

58th ANNUAL GENERAL MEETING

INVITATION

Friday, 30 April 2021, Basel

Due to the extraordinary situation in connection with the **COVID-19 Pandemic**, the Board of Directors has decided that the 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 power of attorney with instructions** to the independent proxy.

Organisational information is available from page 20.

Attachments

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

Agenda

1. **Management report for the financial year 2020**
 - 1.1 **Adoption of the management report, the annual financial statements, and the consolidated financial statements**
 - 1.2 **Consultative vote on the remuneration report**
2. **Discharge**
3. **Appropriation of distributable profit**
4. **Amendments to the Articles of Association**
 - 4.1 **Capital reduction through cancellation of repurchased shares**
 - 4.2 **Authorised capital**
5. **Elections**
 - 5.1 **Election of ten members of the Board of Directors**
 - 5.1.1 Dr Thomas von Planta (Member and Chairman in single vote)
 - 5.1.2 Dr Andreas Beerli
 - 5.1.3 Christoph B. Gloor
 - 5.1.4 Hugo Lasat
 - 5.1.5 Christoph Mäder
 - 5.1.6 Dr Markus R. Neuhaus
 - 5.1.7 Thomas Pleines
 - 5.1.8 Professor Hans-Jörg Schmidt-Trenz
 - 5.1.9 Professor Marie-Noëlle Venturi - Zen-Ruffinen
 - 5.1.10 Dr Karin Lenzlinger Diedenhofen
 - 5.2 **Election of four members of the Remuneration Committee**
 - 5.2.1 Christoph Mäder
 - 5.2.2 Dr Markus R. Neuhaus
 - 5.2.3 Thomas Pleines
 - 5.2.4 Professor Hans-Jörg Schmidt-Trenz
 - 5.3 **Independent proxy**
Dr Christophe Sarasin
 - 5.4 **Statutory auditors**
Ernst & Young AG
6. **Remuneration**
 - 6.1 **Remuneration of the Board of Directors**
 - 6.2 **Remuneration of the Corporate Executive Committee**
 - 6.2.1 **Fixed remuneration**
 - 6.2.2 **Variable remuneration**

Agenda

1. Management report for the financial year 2020

1.1 Adoption of the Management report, the Annual Financial Statements, and the Consolidated Financial Statements

Proposal

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

1.2 Consultative vote on the remuneration report

Proposal

The Board of Directors proposes that the Remuneration Report included in the Annual Report 2020 be approved (non-binding advisory vote).

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:

Annual profit 2020	CHF	372,317,275.70
Profit carried forward from previous year	CHF	<u>139,027.21</u>
Net profit	CHF	372,456,302.91
Dividend	CHF	– 312,320,000.00
Allocation to free reserves	CHF	<u>– 60,000,000.00</u>
Balance to be carried forward	CHF	136,302.91

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

The last trading day with dividend entitlement is foreseen to be 3 May 2021 and the first trading day ex-dividend is foreseen to be 4 May 2021. The scheduled payment date is 6 May 2021.

4. Amendments to the Articles of Association

4.1 Capital reduction through cancellation of repurchased shares

Proposal

The Board of Directors proposes,

- a) to reduce by CHF 300,000 the share capital of the company from the present CHF 4,880,000 to CHF 4,580,000 through the cancellation of 3,000,000 treasury shares with a nominal value of CHF 0.10 each;
- b) to declare that the claims of the creditors are fully covered even after the reduction of the share capital; and accordingly
- c) that § 3 paragraph 1 of the Articles of Association be reworded as follows (changes in light blue): “The share capital amounts to CHF 4,580,000 ~~CHF 4,880,000~~, divided into 45,800,000 ~~48,800,000~~ registered, fully paid-up shares with a nominal value of CHF 0.10 each.”

Explanatory notes

As from 2017, Bâloise Holding AG has repurchased 3 million treasury shares from its shareholders through share buyback programmes. These shares are now to be cancelled by means of a capital reduction. According to the audit report dated 24 March 2021 by Ernst & Young AG, Basel, available at the Group's headquarters, the creditors' claims are fully covered even after such a reduction of the share capital.

4.2 Authorised capital

Proposal

The Board of Directors proposes that § 3 paragraph 4 of the Articles of Association be amended as follows (amendments in light blue):

“The Board of Directors is authorised to increase the share capital by a maximum of CHF 400,000 until 30 April 2023 ~~26 April 2021~~ through the issue of a maximum

of 4,000,000 fully paid registered shares with a par value of CHF 0.10 each. Increases by way of firm underwriting and increases in instalments are permitted. The time of issue of new shares, their issue price, the method of payment, the conditions governing the exercise of subscription rights and the time of dividend entitlement shall be determined by the Board of Directors. The acquisition of registered shares through the exercise of subscription rights and any subsequent transfer of the new shares are subject to the registration restrictions pursuant to § 5 of the Articles of Association. The Board of Directors is entitled to exclude shareholders' subscription rights and to allocate them to third parties if the new registered shares are used for a merger with a company, the acquisition of companies, parts of companies or participations or for the financing or refinancing of such transactions. Registered shares for which subscription rights have been granted but not exercised shall be sold on the market at market conditions.”

Explanatory notes

Our shareholders have extended or renewed every two years the authorised capital created at the 2009 Annual General Meeting. The authorisation, which would expire on 26 April 2021, is to be extended for a further two years until 30 April 2023 by means of a new amendment to the Articles of Association. The authorised capital increases the financial flexibility, enabling the company, among other things, to take advantage of profitable growth opportunities when required. The general conditions remain unchanged.

5. Elections

5.1 Election of ten members of the Board of Directors

Proposal

The Board of Directors proposes the re-election of Dr Thomas von Planta (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, Thomas Pleines, Professor Hans-Jörg Schmidt-Trenz and Professor Marie-Noëlle Venturi - Zen-Ruffinen as members of the Board of Directors, and the election of Dr Karin Lenzlinger Diedenhofen as a new member of the Board of Directors, each for a one-year term of office, until the conclusion of the next ordinary Annual General Meeting.

Explanatory notes

The details of the curricula vitae of the Chairman and the current members of the Board of Directors can be found in the Corporate Governance Report on pages 94–97 of the Annual Report 2020: www.baloise.com/en/home/investors/publications.html



5.1.1 Dr Thomas von Planta

Born 1961, Swiss national

Dr iur., lawyer

Member of the Board of Directors since 2017.

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



5.1.2 Dr Andreas Beerli

Born 1951, Swiss national

Dr iur.

Member of the Board of Directors since 2011.



5.1.3 Christoph B. Gloor

Born 1966, Swiss national

Degree in business economics (HWV)

Member of the Board of Directors since 2014.



5.1.4 Hugo Lasat

Born 1964, Belgian national

Master in Economic Sciences, Master in Finance

Member of the Board of Directors since 2016.



5.1.5 Christoph Mäder

Born 1959, Swiss national

Lawyer

Member of the Board of Directors since 2019.



5.1.6 Dr Markus R. Neuhaus

Born 1958, Swiss national

Dr iur., Certified tax expert

Member of the Board of Directors since 2019.



5.1.7 Thomas Pleines

Born 1955, German national

Lawyer

Member of the Board of Directors since 2012.



5.1.8 Professor Hans-Jörg Schmidt-Trenz

Born 1959, German national
Prof. Dr rer. pol.
Member of the Board of Directors since 2018.



5.1.9 Professor Marie-Noëlle Venturi - Zen-Ruffinen

Born 1975, Swiss national
Prof. Dr iur., lawyer
Member of the Board of Directors since 2016.



5.1.10 Dr Karin Lenzlinger Diedenhofen

Born 1959, Swiss national
Doctorate in economics HSG

Vice-Chairwoman of SV Group AG since 2017 and Chairwoman of the Board of Directors of Zürcher Oberland Medien AG since 2015. Member of the Board of Directors of Bank Linth LLB AG and of Übermorgen Ventures Investment AG. Member of various foundation boards and organisations, in particular for corporate responsibility and sustainability. Since 2013, Chairwoman of the Zurich Chamber of Commerce and member of the Board of economiesuisse. Member of the Board of Directors of MCH Group Ltd. from 2004 to 2020. From 1991 to 2019, various functions, ultimately CEO and delegate of the Board of Directors at Lenzlinger Söhne AG, Nänikon/Uster.

5.2 Election of four members of the 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:

- 5.2.1** Christoph Mäder
- 5.2.2** Dr Markus R. Neuhaus
- 5.2.3** Thomas Pleines
- 5.2.4** Professor Hans-Jörg Schmidt-Trenz

5.3 Independent proxy

Proposal

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

5.4 Statutory auditors

Proposal

The Board of Directors proposes that Ernst & Young AG, Basel, be appointed as statutory auditors for the financial year 2021.

6. Remuneration

6.1 Remuneration of the Board of Directors

Proposal

The Board of Directors proposes to set the total amount of remuneration of the Board of Directors for the next financial year 2022 at CHF 3.40 million.

Explanatory notes

The remuneration of the members of the Board of Directors has remained unchanged since 2008. The Chairman of the Board of Directors exercises his office as a full-time mandate and receives a flat remuneration for it (CHF 1,300,000). He is not entitled to any variable remuneration and thus receives neither Performance Pool payments nor Performance Share Units allocation. The members of the Board of Directors receive a flat remuneration for their participation in the Board of Directors (CHF 125,000) and for additional functions performed in the committees of the Board of Directors (CHF 70,000 for the chairman/woman, CHF 50,000 for members). This remuneration is not linked to the achievement of any specific performance goal. It takes into consideration the responsibility and workload of the different functions.

In-depth figures for previous years and the amounts allocated to each member of the Board of Directors can be found in the Remuneration report on pages 122 and 123 of the 2020 annual report.

A part of the remuneration is paid in blocked Bâloise shares. In analogy to the share subscription plan for the management, the members of the Board of Directors are granted a discount of 10 % on the stock market price. The shares are reported as a remuneration element at the full stock market price (and not 90 % thereof), as this corresponds to the effective costs incurred by the Bâloise.

The remuneration for the financial year 2022 includes the statutory contributions to be paid by the employer to the state social security funds. A reserve of 1 % of the total fee

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is set aside for higher contribution rates or higher contributions due to changes in the Board of Directors. For the full-time Chairman, the legally required employer contributions are paid to an occupational pension fund. No contributions to an occupational pension scheme are made for the remaining members of the Board of Directors.

Financial year	Basic remuneration	Committee Remuneration	Statutory social insurance contributions	Discount Share subscription plan	Total Remuneration	
2021	2,445,000	790,000	71,726	70,528	3,377,254	Approved by 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	
2022	2,425,000	790,000	79,994	101,343	3,396,337	Proposed to the 2020 AGM
of which, Chairman of the Board	1,300,000	–	25,680	48,149 ¹	1,373,829	
of which, other members of the Board	1,125,000	790,000	54,314	53,194	2,022,508	

Amounts in CHF; social security contributions up to the pensionable or insurable threshold including surcharge of 1% of the total remuneration.

1 The new Chairman will receive one third of the remuneration in shares (previously: one quarter) and will draw these exclusively under the Share Subscription Plan (previously: half under the Share Subscription Plan and half under the Share Ownership Plan).

6.2 Remuneration of the Corporate Executive Committee

The remuneration system for the Corporate Executive Committee remains unchanged from the previous year. It is based on the provisions of the Remuneration Guidelines 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 includes the Performance Pool and the Performance Share Units.

- The amount of the **Performance Pools (PP)** is determined ex post by the Remuneration Committee. Based on a systematic assessment, the following main indicators are considered: strategy implementation, 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 is 60 % of the basic salary; a maximum of 90 % of the basic salary can be paid out.
- 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 Corporate Executive Committee members is 40 % of the basic salary.

In § 32 paragraph 4 of its Articles of Association, Bâloise states that the sum of all variable remuneration of the members of the Corporate Executive Committee may not exceed 130 % of the basic salary.

The amount submitted to the Annual General Meeting for approval shall be based on the value of the shares (PP) or the entitlements (PSU) at the time of allocation. This does not take into consideration 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 the PSU, a second element comes into consideration: Bâloise 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 to convert entitlements into shares can range from 0.0 (Bâloise in the worst quarter of the peer group) to 2.0 (Bâloise as the best company in the peer group). The

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Board of Directors cannot anticipate these future developments and therefore proposes the approval of the variable remuneration at the date of allocation. The performance after the allocation date is disclosed in the annual report (cf. pages 107 and 115 of the annual report 2020).

At the Annual General Meeting, are submitted for approval ① the total amount for the fixed remuneration and ② the total amount for the variable remuneration, each including the estimated employer contributions to social security and pension schemes (pension fund, state social insurance), up to the pensionable or insurable threshold. The amounts submitted for approval pertain to the following periods respectively: fixed remuneration for the following financial year 2022 and variable remuneration for the current financial year 2021.

	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	

6.2.1 Fixed remuneration for the Corporate Executive Committee

Proposal

The Board of Directors proposes that the total amount of the fixed remuneration of the Corporate Executive Committee for the next financial year 2022 be set at CHF 4.01 million.

Explanatory notes

At CHF 4.01 million, the proposed fixed remuneration for the Corporate Executive Committee remains unchanged compared to the previous year.

The amounts submitted for approval in agenda items 6.2.1 and 6.2.2 include the estimated employer contributions to social security and pension schemes (pension fund, state social insurance). Should the contribution rates or thresholds in the state social insurance be increased, the pension contributions requested here will increase accordingly.

Amounts in CHF	2021	2022
	Maximum amount	Maximum amount
– Fixed remuneration	3,250,000	3,250,000
– Contributions to social and pension funds	757,374	759,454
Total fixed remuneration	4,007,374	4,009,454
	Approved by the 2020 AGM	Proposed to the 2021 AGM

6.2.2 Variable remuneration of the Corporate Executive Committee

Proposal

The Board of Directors proposes to set the maximum amount of the variable remuneration of the Corporate Executive Committee for the current financial year 2021 at CHF 4.79 million.

Explanatory notes

The maximum remuneration proposed is constituted by the following elements:

- (i) CHF 2.93 million based on the maximum performance pool of 90% of the base salary,
- (ii) CHF 1.30 million based on the target value of the performance share units of 40% of the base salary and calculated on 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 0.23 million for contributions to social security and pension funds and
- (iv) CHF 0.33 million representing the adjusted discount under the Share Subscription Plan.

At CHF 4.79 million, the maximum amount to be approved by the Annual General Meeting is around CHF 370,000 lower than in the previous year, due to the dissolution of the Corporate Centre division as of 1 July 2020 and the reduction of the Corporate Executive Committee to five members.

The Remuneration Committee will determine the amount of the variable remuneration of the Corporate Executive Committee for the financial year 2021 in February 2022.

For the 2020 financial year, the Corporate Executive Committee was paid a total variable remuneration of CHF 3.56 million, i.e. 69% of the maximum amount of CHF 5.15 million previously approved by the Annual General Meeting.

Amounts in CHF	2020		2021
	Maximum amount	Effective amount	Maximum amount
– Variable remuneration	4,504,450	3,222,912	4,225,000
– Contributions to social and pension funds	288,898	229,279	234,186
– Discount share subscription plan	356,050	107,149	325,000
Total variable remuneration	5,149,398 Approved by the 2020 AGM	3,559,340	4,784,186 Proposed to the 2021 AGM

Organisational information

Information related to COVID-19

The Annual General Meeting will take place on 30 April 2021, from 12 noon at the Congress Center Messe Basel, Messeplatz 21, 4058 Basel. As our Annual General Meeting cannot take place in the usual framework due to the still severe restrictions in connection with the COVID-19 pandemic, the Board of Directors has decided that **shareholders can exercise their voting rights at this Annual General Meeting exclusively via the independent proxy and are excluded from physical participation.** This decision is based on art. 27 of Ordinance 3 on Measures to fight coronavirus (as of 11 September 2020).

Voting rights

Entitled to vote at the Annual General Meeting are all shareholders registered with voting rights in the share register at 5 p.m. on 26 April 2021. For technical reasons, no further entries will be made in the share register after this time.

Written vote

At the Annual General Meeting, shareholders may be represented by the independent proxy Dr Christophe Sarasin, Partner at FROMER Advokatur und Notariat, Basel. 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 postal mail will be processed by Devigus Shareholder Services, Rotkreuz, under the supervision of the independent proxy.

Electronic vote

Shareholders may also issue a power of attorney and instructions to the independent proxy via Internet until 10 a.m. on 28 April 2021.

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

Instructions for the use of “GVMANAGER ONLINE”

- For security reasons, your personal 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 however use the one-time code to log into the portal more than once, as long as you have not submitted any voting instructions.
- For subsequent changes to your entries, you can request a new one-time code from the (share) register (baloise@devigus.com).
- After sending the form of proxy, you can print out the instructions you have issued with “Print view”.
- If your instructions are submitted to us via multiple channels, we will consider decisive the statement of intent with the most recent date (the date on the form of proxy or the date of use of the “GVMANAGER ONLINE”). If these dates are identical, the electronic voting instructions are taken into account.
- The terms and conditions stipulated in the “GVMANAGER ONLINE” are applicable.

Further notes on proxies and the exercise of voting rights

- Attending the Annual General Meeting in person or granting proxy to another shareholder is excluded.
- A representation by your custodian bank or a professional asset manager is not permitted.
- Pursuant to § 16 of the Articles of Association, when exercising voting rights, a shareholder may not combine more than one fifth of the shares entitled to vote at the Annual General Meeting.

Annual report

Enclosed, you will find the summary version of the Annual Report, with comments on the course of business and the most important key indicators. The complete Annual Report can be ordered via our website www.baloise.com/order. In addition, the Annual Report and the minutes of the last Annual General Meeting will be available for review at the company's headquarters, Aeschengraben 21, Basel, from 8 April 2021 onwards and can be downloaded, along with this invitation from www.baloise.com.

Shareholders requests

Shareholders may send comments, requests for information or motions to the Secretary to the Board of Directors (email and postal addresses available on www.baloise.com/annual-general-meeting) by 20 April 2021. Provided they relate to the agenda and are admissible, they will be recorded in the minutes together with the replies of the Board of Directors or published on the website of Baloise. Baloise reserves the right to comment in aggregated form or, under certain circumstances, by naming the requesting shareholder or representative.

Miscellaneous

- We kindly request shareholders who wish to change their delivery address, to contact in writing the share registrar. The contact details can be found on the back of this invitation.
- The minutes and the Chairman's address will be available on www.baloise.com from 4 p.m., on the day of the General Assembly.

Basel, 7 April 2021

Baloise Holding Ltd
For the Board of Directors
Dr Andreas Burckhardt, Chairman

For questions to the Registrar's office

Devigus Shareholder Services
Birkenstrasse 47
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Other questions

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