

57TH ORDINARY ANNUAL GENERAL MEETING

INVITATION

Friday, 24 April 2020, Basel

Due to the extraordinary situation in connection with the **coronavirus**, the Board of Directors has decided that the ordinary Annual General Meeting will be held in a closed session, **without the physical participation of shareholders**.

All shareholders have the possibility to issue a written or electronic **proxy with instructions** to the independent proxy.

Organisational information is available from page 18.

Agenda

1. Management Report, Annual Financial Statements and Consolidated Financial Statements for the financial year 2019
2. Discharge
3. Appropriation of distributable profit
4. Elections
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 - 4.1.1 Dr Andreas Burckhardt (Member and Chairman in single vote)
 - 4.1.2 Dr Andreas Beerli
 - 4.1.3 Christoph B. Gloor
 - 4.1.4 Hugo Lasat
 - 4.1.5 Christoph Mäder
 - 4.1.6 Dr Markus R. Neuhaus
 - 4.1.7 Dr Thomas von Planta
 - 4.1.8 Thomas Pleines
 - 4.1.9 Professor Hans-Jörg Schmidt-Trenz
 - 4.1.10 Professor Marie-Noëlle Venturi - Zen-Ruffinen
 - 4.2 Remuneration Committee
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Dr Christophe Sarasin
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Ernst & Young AG
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 - 5.2.1 Fixed remuneration
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Agenda

1. Management Report, Annual Financial Statements and Consolidated Financial Statements for the financial year 2019

Proposal

The Board of Directors proposes that the Management Report, the Annual Financial Statements and the Consolidated Financial Statements for the financial year 2019 be approved.

2. Discharge

Proposal

The Board of Directors proposes that discharge be granted to the members of the Board of Directors and to the persons entrusted with the management of the Company.

3. Appropriation of distributable profit

Proposal

The Board of Directors proposes the following appropriation of distributable profit:

Profit for the period 2019	CHF	551,688,704.77
Profit carried forward from the previous year	CHF	<u>770,322.44</u>
Distributable profit	CHF	552,459,027.21
Dividend	CHF	– 312,320,000.00
Allocation to free reserves	CHF	<u>– 240,000,000.00</u>
Balance to be carried forward	CHF	139,027.21

The dividend total of CHF 312,320,000.00 is equivalent to a gross dividend of CHF 6.40 per share or respectively CHF 4.16 per share after the deduction of withholding tax of 35%.

It is foreseen that the last trading day with dividend entitlement will be 27 April 2020 and the first trading day ex dividend will be 28 April 2020. The intended date for the payment is 30 April 2020.

4. Elections

4.1 Board of Directors

Proposal

The Board of Directors proposes the re-election of Dr Andreas Burckhardt (also as Chairman of the Board of Directors in single vote), Dr Andreas Beerli, Christoph B. Gloor, Hugo Lasat, Christoph Mäder, Dr Markus R. Neuhaus, Dr Thomas von Planta, Thomas Pleines, Professor Hans-Jörg Schmidt-Trenz and Professor Marie-Noëlle Venturi - Zen-Ruffinen as members of the Board of Directors, in each case for a one-year term of office until the conclusion of the next ordinary Annual General Meeting.

Explanatory notes

Details of the CV of the Chairman and of the members of the Board of Directors can be found in the Corporate Governance Report on pages 76 – 79 of the Annual Report 2019, available at:

www.baloise.com/en/home/investors/publications



4.1.1 Dr Andreas Burckhardt

Born 1951, Swiss national

Dr iur., lawyer

Member of the Board of Directors since 1999 and Chairman of the Board of Directors since 2011.

Election as Chairman and as member of the Board of Directors in single vote.



4.1.2 Dr Andreas Beerli

Born 1951, Swiss national

Dr iur.

Member of the Board of Directors since 2011.



4.1.3 Christoph B. Gloor

Born 1966, Swiss national

Degree in business economics (HWV)

Member of the Board of Directors since 2014.



4.1.4 Hugo Lasat

Born 1964, Belgian national

Master's Degrees in Economic Sciences and in Finance

Member of the Board of Directors since 2016.



4.1.5 Christoph Mäder

Born 1959, Swiss national

Lawyer

Member of the Board of Directors since 2019.



4.1.6 Dr Markus R. Neuhaus

Born 1958, Swiss national

Dr iur., Certified tax expert

Member of the Board of Directors since 2019.



4.1.7 Dr Thomas von Planta

Born 1961, Swiss national

Dr iur., lawyer

Member of the Board of Directors since 2017.



4.1.8 Thomas Pleines

Born 1955, German national

Lawyer

Member of the Board of Directors since 2012.



4.1.9 Professor Hans-Jörg Schmidt-Trenz

Born 1959, German national

Prof. Dr rer. pol.

Member of the Board of Directors since 2018.



4.1.10 Professor Marie-Noëlle Venturi - Zen-Ruffinen

Born 1975, Swiss national

Prof. Dr iur., lawyer

Member of the Board of Directors since 2016.

4.2 Remuneration Committee

Proposal

The Board of Directors proposes that the following members of the Board of Directors be elected as members of the Remuneration Committee for a one-year term of office until the conclusion of the next ordinary Annual General Meeting:

- 4.2.1** Christoph Mäder
- 4.2.2** Thomas Pleines
- 4.2.3** Professor Hans-Jörg Schmidt-Trenz
- 4.2.4** Professor Marie-Noëlle Venturi - Zen-Ruffinen

4.3 Independent proxy

Proposal

The Board of Directors proposes that Dr Christophe Sarasin, lawyer, be elected as the independent proxy for a one-year term of office until the conclusion of the next ordinary Annual General Meeting.

4.4 Statutory auditors

Proposal

The Board of Directors proposes the appointment of Ernst & Young AG, Basel, as the Company's auditors for the 2020 financial year.

5. Remuneration

5.1 Remuneration of the Board of Directors

Proposal

The Board of Directors proposes to set the total remuneration payable to the Board of Directors for the next financial year 2021 at CHF 3.377 million.

Explanatory notes

The remuneration remains unchanged since 2008. The Chairman of the Board of Directors exercises his office as a full-time mandate and in return receives a fixed remuneration (CHF 1,320,000). He is not entitled to any variable remuneration and consequently receives no performance pool payments and no allocation of performance share units. The members of the Board of Directors are paid a fixed remuneration for their work on the Board of Directors (CHF 125,000) and for additional functions that they perform on the committees of the Board of Directors (CHF 70,000 for the Chairman and CHF 50,000 for the members). This remuneration is not tied to any achievement of specific results or performance targets. The amounts paid reflect the responsibility and workload of the various functions.

Detailed figures regarding the last financial years and a listing of the amounts paid to each member of the Board of Directors are provided in the remuneration report on pages 104 and 105 of the Annual Report 2019.

The remuneration for the 2021 financial year includes the statutory contributions that are to be paid by the employer to public social insurance schemes, including an additional amount of up to a maximum of 1% for the increase of contribution rates or larger contributions of the total remuneration due to changes to the Board of Directors.

A part of the fee is paid in blocked Baloise shares. In analogy to the Share Subscription Plan for management, the members of the Board of Directors are granted a discount of 10% on the market price. The shares are now stated as a remuneration element at the full stock market price (and not 90% thereof), as this corresponds to the actual costs incurred by Baloise. The compensation proposal for 2021 is therefore approximately CHF 70,500 higher than in the previous year.

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Under the applicable remuneration regime, neither the Chairman nor the members of the Board of Directors are entitled to contributions to the pension fund and no such contributions are paid out to the Chairman or the members of the Board of Directors.

Financial year	Basic remuneration	Committee remuneration	Statutory social insurance contributions	Discount Share Subscription Plan	Total remuneration	
2020	2,445,000	790,000	71,978		3,306,978	Approved by the 2019 AGM
of which, Chairman of the Board	1,320,000	–	–		1,320,000	
of which, other members of the Board	1,125,000	790,000	71,978		1,986,978	
2021	2,445,000	790,000	71,726	70,528	3,377,254	Proposal to the 2020 AGM
of which, Chairman of the Board	1,320,000	–	–	17,333	1,337,334	
of which, other members of the Board	1,125,000	790,000	71,726	53,194	2,039,920	

Amounts in CHF; the social insurance contributions, up to the pensionable or insurable threshold, include the addition of 1% of the total fee.

5.2 Remuneration of the Corporate Executive Committee

The remuneration method for the Corporate Executive Committee has not changed from the previous year. It complies with the stipulations of the Remuneration Guideline issued by the Board of Directors and the Remuneration Policy. It consists of fixed remuneration (basic salary paid in cash) and variable remuneration. The variable remuneration consists of the performance pool payments and the performance share units.

- The amount of the **Performance Pool (PP)** is determined ex post by the Remuneration Committee. The following main indicators are taken into account based on a systematic assessment: implementation of the strategy, business performance, risks assumed and development of the share price, including dividends (total shareholder return TSR) in comparison with competitors. The expected value of the performance pool amounts to 60 % of the basic salary; it may not exceed 90 % of the basic salary.
- The **Performance Share Units (PSU)** allow the members of the Corporate Executive Committee to participate in the performance of the company and act as a long-term commitment tool. The PSU are issued in the form of rights to subscribe to shares. The expected value for members of the Corporate Executive Committee is 40 % of the basic salary.

In Article 32 paragraph 4 of its Articles of Association, Baloise stipulates that the expected value of all variable remuneration of the members of the Corporate Executive Committee may amount to a maximum of 130 % of the basic salary.

The amount submitted to the Annual General Meeting for approval is based on the value of the shares (PP) or entitlements (PSU) at the time of allocation. This does not take into account the fact that the shares are exposed to the market during the following three-year blocking period (PP) or vesting period (PSU) and may have a higher or lower value after three years. In the case of PSU, a second element is added: Baloise compares its TSR in the three-year performance period with the TSR of the other insurance companies listed in the STOXX 600 Europe Insurance Index. The factor used when entitlements are converted into shares can range between 0.0 (Baloise in the worst quarter of the peer group) and 2.0 (Baloise as the best company in the peer group).

The Board of Directors cannot anticipate these future developments and therefore proposes that the variable remuneration be approved at the time of allocation. The performance after the allocation date has been disclosed in the Annual Report for many years (see pages 89 and 97 of the Annual Report 2019).

The total sum of the fixed remuneration ① and the total sum of the variable remuneration ②, each including the estimated employer contributions to pension schemes (pension fund, public social insurance schemes), up to the pensionable or insurable threshold, are submitted for approval to the Annual General Meeting. The amounts submitted for approval relate to the following periods: fixed remuneration for the following 2021 financial year and variable compensation for the current 2020 financial year.

	Fixed remuneration	Variable remuneration			Total remuneration
	Basic salary	Performance Pool	Performance share units	Total variable remuneration	
Expected value	100 %	60 %	40 %	100 %	200 %
Maximum value	100 %	90 %	40 %	130 %	230 %
	①			②	

5.2.1 Fixed remuneration of the Corporate Executive Committee

Proposal

The Board of Directors proposes to set the total fixed remuneration payable to the Corporate Executive Committee for the next financial year 2021 at CHF 4.007 million.

Explanatory notes

As a consequence of the departure of Dr Thomas Sieber from the Corporate Executive Committee and the termination of his employment contract as of August 31, 2020, the proposed fixed compensation for the Corporate Executive Committee is CHF 4.007 million, thus CHF 0.731 million lower than in the previous year. The Department “Corporate Centre” will be dissolved and the Corporate Executive Committee reduced to five members.

The amounts submitted for approval under items 5.2.1 and 5.2.2 of the agenda include the estimated employer contributions to pension schemes (pension fund and public social insurance schemes). If the contribution rates or threshold values in the public social insurance schemes should increase, the proposed pension amounts will increase accordingly.

Amounts in CHF	2020	2021
	Maximum amount	Maximum amount
– Fixed remuneration	3,871,000	3,250,000
– Contributions to pension funds	867,007	757,374
Total fixed remuneration	4,738,007	4,007,374
	Approved by the 2019 AGM	Proposal to the 2020 AGM

5.2.2 Variable remuneration of the Corporate Executive Committee

Proposal

The Board of Directors proposes to set the maximum amount of variable remuneration payable to the Corporate Executive Committee for the current financial year 2020 at CHF 5.149 million.

Explanatory notes

The proposed maximum remuneration comprises the following elements:

- (i) CHF 3.204 million, based upon the maximum performance pool of 90 % of basic salary,
- (ii) CHF 1.300 million, based on the target value of the Performance Share Units of 40 % of the basic salary and calculated at the allocation date without taking into account subsequent changes in value up to the conversion date (due to the conversion factor of 0.0 to 2.0),
- (iii) CHF 0.289 million for contributions to pension schemes and
- (iv) CHF 0.356 million, corresponding to the compensatory discount under the Share Subscription Plan.

At CHF 5.149 million, the maximum amount to be approved by the Annual General Meeting is approximately CHF 84,000 lower than in the previous year:

- Dr Thomas Sieber will leave the Corporate Executive Committee as of August 31st 2020 and will receive for 2020 a pro-rata remuneration from the Performance Pool, however no PSU will be allocated, which reduces the proposed amount.
- The members of the Corporate Executive Committee may receive up to 100 % of their short-term variable compensation in restricted shares under the Share Subscription Plan. To provide an incentive for a high level of share ownership a 10 % discount is granted to management. The maximum number of shares that can be purchased by the Corporate Executive Committee under the Share Subscription Plan is now shown as a remuneration element at the full market price (and not 90% thereof), as this reflects the actual costs for Baloise, which increases the requested amount.

The amount of the variable remuneration of the Corporate Executive Committee for the 2020 financial year will be determined by the Compensation Committee at the beginning of 2021. For the financial year 2019, variable remuneration totalling CHF 4.492 million was paid to the Corporate Executive Committee. Thus, the maximum amount of CHF 5.233 million approved by the Annual General Meeting was complied with (detailed information and a listing of the amounts paid to each member of the Corporate Executive Committee in 2019 are provided in the Remuneration Report on pages 108 and 109 of the 2019 Annual Report).

Amounts in CHF	2019		2020
	Maximum amount	Actual amount	Maximum amount
– Variable remuneration	4,967,300	4,229,521	4,504,450
– Contributions to pension funds	266,119	262,283	288,898
– Discount Share Subscription Plan	–	–	356,050
Total variable remuneration	5,233,419 Approved by the 2019 AGM	4,491,804	5,149,398 Proposal to the 2020 AGM
Total fixed remuneration	4,662,232	4,668,486 *	4,485,367
Total remuneration	9,895,651	9,160,290	9,634,765

* Difference to the maximum amount is due to slightly higher social security contributions.

Organizational notes

Information related to coronavirus

The Annual General Meeting will take place on 24 April 2020 from 12:00 noon at the headquarters of Bâloise Holding AG, Aeschengraben 21, 4002 Basel. Due to the extraordinary situation in connection with coronavirus, the Board of Directors has resolved that, **at this Annual General Meeting, the shareholders may exercise their voting rights exclusively through the independent proxy and are excluded from physical participation.** This resolution is based on art. 6a of Ordinance 2 of the Federal Council on Measures to fight Coronavirus (as of 19 March 2020).

Voting rights

Entitled to vote at the Annual General Meeting are shareholders who are registered with an entitlement to vote in the share register at 10 a.m. on 20 April 2020. After this time, no entries can be processed in the share register for technical reasons.

Vote per mail

At the Annual General Meeting, shareholders may be represented by the independent proxy Dr Christophe Sarasin, Partner at FROMER Advokatur und Notariat, Basel by issuing him proxy and voting instructions, using the form provided, before 21 April 2020. Dr Sarasin will exercise the voting rights in compliance with the instructions given to him.

Please use for this purpose the form “Proxy / Instructions” and the enclosed return envelope.

Your mail will be processed using the infrastructure of the Bâloise but under the supervision of the independent proxy.

Electronic vote

Until 22 April 2020 at 10 a.m., shareholders may also issue a proxy and instructions to the independent representative electronically, over the Internet.

For this purpose, please log on to the www.baloise.com/annual-general-meeting website, open the “GVMANAGER ONLINE” tab and use your personal access code or QR Code on the form “Proxy / Instructions”.

Instructions for the use of “GVMANAGER ONLINE”:

- For security reasons, your personal one-time code is only valid for a one-time access. It expires as soon as you have issued voting instructions and left the portal.
- You can log on to the portal with the one-time code as long as you have not submitted your voting instructions.
- In order to make subsequent changes to details you have entered, you can request a new one-time code from the share registrar (aktienregister@baloise.com).
- After sending the form of proxy, you can print out the instructions you have issued via the “Print view”.
- If your instructions are submitted to us through different channels, the statement of intent with the most recent date (date on the proxy form or the date of use of the “GVMANAGER ONLINE”) will be considered authoritative. If the dates are identical, the electronic voting instructions will be taken into account.
- The terms and conditions that are available in the “GVMANAGER ONLINE” apply.

Further notes on proxies and exercising voting rights

- Attending the Annual General Meeting in person or granting proxy to another shareholder is excluded.
- Representation by your custodian bank (or a professional asset manager) is not permitted.
- Under Art. 16 of the Articles of Association, no shareholder may represent more than a fifth of all voting shares represented at the Annual General Meeting.

Annual Report

We enclose the summary of the Annual Report, which reviews our operating performance and contains the key indicators. The full Annual Report can be ordered via our website at www.baloise.com/order. The Annual Report and the minutes of the last Annual General Meeting will also be available for inspection at the Company's Head Office (Aeschengraben 21, Basel) from 3 April 2020, and can be accessed, along with this invitation, at www.baloise.com.

Miscellaneous

- Shareholders may send comments, requests for information or motions to Baloise Holding AG, Secretary to the Board of Directors, Aeschengraben 21, 4002 Basel, vrs@baloise.com by 14 April 2020. Provided they relate to the agenda items and are admissible, they will be recorded in the minutes together with the replies of the Board of Directors.
- Shareholders who would like to change their delivery address should contact the share registrar in writing. The contact details can be found at the back of the Invitation.
- The minutes and the Chairman's address will be available on www.baloise.com from 4 p.m. on the day of the Annual General Meeting.

Basel, 2 April 2020

Baloise Holding Ltd.
On behalf of the Board of Directors
Dr Andreas Burckhardt, Chairman

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Please find enclosed

- Summary of the Annual Report
- Form “Proxy / Instructions”
- Return envelope

Bâloise Holding Ltd
Share Registrar
P.O. Box, CH-4002 Basel

Phone +41 58 285 83 24
Telefax +41 58 285 90 89
aktienregister@baloise.com

www.baloise.com