

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 51 onwards).

The information contained in the Corporate Governance Report refers to the situation on the balance sheet date (31 December 2023). 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 6,036.4 million as at 31 December 2023.

- Information on Baloise shares can be found in the Annual Review from page 38 onwards.
- Significant subsidiaries, joint ventures and associates as at 31 December 2023 can be found from page 184 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 95 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 46 onwards.

Shareholder base

As a public company with a broad shareholder base, Baloise Holding Ltd is a member of the SMI Mid (SMIM) Index. A total of 30,778 shareholders were registered in Baloise Holding Ltd's share register as at 31 December 2023. The number of registered shareholders had increased by 12.6 per cent compared with the previous year. The "Significant shareholders" section on page 267 provides information on the structure of the Company's shareholder base as at 31 December 2023.

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.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html.

Treasury shares

Baloise Holding Ltd held (directly and indirectly) 283,523 treasury shares (0.619 per cent of the issued share capital) as at 31 December 2023.

Cross-shareholdings

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

Dividend policy

Baloise 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 1,919.6 million from cash dividends and share buy-backs over the last five years.

	Cash dividends	Share buy-backs	Total
Year (CHF million)			
2023	352.7 ¹	-	352.7
2022	338.9	-	338.9
2021	320.6	-	320.6
2020	312.3	92.8	405.1
2019	312.3	190.0	502.3
Total	1,636.8	282.8	1,919.6

All figures stated as at 31 December.

¹ Proposal to the Annual General Meeting on 26 April 2024.

2. Capital structure

Baloise Holding Ltd's equity

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

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

	31.12.2023	31.12.2022	31.12.2021
CHF million			
Share capital	4.6	4.6	4.6
General reserve	11.7	11.7	11.7
Reserve for treasury shares	5.4	7.8	7.6
Free reserves	644.4	573.6	502.8
Distributable profit	444.0	407.4	391.6
Treasury shares	-6.0	-8.1	-9.3
Equity attributable to Baloise Holding Ltd	1,104.1	997.0	909.1

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

Capital band and conditional capital; other equity instruments

Capital band

A resolution adopted by the Annual General Meeting on 28 April 2023 has authorised the Board of Directors until 28 April 2028 to increase or reduce the Company's share capital within a capital band with a lower limit of CHF 4,122,000 and an upper limit of CHF 5,038,000 (see article 3 [4] of the Articles of Association).

www.baloise.com/articles-of-association

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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 total number of registered shares that the Board of Directors is authorised to issue from the conditional capital and from the capital band, in each case disapplying or limiting shareholders' pre-emption rights, is limited to 4,580,000 registered shares, which equates to 10 per cent of the current issued capital (see article 3 [9] of the Articles of Association).

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 3,259.3 million on 31 December 2023. Details of changes in consolidated equity in 2022 and 2023 can be found in the consolidated statement of changes in equity on pages 82 and 83 in the Financial Report. All pertinent details relating to 2021 can be found in the consolidated statement of changes in equity on page 88 in the 2022 Annual Report.

Bonds outstanding

Baloise Holding Ltd and Baloise Life Ltd (with Baloise Holding Ltd acting as guarantor) have issued bonds publicly. As at the end of 2023, a total of 14 public bonds were outstanding. Details of outstanding bonds can be found on pages 156 and 265 and on the website.

www.baloise.com/bonds

Credit rating

On 2 August 2023, 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 and robust competitive position in its profitable core markets. Information about the ratings of Baloise 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

3. Board of Directors

Election and term of appointment

The Board of Directors consists of nine members. Each member of the Board of Directors has been elected for a term of one year at a time. As at 31 December 2023, the average age on the Board of Directors was 59. The average term of office is five 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, Dr Maya Bundt, Claudia Dill, 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. Claudia Dill stepped down from the Board of Directors on 31 October 2023 in order to take on an operational role on the Executive Committee of a reinsurer.

All members of the Board of Directors apart from Hugo Lasat will be standing for re-election at the Annual General Meeting on 26 April 2024 (for nominations see also "Succession planning" on p. 38).

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

www.baloise.com/board-of-directors

Members

	Strategy and Governance Committee	Investment and Risk Committee	Remuneration Committee	Audit Committee
Thomas von Planta	C	M		
Christoph Mäder	DC		C	
Maya Bundt				M
Claudia Dill*		M		
Christoph B. Gloor		C	M	
Hugo Lasat		DC		
Karin Lenzlinger Diedenhofen			M	
Markus R. Neuhaus	M			C
Hans-Jörg Schmidt-Trenz			DC	M
Marie-Noëlle Venturi - Zen-Ruffinen	M			DC

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

* Claudia Dill resigned from the Board of Directors with effect from 31 October 2023.

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Members	Term of appointment (full years)	Board of Directors	C-Level	Insurance	Banking/Asset Management	Finance/Audit/Risk Management	Legal/Compliance/Governance	Digitalisation/Technology	Nationality	Gender	Age	Non-Executive	Independent
Thomas von Planta	6	●	●		●	●	●		CH	M	62	Yes	Yes
Christoph Mäder	4	●	●			●	●	●	CH	M	64	Yes	Yes
Maya Bundt	1	●		●	●	●		●	CH/DE	F	52	Yes	Yes
Claudia Dill*	1	●	●	●	●	●			CH	F	57	Yes	Yes
Christoph B. Gloor	9		●		●	●		●	CH	M	57	Yes	Yes
Hugo Lasat	7		●		●	●			BE	M	59	Yes	Yes
Karin Lenzlinger Diedenhofen	2	●	●			●			CH	F	64	Yes	Yes
Markus R. Neuhaus	4	●	●			●	●		CH	M	65	Yes	Yes
Hans-Jörg Schmidt-Trenz	5		●	●		●	●		DE	M	64	Yes	Yes
Marie-Noëlle Venturi - Zen-Ruffinen	7	●			●		●		CH	F	48	Yes	Yes

Board of Directors	In a listed company
C-Level	In a listed or private company
Insurance	In a senior position in a company within the insurance or reinsurance sector
Banking/Asset Management	In a senior position in a bank or an asset management department/company
Finance/Audit/Risk Management	In a senior position in the finance or risk management division of a company or in a senior audit function in a leading audit firm
Legal/Compliance/Governance	Degree in law; senior position in Legal and/or Compliance

* Claudia Dill resigned from the Board of Directors with effect from 31 October 2023.

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 of the 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 stipulates that directorships of members of the Board of Directors and of the Corporate Executive Committee in comparable functions in other companies with a commercial purpose must be included. In this Annual Report, directorships are disclosed in accordance with the 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/articles-of-association

Information on the Board of Directors' role in corporate, social and environmental responsibility can be found on page 24 onwards in the Company's Annual Review.

The Chairman of the Board of Directors is also Chairman of the Strategy and Governance Committee, and presides over the meetings of both bodies. He is also a member of the Investment and Risk Committee (which he chaired until the end of April 2023). 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 is in close and constant contact with the Group CEO. He attends the meetings of the Corporate Executive Committee when appropriate, particularly when 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.

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 relevant 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 subsequent appraisal by the Board of Directors and takes note of risk reports.

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).

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.

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/articles-of-association

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The attendance rate at the ordinary meetings of the full Board of Directors and its committees was 100 per cent. Six members each missed one of the total of eleven, shorter extraordinary meetings of the full Board of Directors, which equates to an attendance rate of 94.5 per cent. The members who sent their apologies were Dr Maya Bundt, Claudia Dill, Dr Karin Lenzlinger Diedenhofen, Hugo Lasat, Dr Markus Neuhaus and Professor Marie-Noëlle Venturi - Zen-Ruffinen.

In 2023, the full Board of Directors of Baloise Holding Ltd held six ordinary meetings, plus eleven extraordinary meetings to discuss succession planning for the Corporate Executive Committee and the transition to IFRS 17/9, which lasted one to two hours. The ordinary 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 2023, which included one two-day strategy meeting. The Investment and Risk Committee and the Remuneration Committee each met on four occasions. The Audit Committee held five meetings, two of which included workshops on finance transformation and anti-fraud measures.

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, 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 to verify that each body is working efficiently and effectively. The review covers the composition of the Board of Directors, the availability of its members, engagement, cooperation and culture within the Board of Directors, the processes for preparing for and holding the meetings and the interaction between the Corporate Executive Committee and the management. The members of each committee discuss the findings and agree on appropriate measures, including the priorities for the following year.

Training and development

The members of the Board of Directors participate in multi-day introductory programmes 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 2023, a seminar on Baloise's resilience was held for the Board of Directors.

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 chart on page 36). Any restrictions on availability and potential conflicts of interest arising from other mandates are also taken into account.

The Board of Directors will propose that Dr Guido Furer be elected to the Board of Directors at the Annual General Meeting on 26 April 2024. As a proven investment expert who also has many years of experience in the reinsurance industry, he will bring additional expertise to the Board of Directors, particularly in the areas of insurance, asset management and risk management.

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 were made at the Annual General Meeting on 28 April 2023. The Board of Directors then amended the Organisational Regulations in accordance with the changes to the Articles of Association. www.baloise.com/articles-of-association

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 25 onwards and in the Financial Report starting on page 190.

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 Board 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 from 2002 to 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 has been a member of the Board of Directors of BB Biotech AG since March 2019 and its Chairman since 21 March 2024. 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 Board of Directors of Assivalor AG, a member of the Bank Council of the Swiss National Bank and, since 19 March 2024, a member of the Board of Directors of Schindler Holding AG. 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. She is currently 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.

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. Since July 2023, he has also been Chairman of the Investment Committee at Endress Familien AG. 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 a member of the Board of Directors of SV Group AG since 2010 and its Vice-Chairwoman since 2017. Since 2015, she has been Chairwoman of the Board of Directors and of the staff pension fund of Zürcher Oberland Medien AG. Until the end of February 2024, she was a member of the Board of Directors of LLB (Schweiz) AG. She is a member of the Board of Directors of 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, including – from 1999 – 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. Dr Markus R. Neuhaus is Chairman of the Board of Directors of Galenica AG, Vice-Chairman of the Board of Directors of Barry Callebaut AG and a member of the Board of Directors of Jacobs Holding AG. He was Vice-Chairman of the Board of Directors of Orior AG until April 2023. 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). 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 Founding President of the HSBA Hamburg School of Business Administration, 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 Boards of Trustees of Hamburger Sparkasse and HanseMercur Versicherung. 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 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 is of counsel for the Geneva law firm Niederer Kraft Frey. 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, a member of the Board of Management of the Swiss Institute of Directors and a member of the Board of Foundation of the Foundation for Accounting and Reporting Recommendations (Swiss GAAP FER). 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



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 became a member of the Corporate Executive Committee and CEO of Corporate Division Switzerland in 2011, and as such was in charge of business in Switzerland. Michael Müller has been Group CEO since 1 July 2023. He is a member of the Swiss Insurance Association (SIA) and treasurer of the Swiss Employers Confederation (SAV).

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, most recently, 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 2019 as head of the newly created Corporate Division IT, a 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 2017. He manages the Corporate Division Asset Management incorporating the Investment Strategy, Business Development, Portfolio Management, Finance & Operations, Real Estate and Corporate Services units.



Clemens Markstein (1971, Germany, Dipl.-Wi.-Ing.)

studied industrial engineering at Karlsruhe University and trained in strategy, marketing and finance during a management programme at Wharton Business School and at the University of St. Gallen. He also completed an advanced management programme at the INSEAD Business School. Clemens Markstein began his professional career as a consultant at the Boston Consulting Group in Stuttgart. He then held various roles at Allianz in Germany and in Switzerland, before moving to Baloise. He joined the Executive Committee of Baloise's Corporate Division Switzerland in 2009 as Head of Product Management for Corporate Clients. He was Head of Operations & IT from 2017. Since 1 July 2023, Clemens Markstein has been a member of the Corporate Executive Committee and CEO of Corporate Division Switzerland, and as such is in charge of business in Switzerland. He became Chairman of the Board of Directors of Baloise Bank AG in September 2023. Since June 2023, Clemens Markstein has also been a member of the Executive Board Committee of the Association of Basel Insurance Companies and of the board of the Promotion Society of the Institute of Insurance Economics at the University of St. Gallen.

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).

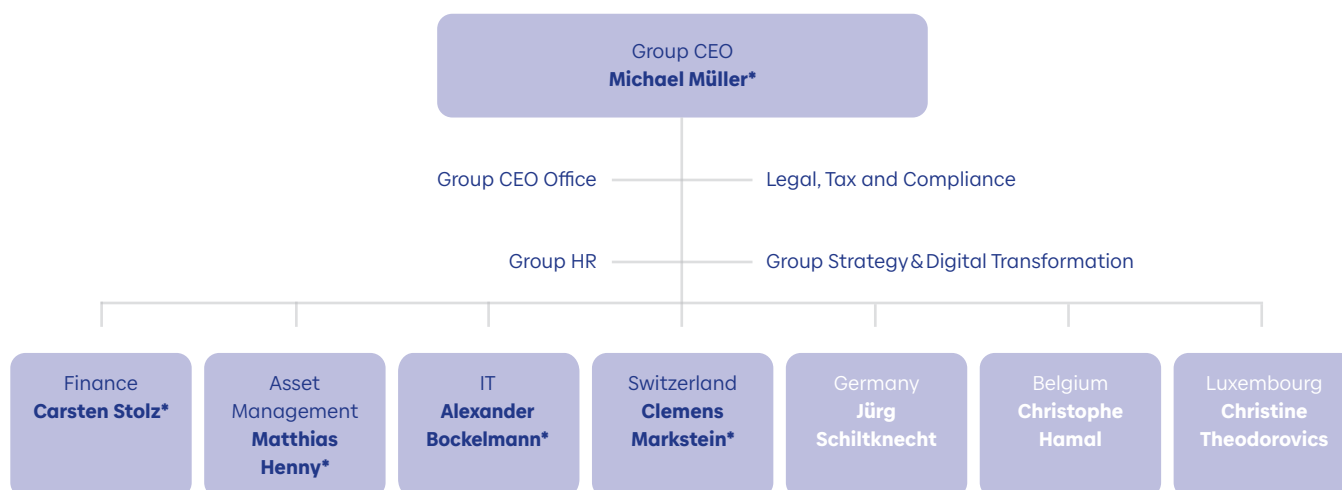


With the exception of the mandates listed above, no Corporate Executive Committee members serve on the Boards of Directors at companies outside the Baloise Group. There are no management agreements that assign executive functions to third parties. Further information on the members of the Corporate Executive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

www.baloise.com/corporate-executive-committee

Management structure

(as at 31 December 2023)



* Member of the Corporate Executive Committee.

5. Remuneration, shareholdings and loans

The Remuneration Report in **Appendix 1** to the Corporate Governance Report (page 51 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 2023 as well as the investments they hold. The content and scope of these disclosures are determined by article 734 to 734f OR, the corporate governance information guidelines published by SIX Swiss Exchange AG (version as at 29 June 2022) and economiesuisse'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 72 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. Shareholders are allowed to delegate the exercise of their voting rights to the independent proxy and to persons of their choosing. 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

Shareholders representing at least 0.5 per cent of the share capital or votes can demand that items are placed on the agenda or that motions are submitted. 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/articles-of-association

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 33⅓ 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 has held the post of auditor-in-charge since 2018. 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

	2023	2022
CHF (including outlays and VAT)		
Audit fees	5,590,039	6,489,699
Consulting fees	189,530	27,342
Total	5,779,569	6,517,041

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 receive a summary of the review of operating performance once per year. The full Annual Report is sent to shareholders on request and is also available on the website. 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.

www.baloise.com/annual-report

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, targets and 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.

Information about Baloise shares

Information about Baloise shares begins on page 38 of the Annual Review.

www.baloise.com/baloise-share

Financial calendar

Important dates for investors are available at 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 notice of the Annual General Meeting, the closing date for the share register and any ex-dividend dates are published.

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.

Please register for the latest corporate communications at www.baloise.com/maillinglist.

www.baloise.com/media

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Letter from the Chairman of the Remuneration Committee

Dear shareholders,

I am delighted to present this remuneration report to you today and to inform you about the activities of the Remuneration Committee in the reporting year.

In 2022, we made significant improvements to the remuneration system and to related disclosures and provided a detailed account of the outcomes of these improvement measures in the remuneration report. Against this backdrop, we were pleased to see a year-on-year increase in the approval rate for the remuneration system to 86 per cent at the 2023 Annual General Meeting. This is testimony to the fact that we have taken the right course of action and that our efforts are being acknowledged and appreciated.

We actively engage with our shareholders, institutional investors and proxy advisors on an ongoing basis and value this transparent dialogue. It enables us to take your interests into account in our work in order to continually improve the remuneration system and our reporting on this subject.

As announced in last year's remuneration report, further adjustments have been made to the remuneration system in 2023. These focused primarily on strengthening the long-term variable remuneration in the following ways:

- The relative weighting of variable remuneration components in the remuneration of Corporate Executive Committee members has been changed with effect from the 2024 financial year without increasing the total remuneration package. The proportion of long-term variable remuneration (long-term incentive, LTI) in the Corporate Executive Committee's remuneration mix has been raised to 60 per cent of the basic salary (up from 40 per cent), while the proportion of short-term variable remuneration (short-term incentive, STI) has been reduced to 40 per cent (down from 60 per cent). This adjustment highlights our commitment to aligning the long-term interests of our investors and our senior management. For further information, see chapter 5.
- We also made changes to our performance share unit (PSU) plan, which constitutes the long-term variable remuneration component. As part of our review, we defined two additional metrics that will put the performance assessment for long-term variable remuneration on a broader footing from 2025 and will tie this remuneration component even more closely to the performance of our management. For further information, see chapter 5.

- We have further tightened the expiry provisions for PSU plans and have ensured that any outstanding entitlement to PSUs expires completely in the event of someone leaving the Company due to poor performance or misconduct or if they subsequently engage in any activities in competition with Baloise.

These steps have been taken to proactively address concerns of our shareholders and emphasise the long-term focus of our remuneration system.

The Remuneration Committee seeks to apply the principle of achievement-oriented remuneration in an appropriate manner. In 2023, the Corporate Executive Committee delivered solid work but failed to achieve certain targets in the quality assessment for its short-term variable remuneration. The Remuneration Committee has therefore decided to set the performance pool factor at 85 per cent, thereby reducing the payout of short-term variable remuneration for 2023.

The long-term variable remuneration granted to senior management in the form of PSUs is closely linked to the performance of Baloise, which is reflected in the valuation of PSU plans. As the performance of Baloise in the last three years has fallen short of expectations, all entitlements to shares allotted to eligible persons under the 2021 PSU plan have expired in full (performance multiplier of 0 per cent).

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

Basel, March 2024



Christoph Mäder
Chairman of the Remuneration Committee

1. 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 ¹
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

¹ 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 29 April 2022 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 2023. 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 must be 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 our 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
Fixed remuneration <ul style="list-style-type: none"> Basic salary Fringe benefits Social security contributions 	<ul style="list-style-type: none"> Competitiveness in the marketplace Fairness and transparency Financial hedging
Short-term variable remuneration <ul style="list-style-type: none"> Performance pool Paid in cash and restricted shares 	<ul style="list-style-type: none"> Remuneration for the achievement of annual targets (Company, team and individual targets) Participation in the success of the business
Long-term variable remuneration <ul style="list-style-type: none"> Performance share units (PSUs) 	<ul style="list-style-type: none"> Strengthening of senior managers' loyalty to the Company Alignment of senior managers' interests with those of shareholders

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

The Annual General Meeting held on 29 April 2022 approved an amount of CHF 4.15 million for the fixed remuneration (including social security contributions) payable to the Corporate Executive Committee for 2023. The amount paid out was CHF 4.0 million. In addition, the Annual General Meeting held on 28 April 2023 approved a maximum amount of CHF 5.0 million for the variable remuneration (including social security contributions and discounted subscriptions under the Share Subscription Plan) payable for 2023. The total amount paid out was CHF 3.0 million. The chart below shows the remuneration of the individual members of the Corporate Executive Committee for 2023 and the breakdown by remuneration component.

Name	Year	Fixed	Short-term variable	Long-term variable	Total
Gert De Winter	2023	73%	27%		CHF 0.9 million
Michael Müller	2023	58%	23%	18%	CHF 1.7 million
Dr Alexander Bockelmann	2023	57%	26%	17%	CHF 1.4 million
Dr Matthias Henny	2023	59%	24%	17%	CHF 1.3 million
Clemens Markstein	2023	67%	25%	8%	CHF 0.6 million
Dr Carsten Stolz	2023	61%	22%	17%	CHF 1.3 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)

Explanatory notes to the table The remuneration for Gert De Winter covers the period from 1 January to 30 June 2023. Michael Müller took over as Group CEO with effect from 1 July 2023. Clemens Markstein became a member of the Corporate Executive Committee with effect from 1 July 2023. His remuneration covers the period from 1 July to 31 December 2023. For further information, see chapter 6.

Remuneration Report

2. 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 one-year term until the end of the next Annual General Meeting;
- 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 next 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)
- Activities for other companies (Article 33). For further information, see the corporate governance report, p. 36
- Loans and credit facilities (Article 34)

www.baloise.com/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.

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 re-elected to the Remuneration Committee by the Annual General Meeting on 28 April 2023. 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.

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

3. 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, Airport Zurich, Georg Fischer, Julius Bär, Lindt, Schindler, Sonova, Swatch, Tecan and VAT (multi-sector peer group) and the other comprised selected 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.

Baloise seeks to maintain fairness in remuneration at all times and to reduce, wherever possible, differences in pay that cannot be objectively explained. To this end, it uses internal fair pay analyses and pay structure assessments for both initial salary determinations and salary adjustments to ensure fair pay at Baloise.

Sustainable remuneration

Baloise attaches considerable importance to managing its business sustainably and retaining high performers. It also matters to Baloise that its remuneration is not only competitive and achievement-oriented but also encourages managerial staff to align their long-term focus with the interests of stakeholders, particularly our shareholders. To this end, members of the top three tiers of management are awarded a significant portion of their variable remuneration in shares that are restricted for three years and exposed to market risk during this period. 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. However, this choice is limited for the most senior managers, for whom a mandatory sliding scale for share subscriptions applies. Members of the Corporate Executive Committee must receive at least 50 per cent of their short-term variable remuneration in the form of shares. 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. This mandatory purchase of shares ensures that, compared with the market as a whole, a significant proportion of the Corporate Executive Committee's 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. Excessive remuneration is prevented by means of clearly defined caps for the remuneration for the Board of Directors and the Corporate Executive Committee that are approved by the Annual General Meeting.

4. 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. 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 36 & 37).

All other members of the Board of Directors receive a fee of 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.

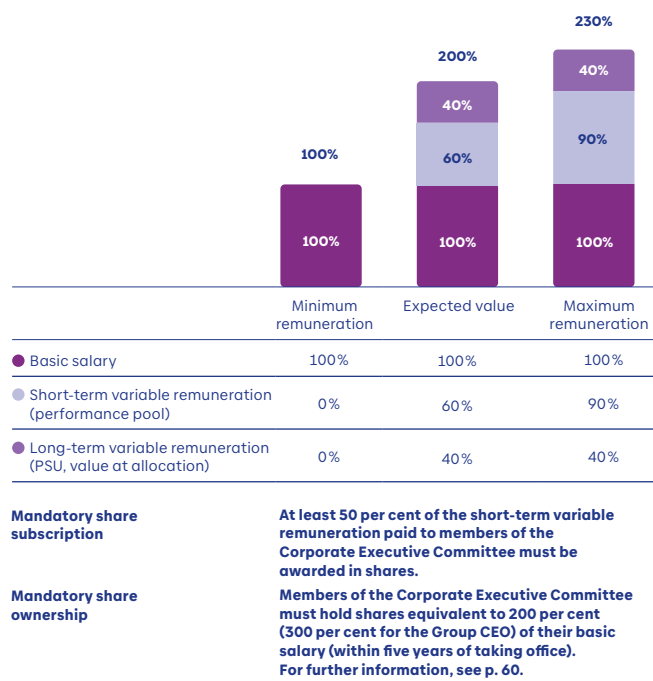
These amounts provide appropriate compensation for the responsibility and workload involved in their various functions and have not been raised since 2008.

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 2023	01.06.2023	140.00
Shares received by members of the Board of Directors 2022	01.06.2022	161.70

5. Remuneration system for the Corporate Executive Committee

Remuneration structure



2023 is the **final** year for which the remuneration structure set out in this illustration will apply. As previously mentioned, the expected values for short-term and long-term variable remuneration will change from the 2024 financial year. **The new expected value for short-term variable remuneration is 40 per cent (maximum allocation of 60 per cent) and the new expected value for long-term variable remuneration is 60 per cent.** The maximum amount of remuneration that can be allocated is thus being reduced to a total of 220 per cent. In line with the increase in the proportion of long-term variable remuneration, the mandatory proportion of short-term variable remuneration to be received in restricted shares will be reduced to 30 per cent (previously 50 per cent).

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 our shareholders.

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

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.

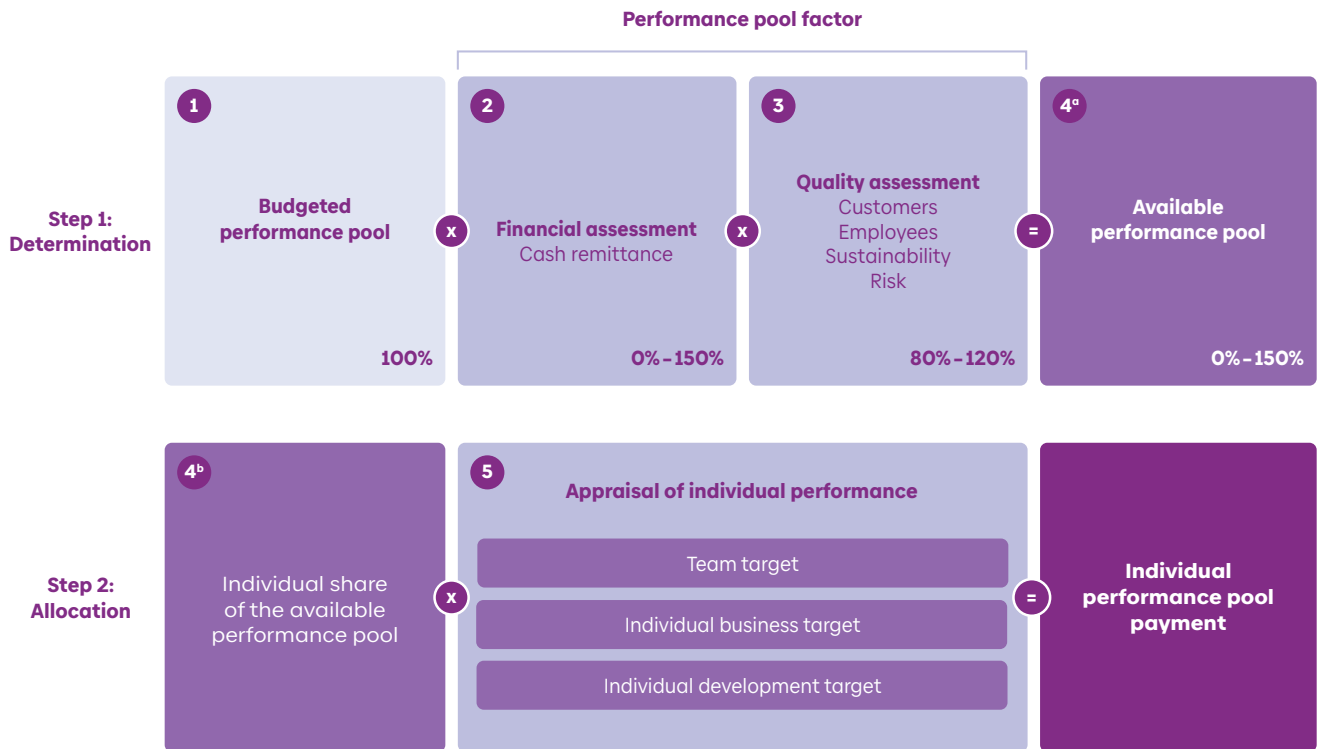
The Remuneration Committee decides on the short-term variable remuneration awarded to the individual members of the Corporate Executive Committee from the available performance pool based on their achievement of their individual targets. The achievement of the targets agreed for the Group CEO for the reporting year is assessed by the Chairman of the Board of Directors. The Group CEO assesses the target achievement of the other members of the Corporate Executive Committee. Based on the weighted average target achievement of each member of the Corporate Executive Committee, the Chairman of the Board of Directors and the Group CEO each submit a proposal for individual allocations of remuneration to the Remuneration Committee. The committee meets to discuss the material facts relating to each individual member of the Corporate Executive Committee and make a final decision on their target achievement in the reporting year and the remuneration to be awarded to them on this basis.

The targets set for the members of the Corporate Executive Committee comprise annual team targets and individual performance and development targets. Team targets are used to assess collaboration across business units and national subsidiaries, and across all functions and departments. The quantitative team targets measure the achievement of relevant Group-wide key figures, especially in relation to the business plan and strategic ambitions. By contrast, qualitative team targets focus more on processes than on outcomes, serving to assess collaboration and conduct. Individual performance targets relate to the contributions made to the group targets by individual members of the Corporate Executive Committee, while individual development targets are designed to advance the personal development of the members of the Corporate Executive Committee.

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.

Remuneration Report

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.

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.

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 our 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; this measure is referred to as the relative total shareholder return (rTSR). 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 2023)

ADMIRAL GROUP	MUENCHENER RUECK
AEGON	NN GROUP
AGEAS	PHOENIX GROUP HOLDINGS
ALLIANZ	POSTE ITALIANE
ASR NEDERLAND	POWSZECHNY ZAKLAD
ASSICURAZIONI GENERALI	UBEZPIECZEN
AVIVA	PRUDENTIAL
AXA	SAMPO
BALOISE HOLDING	SCOR
BEAZLEY	STOREBRAND
DIRECT LINE INSURANCE GROUP	SWISS LIFE HOLDING
GJENSIDIGE FORSIKRING	SWISS RE
HANNOVER RUECK	TALANX
HELVETIA HOLDING	TOPDANMARK
HISCOX	TRYG
LEGAL & GENERAL GROUP	ZURICH INSURANCE GROUP

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 67).

The performance multiplier is based on the closing stock market prices on the final trading day of the vesting period, taking account of dividends paid. Participants receive the pertinent number of shares once the three-year vesting period has elapsed.

Any outstanding entitlement to PSUs expires entirely in the event of a termination of employment during the vesting period due to poor performance or misconduct or if the person subsequently engages in any activities in competition with Baloise. 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).

Three-year average for rTSR

Previously, rTSR was measured only at the end of the three-year vesting period. Due to the volatile nature of share prices, this reliance on one measurement at a single point in time reflects the effective performance of the management only to a limited extent. From the 2024 performance period, rTSR will thus be measured annually for all newly issued plans. The performance multiplier is determined based on an average of the percentile scores calculated for Baloise within its peer group. This approach reduces the level of randomness associated with a single measurement and links the assessment more clearly to the performance of the management over the relevant three-year period.

Two additional KPIs from 2025

From 2025, two new KPIs will be used alongside rTSR, meaning that long-term variable remuneration will be aligned with a total of three strategic objectives of Baloise going forward. The new KPIs are the combined ratio non-life, i.e. the sum of net claims incurred and costs relative to insurance revenue, and EBIT life, i.e. earnings before interest and taxes in the life insurance business.

These two key figures represent a significant proportion of Baloise's value creation and are therefore a good gauge of performance. Alongside rTSR, they facilitate a well-rounded performance assessment that ties long-term variable remuneration to the interests of our shareholders and the performance of senior management. The new KPIs will be introduced with the 2025 PSU plan.

Remuneration Report

This is because, against the backdrop of the transition to IFRS 17/9, the Company will first need to gain some experience with these key figures in order to be able to define sustainable long-term targets that link the performance of senior management to the payment of long-term variable remuneration in a logical and meaningful manner.

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 a minimum of three years at a preferential price (10 per cent discount). The terms of the Share Subscription Plan are defined by the Remuneration Committee.

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. Since 2023, awarded but as yet unvested PSUs are no longer being taken into account for the purposes of compliance with mandatory share ownership rules, because they have not been converted. This updated policy has been in effect since 2023 and its 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 are allowable only if they compensate for lost entitlement to remuneration. 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.

6. Remuneration for the reporting year

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

The Annual General Meeting held on 29 April 2022 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 2023. The amount paid out was CHF 3.4 million.

Remuneration paid to the members of the Board of Directors

2023	Remune- ration (cash)	Remune- ration (shares incl. discount)	Social security contri- butions	Total remuneration
CHF thousand				
Dr Thomas von Planta	866.7	481.7	12.8	1,361.2
Chairman of the Board of Directors				
Christoph Mäder	221.3	81.9	6.3	309.5
Vice-Chairman of the Board of Directors				
Dr Maya Bundt	131.3	48.6	6.3	186.2
Claudia Dill (until 31 October 2023)	109.4	40.5	6.3	156.2
Christoph B. Gloor	178.8	66.2	6.3	251.3
Hugo Lasat	131.3	48.6	-	179.9
Dr Karin Lenzlinger Diedenhofen	131.3	48.6	6.3	186.2
Dr Markus R. Neuhaus	183.8	68.0	6.3	258.2
Prof. Dr Hans-Jörg Schmidt-Trenz	168.8	62.4	-	231.3
Prof. Dr Marie-Noëlle Venturi - Zen-Ruffinen	168.8	62.4	6.3	237.6
Total for the Board of Directors	2,291.7	1,009.0	56.9	3,357.6

Explanatory notes to the table

Remuneration in shares including discount 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 2023 (CHF 140.00). Members of the Board of Directors receive a 10 per cent discount on the shares' market price under the Share Subscription Plan for the Board of Directors. This discount is reported in addition to the value of the shares.

Social security contributions The information disclosed for 2023 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 an occupational pension scheme for the Chairman of the Board of Directors, who works in this role on a full-time basis. No contributions to occupational pension schemes are made for the other members of the Board of Directors.

Remuneration Report

Remuneration paid to the members of the Board of Directors

2022	Remuneration (cash)	Remuneration (shares incl. discount)	Social security contributions	Total remuneration
CHF thousand				
Dr Thomas von Planta	866.8	477.5	12.5	1,356.8
Chairman of the Board of Directors				
Christoph Mäder	191.3	70.2	6.2	267.7
Vice-Chairman of the Board of Directors				
Dr Maya Bundt (since 30 April 2022)	87.6	32.0	5.8	125.5
Claudia Dill (since 30 April 2022)	87.6	32.0	5.8	125.5
Christoph B. Gloor	168.8	61.9	6.2	236.9
Hugo Lasat	131.3	48.2	-	179.5
Dr Karin Lenzlinger Diedenhofen	131.3	48.2	6.2	185.7
Dr Markus R. Neuhaus	178.8	65.7	6.2	250.6
Prof. Dr Hans-Jörg Schmidt-Trenz	156.3	57.4	-	213.7
Prof. Dr Marie-Noëlle Venturi - Zen-Ruffinen	168.8	61.9	6.2	236.9
Dr Andreas Beerli (until 29 April 2022)¹	73.8	27.0	-	100.8
Thomas Pleines (until 29 April 2022)	61.3	22.5	3.1	86.8
Total for the Board of Directors	2,303.7	1,004.5	58.2	3,366.4

¹ 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.

Explanatory notes to the table

Remuneration in shares including discount 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). Members of the Board of Directors receive a 10 per cent discount on the shares' market price under the Share Subscription Plan for the Board of Directors. This discount is reported in addition to the value of the shares.

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 an occupational pension scheme for the Chairman of the Board of Directors, who works in this role on a full-time basis. No contributions to occupational pension schemes are made for the other members of the Board of Directors.

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 2023

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 2023	2022 Annual General Meeting
Variable remuneration for 2023	
- cap	2023 Annual General Meeting
- individual payment	Remuneration Committee in February 2023 for long-term variable remuneration and in February 2024 for short-term variable remuneration (in compliance with the cap set by the 2023 Annual General Meeting)

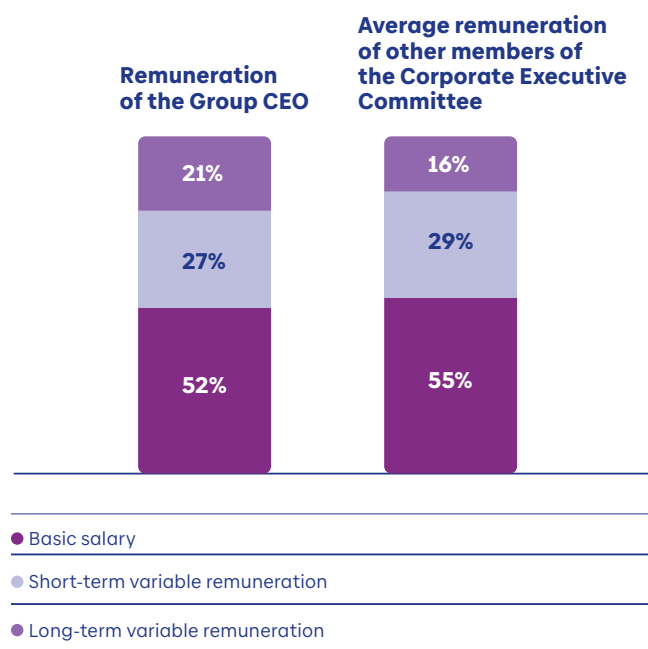
From 2023 onwards, variable remuneration is determined in advance for the following financial year (in line with the procedure for fixed remuneration).

The Annual General Meeting held on 29 April 2022 approved an amount of CHF 4.15 million for the fixed remuneration (including social security contributions) payable to the Corporate Executive Committee for 2023. The amount paid out was CHF 4.0 million. In addition, the Annual General Meeting held on 28 April 2023 approved a maximum amount of CHF 5.0 million for the variable remuneration (including social security contributions and discounted subscriptions under the Share Subscription Plan) payable for 2023. The total amount paid out was CHF 3.0 million.

On 1 March 2023, the performance share units allocated in 2020 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 2023 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 2023



Remuneration Report

Remuneration paid to the members of the Corporate Executive Committee

	Variable remuneration				Total variable remuneration	Total basic salary plus variable remuneration	Variable remuneration as percentage of basic salary	Non-cash benefits	Social security contributions	Total remuneration
	Basic salary	Cash payment (fixed)	Cash payment (variable)	Share Subscription Plan						
2023										
CHF thousand										
Gert De Winter	475.0	109.1	132.0	-	241.1	716.1	51%	-	183.0	899.2
Group CEO (until 30 June 2023)										
Michael Müller	775.0	177.9	215.5	310.1	703.5	1,478.5	91%	4.9	203.2	1,686.6
Head of Corporate Division Switzerland (until 30 June 2023) Group CEO (since 1 July 2023)										
Dr Alexander Bockelmann	600.0	91.9	259.5	240.1	591.5	1,191.5	99%	-	184.0	1,375.5
Head of Corporate Division IT										
Dr Matthias Henny	550.0	0.0	305.9	220.0	526.0	1,076.0	96%	4.9	190.9	1,271.8
Head of Corporate Division Asset Management										
Clemens Markstein¹	275.0	63.2	76.5	45.6	185.2	460.2	67%	4.9	98.6	563.6
Head of Corporate Division Switzerland (since 1 July 2023)										
Dr Carsten Stolz	550.0	126.3	152.9	220.0	499.2	1,049.2	91%	4.9	210.9	1,265.0
Head of Corporate Division Finance										
Total for the Corporate Executive Committee	3,225.0	568.5	1,142.3	1,035.8	2,746.6	5,971.6	85%	19.5	1,070.6	7,061.7

¹ Remuneration for Clemens Markstein has been taken into account on a pro rata basis from 1 July 2023. The PSUs allocated to Clemens Markstein as at 1 March 2023 were also calculated on a pro rata basis from 1 July 2023 and were determined on the basis of the terms applicable before his move to the Corporate Executive Committee.

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 2023 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 2024 = CHF 142.90.

PSUs Disclosure at the value as at the date of allocation (CHF 156.61), 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 paid to the members of the Corporate Executive Committee

	Variable remuneration				Total variable remuneration	Total basic salary plus variable remuneration	Variable remuneration as percentage of basic salary	Non-cash benefits	Social security contributions	Total remuneration
	Basic salary	Cash payment (fixed)	Cash payment (variable)	Share Subscription Plan						
2022										
CHF thousand										
Gert De Winter	950.0	270.8	314.9	380.0	965.7	1,915.7	102%	-	224.5	2,140.3
Group CEO										
Dr Alexander Bockelmann	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										
Dr Matthias Henny	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										
Michael Müller	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										
Dr Carsten Stolz	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										
Total for the Corporate Executive Committee	3,250.0	769.3	1,315.8	1,300.2	3,385.4	6,635.4	104%	36.1	981.6	7,653.0

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.

PSUs Disclosure at the value on 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.

Remuneration Report

Performance pool factor for 2023

For 2023, the Remuneration Committee set a factor of 85 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 2023 / annual performance	Performance appraisal by the Remuneration Committee	Overall status
1 Financial assessment				90%
Cash Remittance	CHF 2 billion	CHF 493 million 	In 2023, we generated cash remittance of CHF 493 million. This means that we remain well on track for our 2022-2025 strategy phase. Negative impacts on profit under local law due to extraordinary loss events were offset by one-off measures affecting cash. The appraisal of target achievement takes account of this through a mark-down.	90%
2 Quality assessment				94%
Customers	1.5 million new customers	54,000 new customers 	The environment remains challenging. In 2023, customer growth fell short of our expectations as just 54,000 new customers were added. A narrowing of the focus of our innovation efforts and stricter selection meant that our customer base grew less than anticipated. Additional measures to boost customer growth in the coming years are being developed.	
Employees	Top 5% of all employers in Europe by the end of 2025	Top 29% of all employers in Europe 	With regard to our employee target, we were able to achieve a positioning in the top 29 per cent in 2023. This represents an improvement compared with 2022. The Company's ambition is to rank among the top 5 per cent by 2025. This target has not been reached yet. A very low proportion of dissatisfied employees (3 per cent) and our relative progress show that our efforts in this area are bearing fruit.	
Sustainability	Upper mid-level ranking in the indices published by MSCI and Sustainalytics, the SAM Score by S&P, and RepTrak	MSCI: AA 80th percentile Sustainalytics: 20.8 70th percentile SAM Score: 36 60th percentile RepTrak: 69.4	Baloise's reputation remained strong year on year despite the transition from the "Basler Versicherungen" brand to "Baloise" as a unified brand identity. The Group's ESG ratings also remained solid and did not change materially overall compared with 2022. We were able to maintain, and in some respects improve, our relative positioning in the market.	
Risk	Positive integral qualitative risk assessment	Overall assessment: good	Baloise's capital strength in terms of solvency remains stable. The Company is well capitalised and our S&P rating of A+ reflects Baloise's consistently strong valuation. The compliance score is satisfactory and has improved compared with 2022.	
1 x 2 = Performance pool factor for 2023				85%

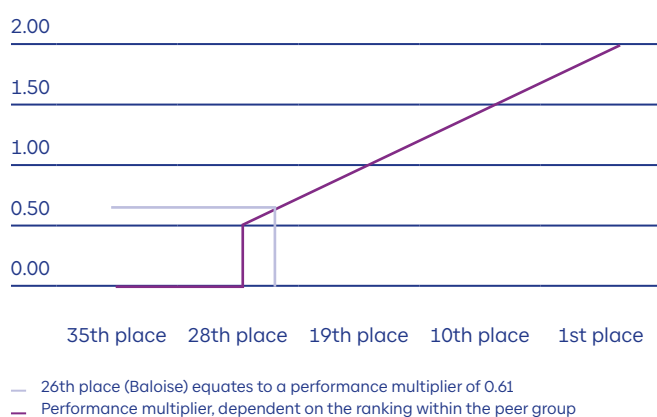
Assessment of the Corporate Executive Committee's performance in 2023

The team targets for the Corporate Executive Committee comprise quantitative and qualitative targets. Alongside the financial performance of the Group, the focus in 2023 was on the implementation of Simply Safe: Season 2. 2023 brought a whole host of unexpected developments that were addressed swiftly and systematically by the Corporate Executive Committee. The measures put in place are already proving effective and further steps are being prepared. But under the prevailing adverse conditions, the performance fell short of our expectations in various respects. Changes in the external environment led us to focus our innovation initiatives primarily on profitability rather than growth (at the expense of portfolio quality), which was reflected in a considerably lower number of new customers. Exceptional circumstances in respect of large claims, combined with the trajectory of interest rates, had an adverse impact on financial performance. Moreover, the performance of our share price was not satisfactory in 2023. However, cash generation was up by 5 per cent year on year.

PSUs for the period 2020 to 2023

During the calculation period, Baloise was ranked 26th 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 0.61 (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 2020–2023 calculation period



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 2020 will receive 61 shares upon conversion in 2023 based on the performance multiplier of 0.61.

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 tables below.

Completed PSU plans

	Price when granted (CHF)	Price when converted (CHF)	Performance multiplier	Value when converted (CHF)	Overall growth in value
2018–2021	149.20	158.90	1.22	193.85	30%
2019–2022	163.00	154.10	0.67	103.25	-37%
2020–2023	154.90	156.50	0.61	95.45	-38%

The table shows the PSU plans that expired in the past three years.

Current PSU plans

	Price when granted (CHF)	Interim valuation upon conversion (CHF)	Performance multiplier	Value when converted (CHF)	Overall growth in value
2021–2024	158.90	131.80	0.00	0.00	-100%
2022–2025	154.10	131.80	0.00	0.00	-100%
2023–2026	156.50	131.80	0.00	0.00	-100%

The table shows the interim valuation of the three current PSU plans as at 31 December 2023.

The interim valuation of the current plans as at 31 December 2023 shows the value at which the PSUs would have been converted if the vesting period had ended on 31 December 2023.

Remuneration Report

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 are offered at arm's-length market rates. 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 (but not negative interest rates) and at a preferential interest rate for fixed-rate mortgages.

There are no loans or credit facilities that were extended at non-arm's-length market rates to former members of the Board of Directors or the Corporate Executive Committee or 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. There are no outstanding policy loans.

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

	Total	
	2023	2022
CHF thousand		
Total for the Board of Directors	-	-
Corporate Executive Committee member with the highest outstanding loan:		
Dr Carsten Stolz Head of Corporate Division Finance	1,600.0	-
Dr Alexander Bockelmann Head of Corporate Division IT	-	2,190.5
Other members of the Corporate Executive Committee	2,963.4	3,786.7
Total for the Corporate Executive Committee	4,563.4	5,977.2

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	
	2023	2022	2023	2022	2023	2022	2023	2022
Quantity								
Dr Thomas von Planta Chairman	4,302	3,286	9,698	6,714	14,000	10,000	0.031%	0.022%
Christoph Mäder Vice-Chairman	1,088	733	2,346	2,116	3,434	2,849	0.007%	0.006%
Dr Maya Bundt	0	0	1,545	1,198	1,545	1,198	0.003%	0.003%
Claudia Dill ¹	-	0	-	1,198	-	1,198	-	0.003%
Christoph B. Gloor	9,867	9,410	2,277	2,261	12,144	11,671	0.027%	0.025%
Hugo Lasat	1,379	1,024	1,972	1,980	3,351	3,004	0.007%	0.007%
Dr Karin Lenzlinger Diedenhofen	0	0	1,863	1,516	1,863	1,516	0.004%	0.003%
Dr Markus R. Neuhaus	355	0	2,282	2,151	2,637	2,151	0.006%	0.005%
Prof. Dr Hans-Jörg Schmidt-Trenz	693	338	2,128	2,037	2,821	2,375	0.006%	0.005%
Prof. Dr Marie-Noëlle Venturi - Zen-Ruffinen	1,481	1,024	2,250	2,261	3,731	3,285	0.008%	0.007%
Total for the Board of Directors	19,165	15,815	26,361	23,432	45,526	39,247	0.099%	0.086%
Percentage of issued share capital	0.042%	0.035%	0.058%	0.051%	0.099%	0.086%		

1 Following the resignation of Claudia Dill from the Board of Directors with effect from 31 October 2023, her shareholdings are not included in the presentation of shareholdings as at the end of 2023.

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 Shares received in connection with share-based remuneration programmes are subject to a closed period of three years.

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

Remuneration Report

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)	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Quantity										
Gert De Winter ¹	-	32,073	-	6,139	-	38,212	-	0.083%	-	6,980
Group CEO (until 30 June 2023)										
Michael Müller	32,166	28,115	5,883	6,682	38,049	34,797	0.083%	0.076%	5,341	5,144
Head of Corporate Division Switzerland (until 30 June 2023) Group CEO (since 1 July 2023)										
Dr Alexander Bockelmann	3,928	880	16,278	21,856	20,206	22,736	0.044%	0.050%	4,414	4,409
Head of Corporate Division IT										
Dr Matthias Henny	10,577	13,522	15,588	20,975	26,165	34,497	0.057%	0.075%	3,806	3,674
Head of Corporate Division Asset Management										
Clemens Markstein	4,114	-	2,637	-	6,751	-	0.015%	-	1,710	-
Head of Corporate Division Switzerland (since 1 July 2023)										
Dr Carsten Stolz	2,019	2,290	3,456	3,247	5,475	5,537	0.012%	0.012%	3,806	3,674
Head of Corporate Division Finance										
Total for the members of the Corporate Executive Committee	52,804	76,880	43,842	58,899	96,646	135,779	0.211%	0.296%	19,077	23,881
Percentage of issued share capital	0.115%	0.168%	0.096%	0.129%	0.211%	0.296%				

1 Following the resignation of Gert De Winter from the Corporate Executive Committee with effect from 30 June 2023, his shareholdings are not included in the presentation of shareholdings as at the end of 2023.

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 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 2021, 1 March 2022 and 1 March 2023).

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 2023 even if individual components are not paid until a later date.

Total and variable remuneration in the Baloise Group

	Cash		Shares		Prospective entitlements		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
CHF million								
Total remuneration	849.7	822.4	3.2	5.2	4.7	5.4	857.6	833.0
Total variable remuneration (total pool)	150.8	153.1	3.2	5.2	4.7	5.4	158.7	163.7
Number of beneficiaries	5,858	5,814	176	276	68	78		
Total outstanding deferred remuneration	-	-	105.9	110.0	14.2	14.9	120.1	124.9
Debits/credits for remuneration for previous reporting periods recognised in profit or loss	0.3	-0.0	-	-	-	-	0.3	-0.0
Total inducement payments made	0.2	0.2	-	-	-	-	0.2	0.2
Number of beneficiaries	9	26	-	-	-	-		
Total severance payments made	5.1	3.1	-	-	-	-	5.1	3.1
Number of beneficiaries	87	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.

Remuneration Report

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

Please refer to the German version of the Baloise Annual Report 2023, page 72, for the report of the statutory auditor on the audit of the remuneration report. The auditor's opinion dated 22 March 2024 confirms compliance with Swiss law and the Company's articles of incorporation.

Please also refer to the disclosure on page 357 "Information on the Baloise Group" referencing the fact that only the German text of the annual report is legally binding.