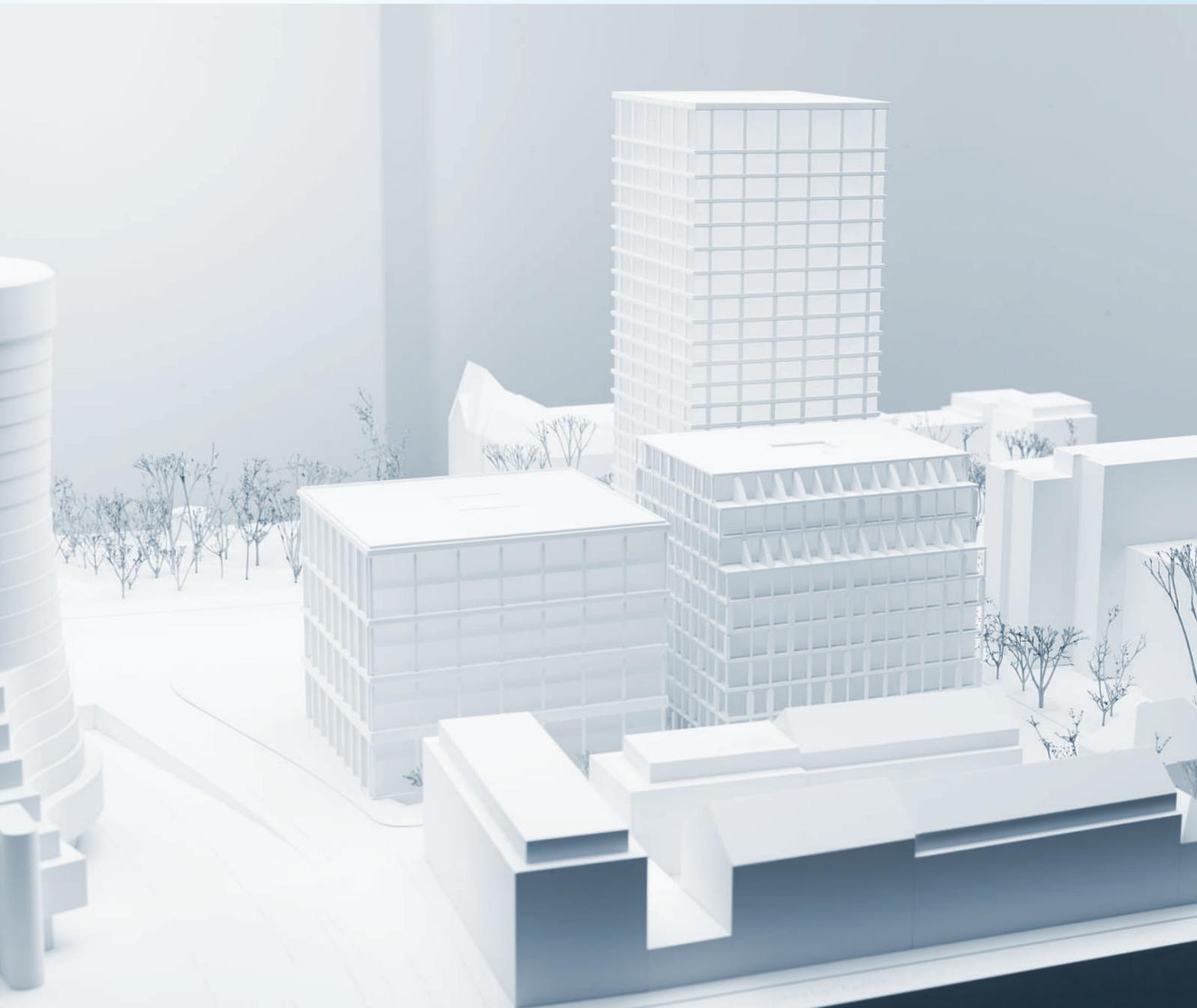


Invitation to the 52nd ordinary Annual General Meeting

Thursday, 30 April 2015, 10.15 a.m. (admission from 9.15 a.m.)

San Francisco Room at Messe Basel in Basel



Agenda

1. **Annual Report, Annual Financial Statements and Consolidated Financial Statements for the financial year 2014**
2. **Discharge**
3. **Appropriation of distributable profit**
4. **Amendments to the Articles of Association**
 - 4.1 Authorised capital
 - 4.2 Amendments to comply with the Ordinance against Excessive Remuneration in Listed Companies Limited by Shares (ERCO)
5. **Elections**
 - 5.1 Board of Directors
 - 5.1.1 Dr Michael Becker
 - 5.1.2 Dr Andreas Beerli
 - 5.1.3 Dr Georges-Antoine de Boccard
 - 5.1.4 Dr Andreas Burckhardt
 - 5.1.5 Christoph B. Gloor
 - 5.1.6 Karin Keller-Sutter
 - 5.1.7 Werner Kummer
 - 5.1.8 Thomas Pleines
 - 5.1.9 Dr Eveline Saupper
 - 5.2 Chairman of the Board of Directors
Dr Andreas Burckhardt
 - 5.3 Remuneration Committee
 - 5.3.1 Dr Georges-Antoine de Boccard
 - 5.3.2 Karin Keller-Sutter
 - 5.3.3 Thomas Pleines
 - 5.3.4 Dr Eveline Saupper
 - 5.4 Independent proxy
Dr Christophe Sarasin
 - 5.5 Statutory auditors
PricewaterhouseCoopers 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

1. Annual Report, Annual Financial Statements and Consolidated Financial Statements for the financial year 2014

Proposal

The Board of Directors proposes that the Annual Report, the Annual Financial Statements and the Consolidated Financial Statements for the financial year 2014 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 2014	CHF	405,812,675.61
Profit carried forward from the previous year	<u>CHF</u>	<u>721,340.00</u>
Distributable profit	CHF	406,534,015.61
Allocation to other reserves	CHF	-156,000,000.00
Dividend	<u>CHF</u>	<u>-250,000,000.00</u>
Balance to be carried forward	CHF	534,015.61

The dividend total of CHF 250,000,000.– is equivalent to a gross dividend of CHF 5.00 per share or CHF 3.25 per share after the deduction of withholding tax of 35 per cent.

4. Amendments to the Articles of Association

4.1 Authorised capital

Proposal

The Board of Directors proposes that Art. 3 (4) of the Articles of Association be amended as follows:

New version of the Articles of Association (amendments in blue)

The Board of Directors is authorised to increase the share capital by a maximum of CHF 500,000 on or before 2 May 2015 30 April 2017 by issuing a maximum of 5,000,000 fully paid-up registered shares with a par value of CHF 0.10 each. Increases by firm underwriting and partial increases are permissible. The Board of Directors shall determine the date on which new shares are to be issued, the issue price, the method of payment, the conditions relating to the exercising of subscription rights, and the date of entitlement to dividend payments. The acquisition of registered shares through the exercising of subscription rights and every subsequent transfer of the new shares are subject to the restrictions on entries in the share register under Art. 5 of the Articles of Association. The Board of Directors is entitled to exclude shareholders' subscription rights and assign them to third parties, if the new registered shares are used for mergers with other companies, the acquisition of companies, parts of companies or shareholdings, or to finance/refinance such transactions. Registered shares for which subscription rights are granted but not exercised must be sold on the market at market conditions.

Explanatory notes

At the ordinary Annual General Meetings held in 2011 and 2013, our shareholders extended or renewed the authorised capital created at the 2009 ordinary Annual General Meeting for a period of two years each. The authorisation, which would expire on 2 May 2015, is to be extended by a further two years up to 30 April 2017, via a further amendment of the Articles of Association. The authorised capital increases financial flexibility, thereby enabling the Company, inter alia, to make use of opportunities for profitable growth when required. The framework remains unchanged.

4.2 Amendments to the Articles of Association relating to the Ordinance against Excessive Remuneration in Listed Companies Limited by Shares (ERCO)

Proposal

The Board of Directors proposes the approval of the amendments to the Articles of Association specified in this section 4.2 and explained individually below. All the proposed amendments will be voted on together in their entirety.

General explanatory notes

The Ordinance against Excessive Remuneration in Listed Companies Limited by Shares (ERCO) enacted by the Swiss Federal Council on 1 January 2014 necessitates various amendments to the Articles of Association. These primarily comprise amendments of a formal organisational nature and amendments relating to the remuneration of the Board of Directors and of the Corporate Executive Committee. In accordance with the relevant transitional regulation of the ERCO, the companies affected must amend their articles of association, in so far as these are inconsistent with the ERCO, at the latest at their 2015 annual general meetings. The shareholders of Baloise approved the majority of the amendments to meet the requirements of the ERCO at the 2014 Annual General Meeting. The remaining amendments required are now to be enacted at the 2015 Annual General Meeting.

The wording of the individual amendments to the Articles of Association is presented in light blue in the following (left-hand column), where new additions are underlined and deletions are struck through. All the amendments are accompanied by corresponding explanatory notes (right-hand column). For reasons of space, only those passages of text from the Articles of Association that are subject to amendment are presented below. The complete text of the Articles of Association currently in effect can be obtained at the Annual General Meeting and is available online at

www.baloise.com/rules-regulations

The new provisions of the Articles of Association and those that are to be amended are presented below in the following seven groups of topics:

- (a) The independent proxy, including appointing him as proxy and issuing him with voting instructions (amendment of Art. 16)
- (b) Contracts governing remuneration (amendment of Art. 29)
- (c) Additional amount for the remuneration of newly appointed members of the Corporate Executive Committee (amendment of Art. 30)
- (d) Consequences of a failure to approve the remuneration (supplement to Art. 31)
- (e) Principles governing the allocation of equity securities and warrants (amendment of Art. 32)
- (f) Maximum number of mandates that can be held outside the Company (new Art. 33)
- (g) Maximum amount for loans and credit to members of the Board of Directors and of the Corporate Executive Committee (new Art. 34)

a) The independent proxy, including appointing him as proxy and issuing him with voting instructions

New version of the Articles of Association (amendments in blue)

Art. 16 Subject to Art. 5 and the following provisions of Art. 16, all shareholders that are registered in the share register as shareholders with voting rights on the date specified by the Board of Directors in the invitation to the General Meeting are entitled to vote at the General Meeting.

Explanatory notes

The new ERCO stipulations regarding the election of the independent proxy and the appointment of proxies and issue of voting instructions (Art. 2 (1) no. 3, Art. 8 and 9) result in the amendment of Art. 16 of the Articles of Association.

Any shareholder can authorise another shareholder or the independent proxy to exercise his or her voting rights by appointing a proxy in writing. Granting the power of proxy and issuing voting instructions to the independent proxy can also be carried out electronically without requiring an authenticated electronic signature. Persons incapable of acting within the meaning of Art. 17 of the Swiss Civil Code shall be represented by their legal representatives, while trading partnerships and other legal entities shall be represented by their duly authorised officers; such proxies need not be shareholders.

Each share confers the right to one vote. When exercising voting rights, no shareholder can accumulate more than one fifth of the voting shares at the General Meeting directly or indirectly for his or her own votes or proxy votes.

For the purpose of the third paragraph of this Art. 16, the following are also deemed shareholders:

- a) legal entities and partnerships that are linked to one another through capital ownership or voting rights or by way of a common management or otherwise;
- b) all natural persons, legal entities or partnerships that amalgamate for the purpose of circumventing the said restriction.

b) Contracts governing remuneration

New version of the Articles of Association (amendments in blue)

Art. 29 Contracts governing remuneration ~~Term of the employment contracts of the members of the Corporate Executive Committee~~

The employment contracts with members of the Corporate Executive Committee are concluded for an indefinite period. The period of notice is twelve months.

In addition, contracts can be entered into with members of the Board of Directors concerning their mandates and remuneration. The term of such contracts shall be based on the term of office and comply with the law.

The remuneration can be paid by the Company or by legal entities that it controls.

This now explicitly states that a shareholder can also authorise the independent proxy to exercise his or her voting rights.

The ERCO does not clearly stipulate whether a certified or a simple electronic signature is required for the appointment of a proxy by electronic means. Like many other companies, we are clarifying this point in our Articles of Association with reference to forms of proxy and voting instructions.

Explanatory notes

The ERCO stipulates the mandatory introduction into the articles of association of an upper limit on the term or notice period of contracts with members of the Corporate Executive Committee and of the Board of Directors concerning remuneration (Art. 12 (1) no. 2).

The provision in the Articles of Association for members of the Corporate Executive Committee remains unchanged.

It is not mandatory that written agreements are concluded with members of the Board of Directors. However, if such an agreement is entered into, its term must be based on the member's term of office and comply with the law. This corresponds to the practice already in place at Baloise.

The proposed paragraph 3 takes the particular features of a group structure into account, as contracts do not necessarily have to be entered into with the group holding company and remuneration does not necessarily have to be paid by the holding company.

c) **Additional amount**

**New version of the Articles of Association
(amendments in blue)**

Art. 30 Additional amount for the remuneration of newly appointed members of the Corporate Executive Committee

In the event that the Board of Directors appoints a **new Chief Executive Officer** or one or more new members to the Corporate Executive Committee between two General Meetings, the amount approved by the **last** General Meeting for the total remuneration of the **members of the** Corporate Executive Committee shall be increased.

The increase for each newly appointed member shall equal the average of the amount approved for the current members of the Corporate Executive Committee. In the case of the Chief Executive Officer, the increase shall correspond to the maximum remuneration of the incumbent office holder.

Explanatory notes

It follows from Article 30 (2) that the remuneration approved by the General Meeting is increased by the additional amount if a person joins the Corporate Executive Committee as a new member or as the Group CEO. The additional amount is also intended for the event that a current member is to take on the role of new Group CEO. This is clarified by the supplement to Article 30 (1).

d) **Consequences of a failure to approve the remuneration**

**New version of the Articles of Association
(amendments in blue)**

Art. 31 Approval of the remuneration of members of the Board of Directors and the Corporate Executive Committee

[Paragraphs 1 and 2 remain unchanged]

If the General Meeting does not approve a proposal of the Board of Directors, then the Board of Directors shall set an overall or maximum amount and submit this as its proposal to an extraordinary General Meeting or the next ordinary General Meeting for approval. The Company may pay remuneration or allocate entitlements within the scope of an overall or maximum amount established in this way, subject to the approval of the General Meeting and reimbursement in the event that approval is not granted.

Explanatory notes

The further procedure to be followed if a resolution on remuneration is rejected by the General Meeting can only be stipulated with binding effect in the Articles of Association (Art. 12 (2) no. 6 ERCO).

The new paragraph 3 stipulates that the Board of Directors must set a new overall or maximum amount and submit this to the General Meeting for approval. Payouts may only be distributed subject to the approval of the General Meeting and the repayment in the event that approval is not given.

e) **Principles governing the allocation of equity securities and warrants**

**New version of the Articles of Association
(amendments in blue)**

Art. 32 Principles for variable remuneration

[Paragraphs 1 to 4 remain unchanged]

If the variable remuneration is paid in form of equity securities, entitlements to equity securities or similar, then the amount that corresponds to the value of these equity securities, entitlements to equity securities, or similar at the date of issue shall determine the approval in accordance with Art. 31 (2) of these Articles of Association.

Explanatory notes

The content of the previous paragraph 5 remains unchanged but is placed at the beginning of paragraph 7. As a result of this systematic adjustment, Article 32 is now divided into provisions on fixed remuneration (paragraph 1), variable remuneration (paragraphs 2 to 6) and share plans in particular (paragraph 7).

The Board of Directors shall issue regulations that govern the arrangement of the variable remuneration in detail.

The amount of the variable remuneration of the members of the Corporate Executive Committee shall be determined by the Remuneration Committee within the maximum sum prescribed by the General Meeting – in consideration of the net profit (or loss) for the period, the risks assumed, the absolute and relative development of the share price and the implementation of the strategy – and disclosed in the remuneration report.

If the variable remuneration is paid in the form of equity securities, entitlements to equity securities or similar, then the amount that corresponds to the value of these equity securities, entitlements to equity securities or similar at the date of issue shall determine the approval in accordance with Art. 31 (2) of these Articles of Association. The Board of Directors or the Remuneration Committee, if delegated to the latter under the regulations, shall specify the terms and conditions of allocation as well as any lock-up periods and forfeiture rules. It can stipulate that, on account of the occurrence of certain events specified in advance, such as a change of control or the termination of an employment contract, lock-up periods are shortened or cancelled, remuneration is paid on the assumption that target values have been achieved, remuneration is forfeited and/or rights are converted into shares early and these shares are transferred. The Company can purchase the necessary equity securities on the market or provide them by using the conditional capital.

The principles governing the allocation of equity securities as well as conversion rights and warrants to members of the Board of Directors and the Corporate Executive Committee can only be stipulated with binding effect in the Articles of Association (Art. 12 (2) no. 3 ERCO).

The first sentence of paragraph 7 corresponds to the previous rule (see above).

In accordance with the new paragraph 7, the Board of Directors or the Remuneration Committee is responsible for defining the allocation, vesting and forfeiture conditions of share plans. The applicable regulations should include general rules on the amount of the benefits in certain special situations (e.g. in the event of a change of control or the termination of an employment contract with a member of the Corporate Executive Committee).

f) Maximum number of mandates that can be held outside the Company

New version of the Articles of Association (amendments in blue)

Art. 33 Mandates held in legal entities outside the Company that are subject to commercial registration

The Board of Directors shall ensure that the number of external mandates that are held by members of the Board of Directors or of the Corporate Executive Committee is compatible with their work commitments, availability, capabilities and impartiality, which are necessary for the performance of their duties as members of the Board of Directors or of the Corporate Executive Committee.

Explanatory notes

Pursuant to the ERCO, Articles of Association must stipulate the number of positions that members of the Board of Directors and of the Corporate Executive Committee are permitted to hold in the supreme governing bodies of other companies (Art. 12 (1) no. 1).

Paragraph 1 contains the general principle that external mandates of members of the Board of Directors and of the Corporate Executive Committee must be compatible with their work for Baloise. The Board of Directors is responsible for ensuring this.

Mandates shall mean mandates within the supreme governing bodies of legal entities that are required to be registered in the commercial register or a corresponding register of a foreign jurisdiction, and that are neither controlled by the Company nor control the Company. Mandates held in different legal entities that are under the same joint control are deemed a single mandate.

A member of the Board of Directors may hold no more than 10 additional mandates, of which no more than four may be held in listed companies. A member of the Corporate Executive Committee may hold no more than four additional mandates, of which no more than one mandate may be held in a listed company. In addition, a member of the Board of Directors or of the Corporate Executive Committee may exercise up to 15 mandates in associations, foundations and pension and employee welfare foundations that are required to be registered in the commercial register or in a corresponding register of a foreign jurisdiction.

The term “mandate” is defined in paragraph 2. Based on this definition, a limit is imposed in paragraph 3 on the number of mandates that may be held. The number of mandates permitted corresponds overall to the average number permitted by the 30 companies in the Swiss Leader Index (SLI) of the SIX Swiss Exchange.

If the proposal is accepted, Articles 33 to 37 will be changed to Articles 34 to 38 of the Articles of Association.

g) Maximum amount of loans and credit to members of the Board of Directors and of the Corporate Executive Committee

**New version of the Articles of Association
(amendments in blue)
Art. 34 Loans and credit**

The Company and the legal entities that it controls may grant loans and credit as follows:

1. Loans and credit for standard bank transactions, such as mortgages, of an amount up to three times the maximum possible total annual remuneration each to members of the Corporate Executive Committee and for mortgages of up to CHF 3 million each to members of the Board of Directors; and
2. Loans and credit in connection with share-based remuneration programmes of up to three times the maximum possible total annual remuneration to the Chairman of the Board of Directors and the members of the Corporate Executive Committee.

Explanatory notes

Rules concerning the amount of loans, credit and pension benefits outside the occupational pension scheme to members of the Board of Directors and of the Corporate Executive Committee can only be stipulated with binding effect in the Articles of Association (Art. 12 (2), no. 1 ERCO).

Baloise Bank SoBa AG grants members of the Corporate Executive Committee standard bank loans and credit, e.g. to finance an owner-occupied property. Members of the Board of Directors are only granted mortgages. Loans are granted to the members of the Corporate Executive Committee and to the Chairman of the Board of Directors at employee conditions and to the other members of the Board of Directors at market conditions. The new maximum amounts pursuant to Art. 34 (1) of the Articles of Association now apply.

Art. 34 (2) limits the amount of the loans for the specific purpose of purchasing shares in Baloise under the employee share ownership plan, with actual drawdowns of this facility disclosed in the remuneration report; at the end of 2014, these did not exceed 205% of the maximum possible total remuneration for any one board or committee member.

If the proposal is accepted, Articles 34 to 38 will be changed to Articles 35 to 39 of the Articles of Association.

5. Elections

5.1 Board of Directors

Proposal

The Board of Directors proposes that the persons presented below be elected as members of the Board of Directors for a term of office of one year up to the close of the next ordinary Annual General Meeting.

5.1.1 Dr Michael Becker



Michael Becker (1948, German, Dr iur.)

has been a member of the Board of Directors since 2010. He studied law in Hamburg and Tübingen and became Head of Accounting and Finance at Merck KGaA, Darmstadt, in 1998. He was an executive director and general partner at the publicly listed company Merck KGaA from 2000 until the end of 2011, and he was an executive director and general partner at E. Merck KG, Darmstadt, which holds 70 per cent of the share capital in Merck KGaA, from 2002 until the end of 2011. Dr Becker is also a member of the Supervisory Board of Symrise AG, Germany. Dr Becker is an independent non-executive director.

5.1.2 Dr Andreas Beerli



Andreas Beerli (1951, Swiss, Dr iur.)

has been a member of the Board of Directors since 2011. He studied law at the University of Basel. In 1979, he started working as an underwriter for the German market at Swiss Re. From 1985 to 1993, he performed various managerial roles at Baloise, with the main focus on supervising and supporting several foreign units. He then returned to Swiss Re, where he became a member of the Group Executive Committee in 2000, first in the United States as Head of Swiss Re Americas and, most recently, in Zurich as Chief Operating Officer for the entire Swiss Re Group. Since 2009, he has acted as an independent adviser on the boards of directors and advisory boards of companies and professional associations. He is a member of the Board of Directors at Ironshore Europe Inc., Dublin, a member of the Advisory Board of Accenture Schweiz, and Chairman of the Swiss Advisory Council of the American Swiss Foundation. Dr Beerli is an independent non-executive director.

5.1.3 Dr Georges-Antoine de Boccard



Georges-Antoine de Boccard (1951, Swiss, Dr med.)

has been a member of the Board of Directors since 2011. He studied medicine at the University of Geneva. He has run his own urological surgery practice in Geneva since 1987. Dr de Boccard is Chairman of the Board of Directors at Citadel Finance SA and was Chairman of the Swiss Association of Urology from 2005 to 2006. He is a member of the Swiss Association of Urology, the European Association of Urology and other professional bodies and associations and sits on the boards of various foundations. Dr de Boccard is an independent non-executive director.

5.1.4 Dr Andreas Burckhardt



Andreas Burckhardt (1951, Swiss, Dr iur., attorney)

has been a member of the Board of Directors since 1999 and its Chairman since 29 April 2011. He studied jurisprudence at the universities of Basel and Geneva. He worked in the legal department of Fides Treuhandgesellschaft from 1982 to 1987 and served as Secretary General of the Baloise Group from 1988 to 1994. He was Director of the Basel Chamber of Commerce from 1994 to April 2011. In this role he sat on various governing bodies of national and regional business organisations. From 1981 to 2011, he performed political functions in Basel City, and from 1997 to 2011 he served on the Great Council of the Canton of Basel City (as Chairman in 2006/2007). He sits on the Board of Directors of Carl Spaeter AG and is also Vice Chairman of the Board of Governors of the Swiss Tropical and Public Health Institute, Basel. Dr Burckhardt is a member of the Committee of the Board of Directors of economiesuisse and sits on the Executive Committee of the regional employers' association in Basel and of the Regio Basiliensis association. As Chairman of the Board of Directors of Baloise, Dr Burckhardt holds a non-executive position.

5.1.5 Christoph B. Gloor



Christoph B. Gloor (1966, Swiss)

has been a member of the Board of Directors since 2014. He holds a degree in business administration (HWV) and is the Chief Executive Officer of the Basel-based private bank La Roche & Co AG. Before joining the bank La Roche & Co AG on 1 December 1998, he worked first at Swiss Bank Corporation and then at Vitra (International). Christoph B. Gloor was Chairman of the Association of Swiss Private Banks from November 2013 until February 2015 and was a member of the Board of Directors of the Swiss Bankers Association from September 2013 until February 2015. He is a designated member of the Executive Board of the future Notenstein La Roche Private Bank AG. Mr Gloor is an independent non-executive director.

5.1.6 Karin Keller-Sutter



Karin Keller-Sutter (1963, Swiss, certified translator and conference interpreter)

has been a member of the Board of Directors since 2013. She holds a postgraduate qualification in education. In 1996, she was elected to St. Gallen's cantonal parliament and became Chairwoman of the FDP (the Swiss Liberal Party) for the canton of St. Gallen, before being elected to St. Gallen's cantonal governing council in 2000. She was in charge of the Security and Justice Department until May 2012 and chaired the governing council in 2006/2007 and again in 2011/2012. She was elected to the Council of States – the smaller chamber of the Swiss parliament – in the autumn of 2011. Ms Keller-Sutter is a member of the Board of Directors of the NZZ Media Group and Pensimo Fondsleitung AG. She is also a member of the Board of Directors of ASGA Pensionskasse and chairs the Board of Trustees of the Pensimo investment foundation. She is Chairwoman of the Swiss Retail Federation and a member of the Executive Committee of the Swiss Employers' Federation. Ms Keller-Sutter is an independent non-executive director.

5.1.7 Werner Kummer



Werner Kummer (1947, Swiss, Dipl. Ing. ETH, MBA Insead)

has been a member of the Board of Directors since 2000 and its Vice Chairman since 2014. From 1990 to 1994, he was CEO of Schindler Aufzüge AG and subsequently, until 1998, sat on Schindler's Group Management Committee, where he was responsible for the Asia Pacific region. Until 2013 he was a member of the Supervisory Board of Schindler Deutschland Holding GmbH. He was CEO of Forbo Holding AG from 1998 until 2004. He is a freelance management consultant, Chairman of the Board of Directors at Gebrüder Meier AG, a member of other supervisory boards of non-listed companies in Switzerland and abroad and an executive director of the Zurich Chamber of Commerce. Mr Kummer is an independent non-executive director.

5.1.8 Thomas Pleines



Thomas Pleines (1955, German, attorney)

has been a member of the Board of Directors since 2012. From 2003 to 2005, he was CEO and delegate of the Board of Directors at Allianz Suisse, Zurich, and from 2006 to 2010 he was CEO of Allianz Versicherungs-AG, Munich, and an executive director at Allianz Deutschland AG, Munich. Mr Pleines was a member of the Supervisory Board of Bilfinger SE, Mannheim, from 1998 to 2013. He has been Chairman of the Presidential Board at DEKRA e.V., Stuttgart, Chairman of the Supervisory Board of DEKRA SE, Stuttgart, Chairman of the Supervisory Board at SÜDVERS Holding GmbH & Co. KG, Au near Freiburg, and a member of the Board of Directors at KABA Holding AG, Rümlang near Zurich, since 2011. Mr Pleines is an independent non-executive director.

5.1.9 Dr Eveline Saupper



Eveline Saupper (1958, Swiss, Dr iur., attorney)

has been a member of the Board of Directors since 1999. She studied jurisprudence at the University of St. Gallen. She is an attorney and a certified tax expert. She worked for Peat Marwick Mitchell (now KPMG Fides), Zurich, from 1983 to 1985 and was employed by Baker & McKenzie, Zurich and Chicago, from 1985 to 1992. She is an Of Counsel at Homburger AG, Zurich, where she was a partner until the middle of 2014. Dr Saupper is a member of the Board of Directors of hkp group AG, Zurich, Syngenta AG, Basel, Stäubli Holding AG, Pfäffikon SZ, and is Chairwoman of the Board of Directors of Mentex Holding AG, Schwyz. She was elected as a member of the Board of Directors of Georg Fischer AG, Schaffhausen, on 18 March 2015. Dr Saupper is an independent non-executive director.

5.2 Chairman of the Board of Directors

Proposal

The Board of Directors proposes that **Dr Andreas Burckhardt** be elected as Chairman of the Board of Directors for a term of office of one year up to the close of the next ordinary Annual General Meeting.

5.3 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 term of office of one year up to the close of the next ordinary Annual General Meeting:

- 5.3.1 **Dr Georges-Antoine de Bocard**
- 5.3.2 **Karin Keller-Sutter**
- 5.3.3 **Thomas Pleines**
- 5.3.4 **Dr Eveline Saupper**

5.4 Independent proxy

Proposal

The Board of Directors proposes that **Dr Christophe Sarasin** be elected as the independent proxy for a term of office of one year up to the close of the next ordinary Annual General Meeting.



Christophe Sarasin (1964, Switzerland, Dr iur., attorney)

Partner at FROMER, Advokatur und Notariat, Basel.

Dr Sarasin has worked as an attorney since 1995. He sits on the board of directors of several corporations and is a member of several boards of trustees. He is a member of the Tax Appeals Commission of Basel City and Deputy Managing Director of The Swiss Association of Privately Held Companies.

5.5 Statutory auditors

Proposal

The Board of Directors proposes the reappointment of **PricewaterhouseCoopers AG**, Basel, as the Company's auditors for a further year.

6. Remuneration

6.1 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 2016 at CHF 3.233 million.

Explanatory notes

The Chairman of the Board of Directors exercises his office as a full-time mandate and receives a fixed amount of remuneration in return (CHF 1,320,000). He is not entitled to any variable remuneration and consequently receives no performance-related remuneration, no performance pool payments and no allocation of PSUs. The members of the Board of Directors are paid a fixed amount of 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 the achievement of specific results or performance targets. The amounts paid reflect the responsibility and workload of the various functions and have remained unchanged since 2008.

Detailed figures regarding the last financial years and a listing of the sums paid to each member of the Board of Directors are provided in the remuneration report on pages 74–75 of the Annual Report 2014.

For the 2015 Annual General Meeting, the employer contributions (stipulated by law and/or the regulations) to the pension fund (only for the Chairman of the Board of Directors) and to the public social insurance schemes are also included for the first time in the total sum submitted for approval. With the exception of this amendment, there are no changes from the previous year in the proposal to the Annual General Meeting.

Financial year	Basic remuneration	Committee remuneration	Contributions to pension funds	Total remuneration	
2015	2,320,000	790,000	–	3,110,000	Approved by the 2014 AGM
of which, Chairman of the Board	1,320,000	–	–	1,320,000	
of which, other members of the Board	1,000,000	790,000	–	1,790,000	
2016	2,320,000	790,000	122,825	3,232,825	Proposal to the 2015 AGM
of which, Chairman of the Board	1,320,000	–	99,853	1,419,853	
of which, other members of the Board	1,000,000	790,000	22,972	1,812,972	

Amounts in CHF

6.2 Remuneration of the Corporate Executive Committee

No change to the remuneration system or the basic salaries from the previous year

There have been no changes from the previous year to the system for remunerating the Corporate Executive Committee. The basic salaries of the members of the Corporate Executive Committee have also remained unchanged.

Notes on the system for remunerating the Corporate Executive Committee

The remuneration paid to the members of the Corporate Executive Committee is governed by 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 is determined ex post by the Remuneration Committee. The following indicators, among others, are taken into account based on a systematic analysis: consolidated result of the group, risks assumed, performance of the share price compared to competitors, implementation of the strategy, etc. The allocation also recognises and takes into account individual performances of the members of the Corporate Executive Committee. The expected value of the individual performance pool payment normally equates to 60% of the basic salary. Depending on the Company's and the individual's performance, this amount may be less or more, but no more than 90% of the basic salary.

The performance share units (PSUs) allow the members of the Corporate Executive Committee to participate in the performance of the Company and act as a long-term retention tool. The PSUs are issued in the form of entitlements. For purpose of the approval, the relevant amount is the value of the entitlements at the date of issue. The value of these entitlements after three years (i.e. after the performance period expires) depends on the performance of the Baloise share price:

- The factor used when converting the PSU entitlements into shares is based on the performance of the Baloise share compared with the performance of the shares of insurance companies in the STOXX 600 Europe Insurance Index. This can vary in the range 0.5 to 1.5.
- The value of the number of shares determined in this way is based on the market price of the Baloise share at the date of conversion (i.e. three years after issue of the performance share units).

Individual allocation from the performance pool (normally 60%, up to a maximum of 90% of the basic salary) and the performance share units (40% of the basic salary) result in an expected value of the variable remuneration of 100% or a maximum possible variable remuneration equivalent to 130% of the basic salary.

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), are submitted to the Annual General Meeting for approval. The amounts submitted for approval relate to the following periods: fixed remuneration for the following 2016 financial year and variable compensation for the current 2015 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

6.2.1 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 2016 at CHF 4.627 million.

Explanatory notes

The 2014 Annual General Meeting set a maximum amount of fixed remuneration for the first time, which provides a framework for the current financial year 2015 (CHF 4,680,000). For the financial year 2014, fixed remuneration totalling CHF 4,601,882 was paid to the Corporate Executive Committee. Detailed information and a listing of the sums paid to each member of the Corporate Executive Committee in 2014 are provided in the remuneration report on pages 78–79 of the Annual Report 2014.

For the 2015 Annual General Meeting, the employer contributions (stipulated by law and/or the regulations) to the pension fund and to the public social insurance schemes are also included for the first time in the total sum submitted for approval. For this reason, the total sum proposed is only slightly lower than in the previous year despite the resignation of a member of the Corporate Executive Committee with effect from 30 April 2015.

Amounts in CHF	2014		2015		2016	
	Maximum amount	Actual amount	Maximum amount	Actual amount	Maximum amount	Actual amount
Total remuneration	10,764,000	9,638,755	10,018,000	n/a	9,701,000	n/a
– Fixed remuneration:	4,680,000	4,601,882	4,680,000	n/a	3,784,000	n/a
Contributions to pension funds			Approved by the 2014 AGM		843,000	n/a
Total fixed remuneration					4,627,000	Proposal to the 2015 AGM
– Variable remuneration:	6,084,000	5,036,873	5,186,000	n/a	4,919,000	n/a
Contributions to pension funds			152,000	n/a	155,000	n/a
Total variable remuneration			5,338,000	n/a	5,074,000	n/a

6.2.2 Variable remuneration of the Corporate Executive Committee

Proposal

The Board of Directors proposes to set the total variable remuneration payable to the Corporate Executive Committee for the current financial year 2015 at CHF 5.338 million.

Explanatory notes

For the financial year 2014, variable remuneration totalling CHF 5,036,873 was paid to the Corporate Executive Committee; this is within the maximum amount of CHF 6,084,000 approved by Annual General Meeting for 2014. Detailed information and a listing of the sums paid to each member of the Corporate Executive Committee in 2014 are provided in the Remuneration Report on pages 78–79 of the 2014 annual report.

The variable remuneration for 2015 will be defined at the beginning of next year and takes various criteria into account, with the results of the 2015 financial year constituting the primary criterion. The cost ceiling of CHF 5.338 million proposed by the Board of Directors for the 2015 variable remuneration is also sufficient in the event of a very good annual result. It also takes into account that a member will retire from the Corporate Executive Committee on 30 April 2015 and only has a pro rata entitlement to variable remuneration. The proposed maximum amount will not necessarily be paid out in full, but cannot be exceeded.

For the 2015 Annual General Meeting, the employer contributions (stipulated by law and/or the regulations) to the pension fund and to the public social insurance schemes are also included for the first time in the total sum submitted for approval.

Amounts in CHF	2014		2015		2016	
	Maximum amount	Actual amount	Maximum amount	Actual amount	Maximum amount	Actual amount
Total remuneration	10,764,000	9,638,755	10,018,000	n/a	9,701,000	n/a
– Fixed remuneration:	4,680,000	4,601,882	4,680,000	n/a	3,784,000	n/a
Contributions to pension funds					843,000	n/a
Total fixed remuneration					4,627,000	
– Variable remuneration:	6,084,000	5,036,873	5,186,000	n/a	4,919,000	n/a
Contributions to pension funds	Approved by the 2014 AGM		152,000	n/a	155,000	n/a
Total variable remuneration			5'338'000	n/a	5,074,000	n/a
			Proposal to the 2015 AGM			

Important notes

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 24 April 2015. After this time, for technical processing reasons, no registrations can be made in the share register.

A form is enclosed with this invitation that enables you to order your personal admission card and voting papers. The same form also serves as the form of proxy, should you wish to be represented at the Annual General Meeting by:

- **the independent proxy (Dr Christophe Sarasin, partner at FROMER, Advokatur und Notariat, Basel).** The independent proxy will exercise the voting rights in accordance with the instructions issued to him.
Please return the signed form of proxy using the enclosed envelope addressed to “Baloise Holding AG, Generalversammlung, z. Hd. Herrn Dr. Christophe Sarasin”.
- **another shareholder.** Please enter the name and address of the other shareholder on the form. You then have the option of either forwarding the form to your appointed shareholder, who can order the admission card from the Share Registrar, or sending the form to the Share Registrar directly (using the envelope addressed to “Baloise Holding AG, Aktienregister”), who will then send the admission card to your proxy.

You can also order your admission card or appoint and issue voting instructions to the independent proxy online. In order to do so, please visit the Baloise Group website at www.baloise.com/annual-general-meeting and click on the “GVMANAGER ONLINE” button. Your personal access code is provided on the form enclosed with this invitation. The electronic ordering of cards and appointment of proxies or issue of voting instructions is possible until 6.00 am on Tuesday, 28 April 2015.

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.

We are pleased to invite you to drinks in the foyer of the Congress Center building after the Annual General Meeting.

We enclose the Summary of the Annual Report, which reviews our operating performance and contains the key financials. The full Annual Report can be ordered with the enclosed form. 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 7 April 2015. In addition, along with this invitation, they can be accessed on the Baloise website www.baloise.com.

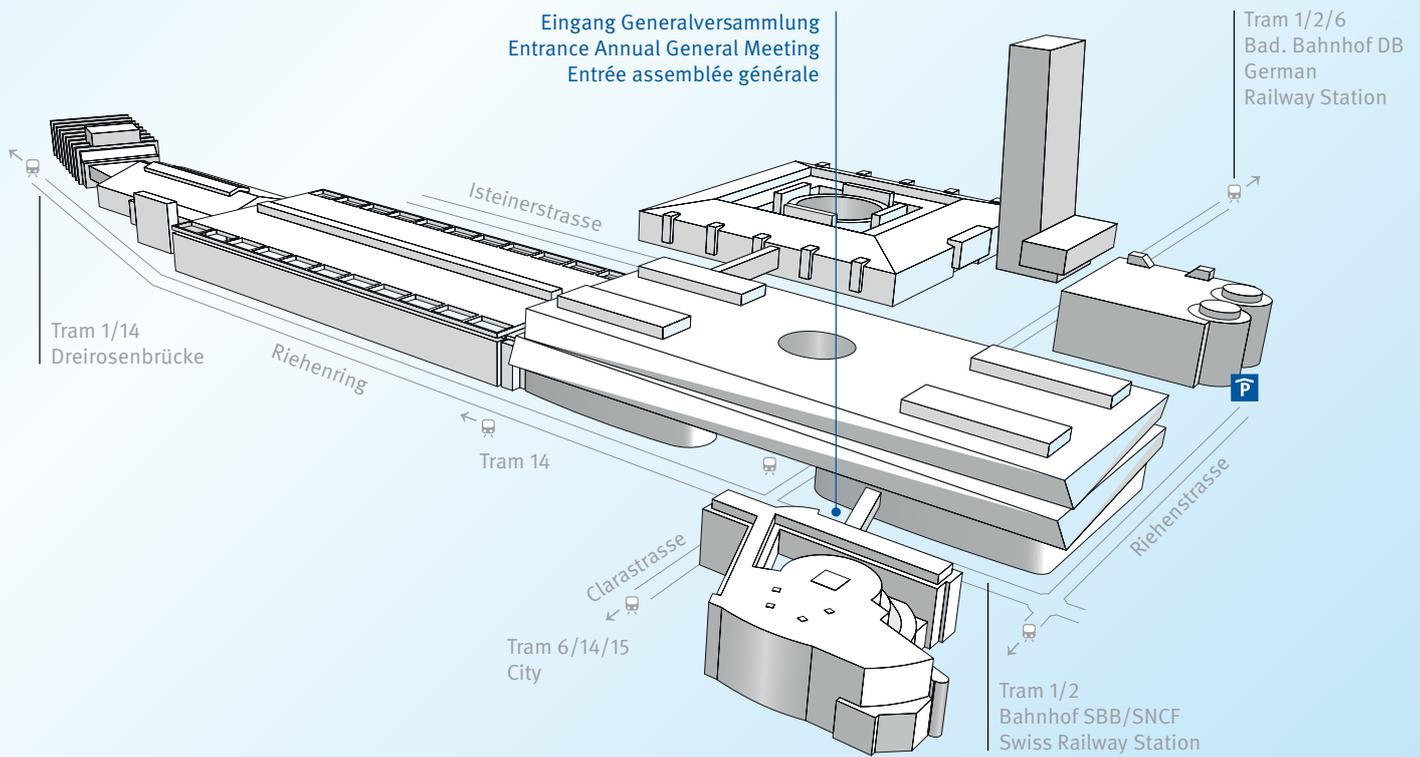
Basel, 7 April 2015

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

Please find enclosed:

- Summary of the Annual Report
- Form: "Registration / Form of proxy / Voting instructions"
- Order form for "Baloise publications"
- Return envelope addressed to "Bâloise Holding AG, Generalversammlung, z. Hd. Herrn Dr. Christophe Sarasin"
- Return envelope addressed to "Bâloise Holding AG, Aktienregister"

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