%	0.025%
Member								
<b>Hugo Lasat</b>	686	1,024	2,020	1,980	2,706	3,004	0.006%	0.007%
Member								
<b>Dr Karin Lenzlinger Diedenhofen</b>	0	0	1,218	1,516	1,218	1,516	0.003%	0.003%
Member								
<b>Dr Markus R. Neuhaus</b>	0	0	1,745	2,151	1,745	2,151	0.004%	0.005%
Member								
<b>Prof. Dr Hans-Jörg Schmidt-Trenz</b>	0	338	2,020	2,037	2,020	2,375	0.004%	0.005%
Member								
<b>Prof. Dr Marie-Noëlle Venturi - Zen-Ruffinen</b>	686	1,024	2,216	2,261	2,902	3,285	0.006%	0.007%
Member								
<b>Dr Andreas Beerli (until 29 April 2022)</b>	3,695	5,264	2,720	1,388	6,415	6,652	0.014%	0.015%
Vice-Chairman								
<b>Thomas Pleines (until 29 April 2022)</b>	3,106	4,579	2,429	1,095	5,535	5,674	0.012%	0.012%
Member								
<b>Total for the Board of Directors</b>	<b>19,687</b>	<b>25,658</b>	<b>22,557</b>	<b>25,915</b>	<b>42,244</b>	<b>51,573</b>	<b>0.092%</b>	<b>0.113%</b>
Percentage of issued share capital	0.043%	0.056%	0.049%	0.057%	0.092%	0.113%		

#### Explanatory notes to the table

**Shareholdings** Includes shares held by related parties (spouses or life partners; children under 18 years or dependent family members; companies owned or controlled by directors; individuals who act as trustees for them; children, relatives, companies and trustees of the spouse or life partner).

**Restricted shares** received in connection with share-based remuneration programmes are subject to a closed period of three years. The closed period for shares received by the former Chairman of the Board of Directors in connection with the Share Subscription Plan was five years. The closed period for the new Chairman is the same as for the other members of the Board of Directors, i.e. three years. Article 20 of the Articles of Association also requires all members of the Board of Directors to lodge 1,000 shares with the Company for the duration of their term of appointment (mandatory share ownership).

**Options** Members of the Board of Directors do not hold any options on Baloise shares.

## Shares held by members of the Corporate Executive Committee (as at 31 December)

	Discretionary shares		Restricted shares		Total share ownership		Percentage of issued share capital		Prospective entitlements (PSUs)	
	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022
Quantity										
<b>Gert De Winter</b> Group CEO	30,852	32,073	6,148	6,139	37,000	38,212	0.081%	0.083%	6,861	6,980
<b>Dr Alexander Bockelmann</b> Head of Corporate Division IT	-	880	13,846	21,856	13,846	22,736	0.030%	0.050%	4,215	4,409
<b>Dr Matthias Henny</b> Head of Corporate Division Asset Management	13,377	13,522	20,941	20,975	34,318	34,497	0.075%	0.075%	3,611	3,674
<b>Michael Müller</b> Head of Corporate Division Switzerland	27,799	28,115	7,339	6,682	35,138	34,797	0.077%	0.076%	5,057	5,144
<b>Dr Carsten Stolz</b> Head of Corporate Division Finance	5,768	2,290	5,923	3,247	11,691	5,537	0.026%	0.012%	3,611	3,674
<b>Total for the members of the Corporate Executive Committee</b>	<b>77,796</b>	<b>76,880</b>	<b>54,197</b>	<b>58,899</b>	<b>131,993</b>	<b>135,779</b>	<b>0.288%</b>	<b>0.296%</b>	<b>23,355</b>	<b>23,881</b>
Percentage of issued share capital	0.170%	0.168%	0.118%	0.129%	0.288%	0.296%				

**Explanatory notes to the table**

**Shareholdings** Includes shares held by related parties (spouses or life partners; children under 18 years or dependent family members; companies owned or controlled by directors; individuals who act as trustees for them; children, relatives, companies and trustees of the spouse or life partner).

**Restricted shares** Includes loan-financed shares connected with the Share Participation Plan. Shares received in connection with share-based remuneration programmes are subject to a closed period of three years.

**Options** held in connection with the Share Participation Plan are not reported here because they were written in order to hedge loans and do not originate from a separate option plan. Each put option is also offset by a countervailing call option.

**Prospective entitlements (PSUs)** Number of allocated performance share units (granted as at 1 March 2020, 1 March 2021 and 1 March 2022).

## Remuneration Report

### E. Total remuneration at the Baloise Group

As requested by circular 10/1 issued by the Swiss Financial Market Supervisory Authority on the subject of remuneration, Baloise has published the amounts of total remuneration and variable remuneration and has disclosed the total amounts of outstanding deferred remuneration and the inducement payments and severance packages granted. These figures in the table below include all forms of remuneration awarded for 2022 even if individual components are not paid until a later date.

#### Total and variable remuneration in the Baloise Group

	2021				2022			
	Cash	Shares	Prospective entitlements	Total	Cash	Shares	Prospective entitlements	Total
CHF million								
Total remuneration	821.6	5.7	4.9	832.2	822.4	5.2	5.4	833.0
Total variable remuneration (total pool)	152.5	5.7	4.9	163.1	153.1	5.2	5.4	163.7
Number of beneficiaries	5,150	255	68		5,814	276	78	
Total outstanding deferred remuneration	-	109.7	14.8	124.6	-	110.0	14.9	124.9
Debits/credits for remuneration for previous reporting periods recognised in profit or loss	-0.3	-	-	-0.3	-0.0	-	-	-0.0
Total inducement payments made	0.1	-	-	0.1	0.2	-	-	0.2
Number of beneficiaries	10	-	-		26	-	-	
Total severance payments made	5.5	-	-	5.5	3.1	-	-	3.1
Number of beneficiaries	56	-	-		56	-	-	

#### Explanatory notes to the table

The table includes all forms of remuneration awarded for each year even if individual components are not paid until a later date.

**Total remuneration** All taxable benefits that the financial institution provides to persons directly or indirectly for the work they have performed for it in connection with their employment or directorship. They include cash payments, non-cash benefits, expenditure that creates or increases entitlements to pension benefits, pensions, allocation of shareholdings, conversion rights and warrants, and debt waivers.

**Variable remuneration** Part of total remuneration, the amount or payment of which is at the discretion of the financial institution or which depends on the occurrence of agreed conditions. It includes performance-related and profit-based remuneration such as fees and commissions. Inducement and severance payments also fall under the definition of variable remuneration.

**Total pool** All the variable remuneration that a financial institution allocates for a year regardless of its form, any contractual undertaking in respect of grant dates or payout dates and any terms and conditions attached. Inducement and severance payments made in the relevant year should be included in the total pool.

**Inducement payment** One-off payment agreed when an employment contract is signed. Payments to compensate for lost entitlement to remuneration from a former employer also count as inducement pay. For members of the Board of Directors and the Corporate Executive Committee, such payments are allowable only if they compensate for lost entitlement to remuneration.

**Severance payment** Remuneration agreed in connection with the termination of an employment contract. Severance packages are paid only in individual justified cases, but not to members of the Board of Directors or the Corporate Executive Committee.

## Appendix 2: Report of the statutory auditor to the Annual General Meeting of Bâloise Holding Ltd, Basel



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To the General Meeting of  
Bâloise Holding AG, Basel

Basel, 22 March 2023

### Report of the statutory auditor on the audit of the remuneration report



#### Opinion

We have audited the remuneration report of Bâloise Holding AG (the Company) for the year ended 31.12.2022. The audit was limited to the information on remuneration, loans and advances pursuant to Art. 14-16 of the Ordinance against Excessive Remuneration in Listed Companies Limited by Shares (Verordnung gegen übermässige Vergütungen bei börsenkotierten Aktiengesellschaften, VegüV) in the tables on pages 66 to 76 of the remuneration report.

In our opinion, the information on remuneration, loans and advances in the remuneration report complies with Swiss law and Art. 14-16 VegüV.



#### Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the remuneration report" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



#### Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the tables on pages 66 to 76 of the remuneration report, the consolidated financial statements, the stand-alone financial statements and our auditor's reports thereon.

Our opinion on the remuneration report does not cover the other information and we do not express any form of assurance conclusion thereon.



In connection with our audit of the remuneration report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the remuneration report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



#### **Board of Directors' responsibilities for the remuneration report**

The Board of Directors is responsible for the preparation of a remuneration report in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a remuneration report that is free from material misstatement, whether due to fraud or error. The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.



#### **Auditor's responsibilities for the audit of the remuneration report**

Our objectives are to obtain reasonable assurance about whether the information on remuneration, loans and advances pursuant to Art. 14-16 VegÜV is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this remuneration report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement in the remuneration report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.



We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Ernst & Young Ltd

Christian Fleig  
Licensed audit expert  
(Auditor in charge)

Patrick Schwaller  
Licensed audit expert

This audit report is a translation of the audit report issued in German. Please also refer to the disclosure on page 269 "Information on the Baloise Group" referencing the fact that only the German text of the annual report is legally binding.