

Corporate Governance

Responsible and sustainable corporate governance is of central importance to the Swiss Life Group.

Swiss Life structures its corporate governance openly and transparently in the interests of its shareholders, policyholders and employees, taking account of leading national and international corporate governance standards.

The corporate governance of Swiss Life Holding Ltd (Swiss Life Holding) is based on the relevant provisions issued by the SIX Swiss Exchange and the Swiss Financial Market Supervisory Authority FINMA and is modelled in particular on the Swiss Code of Best Practice for Corporate Governance issued by the Swiss Business Federation “economiesuisse”, as well as the Organization for Economic Cooperation and Development’s (OECD) principles on corporate governance.

The measures and mechanisms implemented by Swiss Life to ensure good corporate governance work well in practice. Specific adjustments are examined on an ongoing basis, however, in order to adapt the management and control tools and disclosure to current circumstances and to implement further improvements.

This report describes the essential features of corporate governance within the Swiss Life Group. The structure below largely follows the Annex to the Directive on Information Relating to Corporate Governance issued by the SIX Swiss Exchange, which came into force on 20 March 2018. The compensation report on pages 53 to 70 takes into consideration the regulations on transparency stipulated in the Compensation Ordinance and FINMA circular 2010/1 on minimum standards for remuneration schemes of financial institutions.

Group Structure and Shareholders

Group structure

The public limited company Swiss Life Holding was established in 2002 and is incorporated under Swiss law. Its registered office is located in Zurich. Since 19 November 2002, its stock has been listed on the SIX Swiss Exchange. Swiss Life Holding brings together all the Swiss Life Group companies and activities under a single holding company. The holding company structure makes it easier to effect investments, enter into partnerships or cooperation agreements and execute capital market transactions. Transparency is also improved by separating the interests of shareholders from those of policyholders.

The companies falling within the Group's scope of consolidation are presented in the Consolidated Financial Statements (note 35) on pages 299 to 304. Information on the listing on the SIX Swiss Exchange and market capitalisation can be found in the section "Share Performance and Historical Comparison" on pages 327 and 328. The organisational structure of the Group shows the key business markets and areas. The resulting operational responsibilities are reflected in the allocation of responsibilities among the Corporate Executive Board. With regard to insurance operations, one person with responsibility for the market and results is assigned to each specific area.

The operational management structure as at 31 December 2019 is shown on page 47.

Shareholders

The purchase or sale of shares or of acquisition/disposal considerations regarding shares in companies that are domiciled in Switzerland and have their shares listed in Switzerland, must be reported to the company in question and the SIX Swiss Exchange if the shareholdings exceed, fall below or reach certain thresholds. The relevant thresholds are 3, 5, 10, 15, 20, 25, 33 $\frac{1}{3}$, 50 and 66 $\frac{2}{3}$ % of the voting rights. The details are set out in the Financial Market Infrastructure Act (FMIA) and in the implementation provisions of the Financial Market Infrastructure Ordinance-FINMA (FMIO-FINMA) and Financial Market Infrastructure Ordinance (FMIO).

The disclosures of shareholdings that exceed the disclosure threshold on the balance sheet date of 31 December 2019 are shown below. In accordance with the disclosure requirements, the percentage figures given relate to the share capital and number of outstanding shares pursuant to the Articles of Association applicable at the time of the relevant disclosure.

UBS Fund Management (Switzerland) AG, P.O. Box, 4002 Basel, Switzerland, reported in a publication of 19 November 2014 that it held 990 414 shares of Swiss Life Holding, equivalent to a 3.09% share of the voting rights.

BlackRock Inc., 55 East 52nd Street, New York 10055, USA, reported in a publication of 6 May 2017 that it held through various companies a total of 5.28% of the voting rights for Swiss Life Holding (1 292 673 shares, of which 56 953 shares from securities lending and comparable transactions, 342 486 voting rights transferred from a third party to exercise at its own discretion and 58 691 voting rights from equity derivatives). At the same time, BlackRock Inc. held sales positions in the amount of 0.002% of the voting rights (613 CFD).

In publications dated 23 April 2019, 20 July 2019, 6 August 2019 and 28 November 2019 in the context of a share buyback programme for approximately CHF 1 billion (CHF 999 995 716.25) launched at the end of 2018 and completed on 5 December 2019, **Swiss Life Holding Ltd**, General Guisan-Quai 40, 8002 Zurich, Switzerland, reported several instances in which figures exceeded or fell short of thresholds. According to the last report dated 28 November 2019, Swiss Life Holding Ltd then held 1 685 005 treasury shares, corresponding to 5.02% of voting rights.

All complete notifications can be seen on the website of the SIX Swiss Exchange's disclosure office at www.six-exchange-regulation.com, "Publications" area, "Major Shareholders" subsection (<https://www.six-exchange-regulation.com/en/home/publications/significant-shareholders.html>).

Additional information on the share buyback programme of Swiss Life Holding Ltd completed on 5 December 2019 can be accessed on the internet at www.swisslife.com "Investors & Shareholders" area, "Swiss Life share" section (www.swisslife.com/share).

There are no cross participations between Swiss Life Holding or its subsidiaries with other listed companies that exceed the participation threshold of 3%.

Shareholder structure

On the balance sheet date, some 157 000 shareholders and nominees were listed in the Swiss Life Holding share register, of which about 4200 were institutional shareholders. Taken together, the shareholders entered in the share register held around 50% of the shares issued. Over half of these shares were owned by shareholders domiciled in Switzerland. Approximately a third of the registered shares were in private hands.

A table showing the shareholder structure is provided in the section "Share Performance and Historical Comparison" on page 328.

Capital Structure

Capital and changes in capital

The capital structure of Swiss Life Holding was as follows on the balance sheet date:

- Ordinary share capital: CHF 171 332 490.60, divided into 33 594 606 fully paid registered shares with a par value of CHF 5.10 each;
- Conditional share capital: CHF 19 675 534.80, divided into 3 857 948 registered shares with a par value of CHF 5.10 each;
- Authorised share capital: none.

If the conditional share capital were utilised to the maximum extent possible, the share capital would increase by around 11% (19 675 534.80 divided by 171 332 490.60 or 3 857 948 divided by 33 594 606).

The conditional share capital is at the disposal of the holders of conversion or option rights granted by Swiss Life Holding or by companies belonging to the Group in connection with the issuing of new or existing convertible bonds, bonds with option rights, loans or other financing instruments (“equity-linked financing instruments”). The shareholders are excluded from subscription rights. The respective owners of the equity-linked financing instruments are entitled to subscribe to the new shares. The Board of Directors is entitled to limit or exclude the preemptive subscription rights of the existing shareholders in connection with the issuing of equity-linked financing instruments up to a value of 3 000 000 registered shares or up to a maximum amount of CHF 15 300 000, if the equity-linked financing instruments are placed on national or international capital markets or with selected strategic investors or are used in connection with the financing or refinancing of the acquisition of companies, parts of companies, participations or new investment projects. If the preemptive subscription rights are not granted either directly or indirectly when issuing equity-linked financing instruments, the equity-linked financing instruments must be issued according to the prevailing market conditions and the exercise period may not exceed 7 years for option rights and 15 years for conversion rights from the time of issuance of the relevant equity-linked financing instruments.

Since the establishment of Swiss Life Holding on 17 September 2002, a number of capital market transactions have been conducted. A detailed description of the transactions carried out up to and including the end of 2016 can be found in the Corporate Governance section of the annual reports for the relevant years. The annual reports can be accessed at www.swisslife.com, “Investors & Shareholders” area, “Results & Reports” section (www.swisslife.com/annualreports).

In 2017, the convertible bond (2013–2020) issued by Swiss Life Holding Ltd in the amount of CHF 500 000 000 was almost entirely converted, whereby another 2 141 905 new registered shares were created. The ordinary share capital thus increased by CHF 10 923 715.50 from CHF 163 614 125.10 to CHF 174 537 840.60. There were no further changes with regard to equity capital; the distribution of CHF 11.00 per share approved by the General Meeting on 25 April 2017 was made from the capital contribution reserves.

In 2018 there were no changes to the share capital. The distribution of CHF 13.50 per share approved by the General Meeting on 24 April 2018 was made from the capital contribution reserves.

In the year under review, as part of the share buyback programme announced by Swiss Life on 29 November 2018, the 628 500 registered shares with a par value of CHF 5.10 each that had been repurchased up to and including 8 March 2019 were cancelled on 17 July 2019 in accordance with the resolution of the Annual General Meeting on 30 April 2019. As a result, the ordinary share capital decreased from CHF 174 537 840.60 to CHF 171 332 490.60.

Shares

33 594 606 fully paid Swiss Life Holding registered shares with a par value of CHF 5.10 each were outstanding on the balance sheet date. Subject to the ten per cent limit on voting rights set out in the Articles of Association (cf. the section on “Shareholders’ participation rights” on page 71), each share grants the right to one vote at the General Meeting of Shareholders.

There are no outstanding shares with either increased or limited voting rights, privileged or restricted voting rights, privileged dividend entitlements or other preferential rights.

There are no other equity securities apart from the registered shares mentioned above, nor do any participation certificates or dividend right certificates exist.

Regulations are in place to govern transactions in Swiss Life Holding shares carried out by Swiss Life Group employees. Pursuant to the Code of Conduct and the Swiss Life Group’s Directive on Insider Information, all purchases and sales of Swiss Life Holding securities made by members of senior management or employees who are privy to confidential information are subject to a reporting requirement. Transactions by persons who, by virtue of their position, have regular access to insider information are also subject to a prior approval requirement. A general blackout period is imposed annually from 1 January until 24 hours after the year-end results have been presented and from 1 July until 24 hours after the half-year results have been presented, as well as from 20 days before until 24 hours after publication of the interim statements for the first and third quarters.

Additional information on the Swiss Life share is available in the section “Share Performance and Historical Comparison” on pages 327 and 328.

Limitations on transferability and nominee registrations

Swiss Life Holding shares are not subject to any limitations on transferability. According to the Articles of Association, resolutions for the introduction, amendment or repeal of limitations on transferability must be put before the General Meeting of Shareholders and must be approved by two thirds of the voting shares represented and by an absolute majority of the share par value represented.

The Board of Directors may refuse to recognise an acquirer as a shareholder with voting rights if, upon request, the acquirer does not expressly declare that he has acquired the registered shares in his own name and for his own account.

Swiss and foreign banks, securities brokers and companies acting on their behalf may be entered in the share register as nominees if they are holding shares of Swiss Life Holding in their custody for the account of the beneficial owners. Professional asset managers may also be registered as nominees if, in a fiduciary capacity, they have deposited Swiss Life Holding shares for the account of third parties with Swiss or foreign banks or securities brokers in their own name. Nominees are required to be subject to banking or financial market supervision. A request must be filed to register as a nominee. The voting right representation is restricted to 10% of the share capital overall, whereby nominees who are connected with regard to capital or voting rights under uniform management or contractual agreement will be counted as a single shareholder. The Board of Directors may approve exceptions to these restrictions on registration, observing the principle of responsible judgement. No such exemptions were granted during the period under review.

Convertible bonds and options

Swiss Life Holding has no convertible bonds outstanding on the balance sheet date. The 0% convertible bond (2013–2020) issued by Swiss Life Holding Ltd in 2013 in the amount of CHF 500 000 000 was fully converted or repurchased during the 2017 financial year.

As at 31 December 2019 Swiss Life Holding and its Group companies had not granted any options on rights to participate in Swiss Life Holding.

Board of Directors

Function

The Board of Directors is responsible for all matters that are not reserved for the consideration of the General Meeting of Shareholders (formally the supreme decision-making body of a public limited company) under the terms of the law (Art. 698 of the Swiss Code of Obligations CO) or by the company's Articles of Association. In line with its non-transferable duties prescribed by law, the Board of Directors is responsible, in particular, for the ultimate direction of the group, as well as the supervision of the Corporate Executive Board.

Elections and terms of office

The Board of Directors consists of no fewer than five and no more than 14 members in accordance with the Articles of Association. The Chairman, other members of the Board of Directors and members of the Compensation Committee of the Board of Directors are elected by the General Meeting of Shareholders on an individual basis for a one-year period. The term of one year is deemed to signify the period from one Annual General Meeting up to and including the next. Members whose terms of office are expiring are eligible to stand for immediate re-election.

The Organisational Regulations stipulate that a member of the Board of Directors shall automatically resign from the Board at the General Meeting of Shareholders in the year in which the member reaches the age of 70.

Composition

With the exception of Thomas Buess, up until 28 February 2019 Group Chief Financial Officer (Group CFO), no member of Swiss Life Holding's Board of Directors exercised any duties relating to operational management within the Swiss Life Group in the year under review and during the three financial years preceding the reporting period.

No member of the Board has any significant business relationship with Swiss Life Holding or any other Group companies. The members of the Board of Directors of Swiss Life Holding also make up the Board of Directors of Swiss Life Ltd.

The number of external mandates for members of the Board of Directors and the Corporate Executive Board is limited in the Articles of Association as revised on 23 April 2014 as follows: Members of the Board of Directors may hold no more than 15 additional mandates, a maximum of four of which in other listed companies; members of the Corporate Executive Board may hold no more than 5 additional mandates, a maximum of one of which in another listed company. Mandates in different legal entities that are under joint control or same beneficial ownership are deemed one mandate. This restriction does not apply to mandates that a member of the Board of Directors or the Corporate Executive Board assumes at the request of the company or to mandates in associations, charitable foundations, family foundations and occupational benefit institutions.

The acceptance of appointments to the Board of Directors of other companies requires the consent of the Board of Directors at Swiss Life Holding; the Chairman of the Board of Directors is to be informed of any intention to accept an additional board mandate. Information on additional board mandates held by individual members of the Board of Directors is presented in the following section.

The Articles of Association and Organisational Regulations of Swiss Life Holding can be seen at www.swisslife.com, “Investors & Shareholders” area, “Shareholders and services” section, “Articles of Association” subsection (www.swisslife.com/articles).

The following information on the members of the Board of Directors is based on the situation on the balance sheet date. The CVs of former members of the Board of Directors and information on previous external mandates of current Board members can be found in the Corporate Governance section of the relevant previous annual reports, available at www.swisslife.com, “Investors & Shareholders” area, “Results and reports” section (www.swisslife.com/annualreports).

Members of the Board of Directors

On the balance sheet date of 31 December 2019, the Board of Directors was composed of the following members.

Name	Main function	Additional functions	Year of admission ¹
Rolf Dörig	Chairman	Chairman's and Corporate Governance Committee, Chairman	2008
Frank Schnewlin	Vice Chairman	Chairman's and Corporate Governance Committee Investment and Risk Committee Compensation Committee, Chairman	2009
Thomas Buess	Member	Investment and Risk Committee	2019
Adrienne Corboud Fumagalli	Member	Audit Committee	2014
Ueli Dietiker	Member	Chairman's and Corporate Governance Committee Investment and Risk Committee, Chairman	2013
Damir Filipovic	Member	Investment and Risk Committee	2011
Frank W. Keuper	Member	Investment and Risk Committee	2013
Stefan Loacker	Member	Audit Committee, Chairman Investment and Risk Committee	2017
Henry Peter	Member	Chairman's and Corporate Governance Committee Audit Committee	2006
Martin Schmid	Member	Audit Committee	2018
Franziska Tschudi Sauber	Member	Compensation Committee	2003
Klaus Tschütscher	Member	Audit Committee Compensation Committee	2013

¹ Change since AGM of 23 April 2014 due to the Minder Initiative: in accordance with Articles 3, 4 and 29 of the Ordinance against Excessive Compensation in Listed Stock Companies (VegüV), the General Meeting of Shareholders shall elect the members and the Chairman of the Board of Directors individually every year for a term of office of one year each. Furthermore, in accordance with Articles 7 and 29 of the VegüV, the members of the Compensation Committee are also to be elected individually for a term of office of one year each.

Rolf Dörig – Born 1957, Swiss national
Chairman of the Board of Directors



Rolf Dörig laid the groundwork for his professional career by obtaining a doctorate in law (Dr. iur.) from the University of Zurich before being called to the bar in Zurich. He also completed the Advanced Management Program at Harvard Business School (Boston). Joining Credit Suisse in 1986, he assumed a number of executive responsibilities in various areas of banking and in different geographical markets. As a Member of the Executive Board, he was assigned responsibility for Swiss Corporate and Retail Banking from 2000 onwards. In 2002 he assumed the role of Chairman Switzerland of Credit Suisse. Following his move to Swiss Life, Rolf Dörig held the positions of Chairman of the Corporate Executive Board from November 2002 to May 2008 and Delegate of the Board of Directors from May 2008 to May 2009.

He became Chairman of the Board of Directors of Swiss Life Holding in May 2009.

Rolf Dörig will be put forward for re-election as Member and Chairman of the Board of Directors at the General Meeting of Shareholders of Swiss Life Holding on 28 April 2020.

Other appointments:

- Adecco Group AG, Chairman of the Board of Directors (until April 2020)
- dormakaba Holding Ltd, Member of the Board of Directors (until October 2020)
- Danzer Holding AG, Member of the Supervisory Board
- Emil Frey Holding AG, Member of the Board of Directors
- Swiss Insurance Association (SIA), Chairman
- economiesuisse, Member of the Board Committee

Frank Schnewlin – Born 1951, Swiss national
Vice Chairman of the Board of Directors



Frank Schnewlin studied at the University of St. Gallen (lic. oec. HSG), at the London School of Economics (Master of Science) and Harvard Business School (MBA) before earning his doctorate in economics in 1983 at the University of Lausanne (Dr. ès sc. écon.). From 1983 to 2001 he held various positions at the Zurich Financial Services Group in Switzerland and the USA, including Head of Corporate Center and Head of the Business Division Southern Europe, Asia/Pacific, Middle East, Africa and Latin America. From 1993 he served on the Zurich Financial Services Group's Executive Committee. From 2002 to 2007, Frank Schnewlin chaired the Baloise Group's Corporate Executive Committee as CEO and was, at the same time, Head of the International Division.

Frank Schnewlin will be put forward for re-election as Member of the Board of Directors and as Member of the Compensation Committee at the General Meeting of Shareholders of Swiss Life Holding on 28 April 2020.

Other appointments:

- Vontobel Holding Ltd and Bank Vontobel Ltd, Vice Chairman of the Board of Directors and Member of the Risk and Audit Committee
- Twelve Capital AG and Twelve Capital Holding AG, Chairman of the Board of Directors

Thomas Buess – Born 1957, Swiss national
Member of the Board of Directors



After completing his business administration and economics studies at the University of St. Gallen and a two-year research activity at the Institute of International Economics, Thomas Buess launched his career in insurance in 1985. From 1985 to 1993 he assumed various positions in the area of finance at the ELVIA Group. In 1994 he joined Zurich Financial Services Group as Chief Financial Officer and Member of the Executive Committee of the Swiss P&C business unit. From 1997 to 1999 he was Chief Financial Officer of all Swiss operations. In 1999 Thomas Buess moved to the USA as Chief Financial Officer of Zurich Financial Services Group's North American business area. In 2002 he was appointed Group Chief Financial Officer and Member of the Group Management Board before assuming the role of Chief Operating Officer of Zurich Financial Services Global Life in 2004. In January 2009 he moved to Allianz Group as Head of Operational Transformation. In August 2009 Thomas Buess was named Group Chief Financial Officer and Member of the Corporate Executive Board of the Swiss Life Group. After nearly ten years, Thomas Buess handed over his function as Group CFO to his successor at the end of February 2019.

Thomas Buess will be put forward for re-election as Member of the Board of Directors at the General Meeting of Shareholders of Swiss Life Holding on 28 April 2020.

Other appointment:

- Sygnum Bank AG, Member of the Board of Directors and Chairman of the Audit and Risk Committee

Adrienne Corboud Fumagalli – Born 1958, Swiss and Italian national
Member of the Board of Directors



Adrienne Corboud Fumagalli is a Doctor of Economics and Social Sciences and a graduate of the University of Fribourg. In 1996 she joined the PTT in the management team of Radiocom (radio, TV, mobile) in charge of New Business Development and the international market. The PTT then became Swisscom and Adrienne Corboud Fumagalli held various positions from 1997 to 2000, ultimately becoming Director of Product Marketing in Radio Broadcasting Services. In November 2000, Adrienne Corboud Fumagalli joined the Kudelski Group as Corporate Secretary and Member of the Corporate Executive Board. In January 2004, she was appointed Executive Vice President in charge of Business Development. From 2008 to 2016, Adrienne Corboud Fumagalli served as Vice President for Innovation and Technology Transfer at EPF Lausanne. As of July 2017, she is also President of the Board of Directors and Chief Executive Officer of Deeption SA (spin-off of the EPF Lausanne Social Media Lab).

Adrienne Corboud Fumagalli will be put forward for re-election as Member of the Board of Directors at the General Meeting of Shareholders of Swiss Life Holding on 28 April 2020.

Other appointment:

– Federal Communications Commission (ComCom), Vice-President

Ueli Dietiker — Born 1953, Swiss national
Member of the Board of Directors



Certified accountant Ueli Dietiker started his career at Ernst & Young. He later assumed management responsibility in the finance division at Motor-Columbus Ltd. From 1995 to 2001 he worked at Cablecom Holdings Ltd, ultimately as CEO. In 2001 he switched to the Swiss telecommunications company Swisscom AG where he held several positions of responsibility. From 2002 until 2006 he was CFO and deputy CEO of the Swisscom Group. In 2006 and the first half of 2007 he was CEO of Swisscom Fixnet AG and afterwards became CFO and deputy CEO of the Swisscom Group again until the end of 2012. From 2013 until the end of February 2018 he had a 50% position at Swisscom, managed selected projects and served on the Board of Directors of various Swisscom subsidiaries and investment companies.

Ueli Dietiker will be put forward for re-election as Member of the Board of Directors at the General Meeting of Shareholders of Swiss Life Holding on 28 April 2020.

Other appointments:

- Sanitas Krankenversicherung and Sanitas Beteiligungen AG, Vice Chairman of the Board of Trustees and Chairman of the Board of Directors
- Zuckermühle Rapperswil AG, Member of the Board of Directors
- BLS Ltd. and BLS Netz AG, Member of the Board of Directors and President of the Audit Committee
- Renaissance KMU Schweizerische Anlagestiftung, Member of the Board of Trustees
- Emaform AG, Member of the Board of Directors
- Mobilejobs AG, Chairman of the Board of Directors
- Bomatec Holding AG, Member of the Board of Directors
- F&P Robotics AG, Member of the Board of Directors
- CT Cinetrade Ltd, as well as Teleclub Ltd and Kitag AG, Member of the Board of Directors

Damir Filipovic — Born 1970, Swiss national
Member of the Board of Directors



Damir Filipovic studied mathematics at the Swiss Federal Institute of Technology in Zurich (ETHZ), where he qualified in 1995 and gained a doctorate in financial mathematics in 2000. He then held research posts at various universities abroad, including the US universities of Stanford, Columbia and Princeton. He was appointed assistant professor at the University of Princeton in 2002, and then from 2003 to 2004 he worked on the development of the Swiss Solvency Test at the Federal Office of Private Insurance (now FINMA) in Switzerland. Damir Filipovic went on to hold the chair of financial and actuarial mathematics at the Ludwig Maximilian University of Munich from 2004 to 2007. From 2007 to 2009 he was head of the Vienna Institute of Finance, a research institute affiliated to the University of Vienna and the Vienna University of Economics and Business. In 2010 he was appointed Swissquote Chair in Quantitative Finance and Swiss Finance Institute Professor at the Swiss Federal Institute of Technology in Lausanne (EPFL).

Damir Filipovic will be put forward for re-election as Member of the Board of Directors at the General Meeting of Shareholders of Swiss Life Holding on 28 April 2020.

Other appointment:

– Evooq SA, Member of the Board of Directors

Frank W. Keuper — Born 1953, German national
Member of the Board of Directors



Frank W. Keuper studied social and economic sciences at Vienna University of Economics and Business and obtained a doctorate in the same subject. He started his career in the insurance sector in 1985 at the Albingia insurance group as assistant to the Management Board and later became Head of Sales and Marketing. After switching to the Zurich insurance group he returned to Albingia in 1992 and served as a Member of the Management Board from 1994 until 2000. He later assumed responsibility as a Member of the Management Board at AXA Versicherung AG for the Private and Corporate Clients division as well as Damages. From 2004 until 2007 he managed DBV Winterthur Holding AG as Chairman of the Management Board and was simultaneously a Member of the Management Board of the Winterthur Group. From 2007 until 2012 Frank W. Keuper was CEO of AXA Konzern AG and a Member of the Executive Committee of AXA Group in Paris.

Frank W. Keuper will be put forward for re-election as Member of the Board of Directors at the General Meeting of Shareholders of Swiss Life Holding on 28 April 2020.

Other appointments:

- HanseMerkur Insurance Group, Member of the Supervisory Board
- JCK Holding GmbH Textil KG, Chairman of the Advisory Committee
- HVP Hanse Vertriebspartner AG, Chairman of the Supervisory Board

Stefan Loacker – Born 1969, Austrian national
Member of the Board of Directors



Stefan Loacker studied economics at Vienna University of Economics and Business and at the University of St. Gallen (Mag. rer. soc. oec., lic. oec. HSG). He began his professional career with stints at the Institute of Insurance Economics (I.VW) at the University of St. Gallen and at the then-Rentenanstalt (now Swiss Life) before joining Helvetia Patria Versicherungen in 1997 as assistant to the Executive Board. He was promoted to Head of Business Development, served in that capacity from 2000 to 2002 and subsequently became CFO and Head of IT at ANKER Versicherung (a subsidiary of the Helvetia Group) in Vienna from 2002 to 2005. In 2005 Stefan Loacker took over management of Helvetia Versicherungen AG (previously ANKER Versicherung). He returned to Switzerland in 2007 and, at age 38, became CEO of Helvetia Group. Stefan Loacker led Helvetia Group for nine years before handing over his function as CEO to a successor in 2016. Since October 2016 he has been managing partner of DELOS Management GmbH.

Stefan Loacker will be put forward for re-election as Member of the Board of Directors at the General Meeting of Shareholders of Swiss Life Holding on 28 April 2020.

Other appointments:

- Vontobel Holding AG and Bank Vontobel Ltd, Member of the Board of Directors and Member of the Risk and Audit Committee
- Institute of Insurance Economics at the University of St. Gallen, Member of the Executive Committee

Henry Peter – Born 1957, Swiss and French national
Member of the Board of Directors



Henry Peter completed his studies in law at the University of Geneva in 1979, and in 1981 he was called to the Geneva bar. Following an assistantship in Geneva, a period of study as a visiting scholar at the University of California in Berkeley and legal work in Lugano, he obtained his PhD at the University of Geneva in 1988. Since 1988 he has been a partner in a Lugano law firm, currently Kellerhals Carrard Lugano SA. He has also served since 1997 as professor of business law, and since 2017 President of the Geneva Center for Philanthropy, at the University of Geneva. Between 2004 and 2015 he was a Member of the Swiss Takeover Board. Since 2007 he has been a Member of the Sanctions Commission of the SIX Swiss Exchange.

Henry Peter will be put forward for re-election as Member of the Board of Directors at the General Meeting of Shareholders of Swiss Life Holding on 28 April 2020.

Other appointments:

- Sigurd Rück Ltd, Chairman of the Board of Directors
- Casino de Montreux SA, Chairman of the Board of Directors and Member of the Audit Committee
- Consitex SA, Member of the Board of Directors
- Ermenegildo Zegna Holditalia SpA, Member of the Board of Directors and Chairman of the Nomination and Compensation Committee
- Global Petroprojects Services Ltd, Member of the Board of Directors
- Bank Lombard Odier & Co Ltd, Member of the Board of Directors and Chairman of the Audit Committee
- Swiss Olympic Association, Vice Chairman of the disciplinary chamber in charge of doping cases

Martin Schmid – Born 1969, Swiss national
Member of the Board of Directors



Martin Schmid completed his law degree at University of St. Gallen in 1995 and was admitted to the bar of Canton Graubünden in 1997. Following an assistantship in St. Gallen and a stint as an independent lawyer plus a spell at PricewaterhouseCoopers, he attained a doctorate from the University of St. Gallen in 2005. Martin Schmid was a member of the Cantonal Parliament of Canton Graubünden from 1994 to 2002. He was elected to the government of Canton Graubünden in 2002, where he initially managed the Department for Justice, Security and Health (2003–2007), and then the Department for Finance and Municipalities (2007–2011). He was elected to the Council of States in 2011 and gave up his mandate as a cantonal councillor. In addition to his role as a member of the Council of States, Martin Schmid has worked as a lawyer at the law firm KUNZ SCHMID Rechtsanwälte und Notare AG in Chur since 2012.

Martin Schmid will be put forward for re-election as Member of the Board of Directors at the General Meeting of Shareholders of Swiss Life Holding on 28 April 2020.

Other appointments:

- Siegfried Holding Ltd, Member of the Board of Directors
- Repower AG, Member of the Board of Directors
- Engadiner Kraftwerke AG, Chairman of the Board of Directors
- Elettricità Industriale SA, Chairman of the Board of Directors
- Calanda Kies und Beton Gruppe, Chairman of the Board of Directors
- Fontavis AG, Member of the Board of Directors
- Dogger Ltd, Member of the Board of Directors
- The Association of the Swiss Natural Gas Industry (Verband der Schweizerischen Gasindustrie [VSG ASIG]), Chairman of the Board of Directors
- Swissgas, Member of the Board of Directors
- Kantonsspital Graubünden Foundation, Chairman of the Board of Trustees
- economiesuisse, Member of the Executive Board
- Entwicklung Schweiz, President of the association
- Institute for Financial Economics and Financial Law (IFF) at the University of St. Gallen, President of the Executive Committee

Franziska Tschudi Sauber — Born 1959, Swiss national
Member of the Board of Directors



Franziska Tschudi graduated in law at the University of Bern and passed her bar exam there in 1984. She studied law at Georgetown University, Washington, D.C., earning an LL.M. in 1986, and passed the bar exam for the US states of New York and Connecticut in 1987. Franziska Tschudi completed postgraduate studies at the University of St. Gallen (1991 to 1993), receiving an Executive MBA.

After initially working as an Assistant for Media Law at the Institute for Constitutional and Administrative Law at the University of Bern, and practising business and media law in Zurich, Washington, D.C. and Geneva, she served as Secretary General at SIG Holding AG from 1992 to 1995. She then became a Member of the Executive Board of Weidmann Holding AG (“Weidmann Group”), Rapperswil, in 1995, where she was Head of Corporate Development and, from 1998, Head of the Business Area Electrical Technology Asia/Pacific. She has held the positions of Chief Executive Officer and Delegate of the Board of Directors of Weidmann Holding AG since 2001.

Franziska Tschudi will be put forward for re-election as Member of the Board of Directors and as Member of the Compensation Committee at the General Meeting of Shareholders of Swiss Life Holding on 28 April 2020.

Other appointments:

- BIOMED AG, Member of the Board of Directors
- economiesuisse, Member of the Executive Board
- Swissmem, Member of the Executive Board
- Commercial Court St. Gallen, part-time commercial judge

Klaus Tschütscher — Born 1967, Liechtenstein national
Member of the Board of Directors



Klaus Tschütscher studied law at the University of St. Gallen and obtained a doctorate (Dr. iur.) in 1996. In 2004 he also completed a postgraduate LL.M. degree in International Business Law at the University of Zurich, specialising in banking, capital market and insurance law. He started his career in 1993 as a research assistant at the University of St. Gallen. Two years later he became Head of Legal Services and Deputy Director of Liechtenstein Tax Administration. In this function he was notably a Member of the Liechtenstein OECD delegation and Governor of the European Bank for Reconstruction and Development (EBRD) in London for four years. Klaus Tschütscher went on to start his political career as a Member of government of the Principality of Liechtenstein. Initially he was Deputy Prime Minister from 2005 to 2009, responsible in particular for Justice and Economic Affairs. From 2009 to 2013 Klaus Tschütscher was Prime Minister and Finance Minister of Liechtenstein. He has received various awards and international distinctions. Klaus Tschütscher serves as Vice President and delegate at UNICEF Switzerland and Liechtenstein. Since his withdrawal from politics, Klaus Tschütscher has been a member of the Board of Directors of Swiss Life Holding Ltd. Since January 2014 he has been Owner and Chairman of the Board of Directors of Tschütscher Networks & Expertise AG and supports various startups.

Klaus Tschütscher will be put forward for re-election as Member of the Board of Directors and as Member of the Compensation Committee at the General Meeting of Shareholders of Swiss Life Holding on 28 April 2020.

Other appointments:

- Büchel Holding AG, Member of the Board of Directors
- Grand Resort Bad Ragaz Ltd., Member of the Board of Directors
- responsAbility Investments AG, Member of the Board of Directors
- University of Liechtenstein, President of the University Council
- UNICEF Switzerland and Liechtenstein, Vice President of the Board

Resignations and new Members

No members of the Board of Directors resigned during the reporting period. Thomas Buess was newly elected to the Board of Directors.

Changes in the Board of Directors with effect from the 2020 General Meeting of Shareholders

No changes are planned for the forthcoming General Meeting of Shareholders on 28 April 2020; the current members of the Board of Directors will be proposed for re-election.

Internal organisational structure

In accordance with the Articles of Association, the Board of Directors has issued Organisational Regulations setting forth the internal organisational structure and the duties and competencies of the Board of Directors, the Board of Directors' committees, the Chairman of the Board of Directors and the Corporate Executive Board. The Organisational Regulations are reviewed regularly and adjusted where necessary. They can be found at www.swisslife.com, "Investors & Shareholders" area, "Shareholders and services" section, "Articles of Association" subsection (www.swisslife.com/articles).

The Chairman of the Board of Directors coordinates the work of the Board and the committees, and ensures reporting from the Corporate Executive Board to the Board of Directors. In urgent situations, the Chairman may also determine the necessary measures and take steps falling within the scope of the competencies of the Board until the Board of Directors takes a decision. If a timely decision cannot be reached by the Board of Directors, the Chairman is empowered to take a decision.

The Board of Directors meets as often as business requires, usually at least six times a year. Meetings are generally called by the Chairman. However, any member of the Board of Directors may request that a meeting be called, as may the Corporate Executive Board. In addition to the members of the Board of Directors, the Group CEO also generally attends the meetings or parts of meetings in an advisory capacity, as do other members of the Corporate Executive Board when required.

The Board of Directors met ten times during the year under review. The meetings lasted around three hours on average. All members of the Board of Directors attended all the meetings, with the exception of one meeting, where one member was excused. The Group CEO and the other members of the Corporate Executive Board were present at all meetings. The Board of Directors conducted parts of the meetings among themselves.

The Board of Directors regularly performs a self-assessment. Furthermore, discussions take place between the Chairman of the Board and its members on an individual basis.

Four standing committees support the work of the Board of Directors as a whole: the Chairman's and Corporate Governance Committee, the Compensation Committee, the Investment and Risk Committee, and the Audit Committee. The Board of Directors may establish other committees to be entrusted with special tasks.

The committees of the Board of Directors sometimes call on the services of external consultants and assess their own work once a year. If the Chairman of the Board of Directors is not a member of a committee of the Board of Directors, he has the right to attend meetings (without voting rights).

The members of the Board of Directors or a committee of the Board of Directors are obliged to leave meetings when issues are discussed that affect their own interests or the interests of natural or legal persons close to them.

Chairman's and Corporate Governance Committee

The Chairman's and Corporate Governance Committee (Chairman's Committee) assists both the Chairman of the Board of Directors in performing his leadership and coordination duties and the Board of Directors with issues relating to corporate governance. The Committee also supports the Board of Directors in key strategic decisions.

The Chairman of the Board of Directors presides over meetings. As a rule, the Group CEO attends the Chairman's Committee meetings or parts of the meetings in an advisory capacity. Other members of the Corporate Executive Board and in-house or external specialists may also be invited. The Chairman's Committee meets at least six times a year.

The Chairman's Committee held eight meetings during the year under review. Each session lasted for around one-and-a-half hours on average. The meetings were attended by all members. The Group CEO and Group CFO attended all the meetings.

Compensation Committee

The Compensation Committee supports the Board of Directors with regard to setting the compensation policy and in key personnel decisions regarding appointments to the highest levels of management and related performance-based and market consistent compensation. The fundamental duties and responsibilities of the Compensation Committee are set out in Article 12 of the Articles of Association as amended on 23 April 2014 (www.swisslife.com/articles).

The Compensation Committee generally consists of three members, who are elected by the Annual General Meeting of Shareholders. All members of the Compensation Committee are independent members of the Board of Directors. A Board of Directors member is regarded as being independent if he has not exercised any operational management role within the Swiss Life Group for at least three years and has no or only a minor business relationship with the Group.

The Board of Directors appoints the Chairman of the Compensation Committee from among the latter's members and issues regulations for the Compensation Committee.

The Compensation Committee may invite the Group CEO to some or all of its meetings in an advisory capacity. Other members of the Corporate Executive Board and in-house or external specialists may also be invited. The Compensation Committee meets at least three times a year.

During the year under review, the Compensation Committee convened a total of six times. Each session lasted for around one-and-a-half hours on average. There was full attendance at all meetings. The Chairman of the Board of Directors also attended meetings of the Compensation Committee in relation to nomination and succession planning issues in the Board of Directors and Corporate Executive Board.

At the General Meeting of Shareholders on 28 April 2020 the following will be proposed as Members of the Compensation Committee: Frank Schnewlin, Franziska Tschudi and Klaus Tschüscher. It is planned that Frank Schnewlin will again take over as Chairman of the Compensation Committee following the 2020 General Meeting.

Investment and Risk Committee

The Investment and Risk Committee assists the Board of Directors in matters concerning investment management, financial management and risk management within the Group. The tasks of the Investment and Risk Committee include drafting proposals on the principal features of asset and liability management (ALM) and submitting them to the Board of Directors, determining the investment policy, assessing capital adequacy, verifying compliance with guidelines on investments, and establishing the risk tolerance in insurance and investment operations. The Investment and Risk Committee is vested with the authority to define various regulations and directives pertaining to the investment activities of the Swiss Life Group and must inform the Board of Directors accordingly. In addition, the Investment and Risk Committee is responsible for making decisions on investments above a certain amount and specifies the terms of significant intra-Group financing.

Generally, the Group CIO, the Group CFO and the Group CRO attend the Investment and Risk Committee meetings or parts of meetings in an advisory capacity. The Group CEO may attend (without the right to vote) the meetings of the Investment and Risk Committee. Further members of the Corporate Executive Board and in-house specialists may also be invited to attend. The Investment and Risk Committee meets at least four times a year.

Nine meetings of the Investment and Risk Committee were held in the year under review. Each session lasted for around two hours on average. All members attended all the meetings. The Chairman of the Board of Directors was also present at all meetings. The Group CEO attended seven meetings, while the Group CFO attended eight and the Group CIO attended all nine meetings of the Investment and Risk Committee. The Group CRO also attended all the meetings.

It is planned that the Investment and Risk Committee will be constituted as follows once voting has been completed at the General Meeting of 28 April 2020: Ueli Dietiker as Chairman, Thomas Buess, Damir Filipovic, Frank W. Keuper, Stefan Loacker and Frank Schnewlin as Members.

Audit Committee

The Audit Committee assists the Board of Directors in its supervision of the accounting function and financial reporting activities, as well as compliance with the legal framework. It reviews the appropriateness of the internal control structures and processes used to comply with the legal requirements. It monitors the activities of Corporate Internal Audit and the external audit services, takes due note of their reports and recommendations, and oversees any further measures that may prove necessary. The Committee is empowered to make decisions with respect to defining the terms and conditions for mandates to external auditors and keeps the Board of Directors appropriately informed. Moreover, the Audit Committee issues the regulations for Corporate Internal Audit and sets its annual programme of activities.

Generally, the Group CFO and the Head of Corporate Internal Audit attend the Audit Committee meetings or parts of the meetings in an advisory capacity. The Group CEO may attend the meetings of the Audit Committee (without voting rights). Representatives from the external audit services are also regularly invited (cf. also “Supervisory and control instruments vis-à-vis the auditors”, page 74). In addition, further members of the Corporate Executive Board or in-house specialists may also be invited to attend. The Audit Committee meets at least four times a year. The frequency of meetings depends on the financial budgeting and reporting process.

In the year under review, the Audit Committee convened six times, with a meeting lasting about two hours on average. There was full attendance at all meetings. The Chairman of the Board of Directors was present at one meeting of the Audit Committee. The Group CEO and Group CFO attended all the meetings. The Head of Corporate Internal Audit was present at all meetings and representatives of the external auditors attended some meetings.

It is planned that the Audit Committee will be constituted as follows once voting has been completed at the General Meeting of 28 April 2020: Stefan Loacker as Chairman, Adrienne Corboud Fumagalli, Henry Peter, Martin Schmid and Klaus Tschütscher as Members.

Delineation of competencies between the Board of Directors and the Corporate Executive Board

The Organisational Regulations of Swiss Life Holding provide for the comprehensive delegation of the executive management responsibilities of the company to the Group CEO and the Corporate Executive Board, with the exception of those duties reserved for other bodies in accordance with the law, the Articles of Association or the Organisational Regulations themselves.

The Articles of Association of Swiss Life Holding can be seen at www.swisslife.com, “Investors & Shareholders” area, “Shareholders and services” section, “Articles of Association” subsection (www.swisslife.com/articles). The Organisational Regulations can also be found on the Swiss Life website, “Investors & Shareholders” area, “Shareholders and services” section, “Articles of Association” subsection (www.swisslife.com/articles).

The Corporate Executive Board bears responsibility in particular for the implementation of the corporate strategy, for the conditions governing business operations and for financial guidance. It is further responsible for preparing the resolutions for the Board of Directors and its committees, and for monitoring the implementation of these decisions in the Group. It is vested with the authority to rule on business referred to it by the Board of Directors, the Board of Directors’ committees and the Chairman of the Board of Directors, insofar as approval or a decision is not reserved exclusively to the delegating body.

Information and control instruments of the Board of Directors vis-à-vis the Corporate Executive Board

The Board of Directors is continually and comprehensively briefed on the activities of the Corporate Executive Board. The Group CEO regularly informs the Chairman of the Board of Directors and the Board of Directors and its committees on the course of business, new business activities and significant projects. The Group CEO informs the Chairman of the Board of Directors immediately of any extraordinary matters. Considerable expenditure which is unbudgeted for and amounts to more than 10% of the relevant budget must be submitted to the Chairman’s and Corporate Governance Committee for approval. Similarly, significant investments and divestments require the approval of the Investment and Risk Committee or, when they reach a certain level, the approval of the Board of Directors as a whole.

If required, the Board of Directors and its individual committees regularly invite all or some members of the Corporate Executive Board and in-house specialists to their meetings. Outside the meetings, each member of the Board of Directors may request information about the course of business from the Corporate Executive Board subject to the prior notification of the Chairman of the Board of Directors. Requests for information on individual transactions require the prior approval of the Chairman of the Board of Directors.

The Chairman of the Board of Directors may participate (without voting rights) in the meetings of the Corporate Executive Board. He receives the invitations and the minutes of the meetings.

Corporate Internal Audit, which reports directly to the Chairman of the Board, represents a suitable means of independent monitoring and information gathering for the Board of Directors. Regular meetings take place between the Chairman of the Board of Directors and the Head of Corporate Internal Audit, as well as between the Chairman of the Audit Committee and the Head of Corporate Internal Audit. In the same way, the Group CRO has direct access to the Chairman of the Board of Directors and to the Chairman of the Investment and Risk Committee. This ensures that in addition to regular reporting information is provided in a situation-specific and timely manner.

In accordance with the audit plan approved by the Audit Committee, Corporate Internal Audit prepares topic-related audit reports, which are distributed to the Chairman of the Board of Directors, the Members of the Audit Committee and the competent management staff and persons in charge of the audited area. In addition, Corporate Internal Audit prepares a written quarterly report for the attention of the Audit Committee at least four times a year. Qualitative risk management is generally discussed by the Audit Committee at least twice a year.

Implementation of the measures recommended by Corporate Internal Audit is monitored by Group Compliance and Operational Risk Management. The Audit Committee regularly receives a report on operational risk management within the Swiss Life Group. The Internal Control System (ICS) is another instrument available to the Board of Directors for information and controlling purposes. Further details are available in the “Risk Management” section from page 76.

The performance of the Corporate Executive Board and the contributions made by the individual members are regularly discussed and evaluated by the Chairman’s and Corporate Governance Committee, the Compensation Committee and the Board of Directors, with no members of the Corporate Executive Board being present. The acceptance of directorships and senior political or military roles by members of the Corporate Executive Board is subject to the consent of the Chairman of the Board of Directors.

Corporate Executive Board

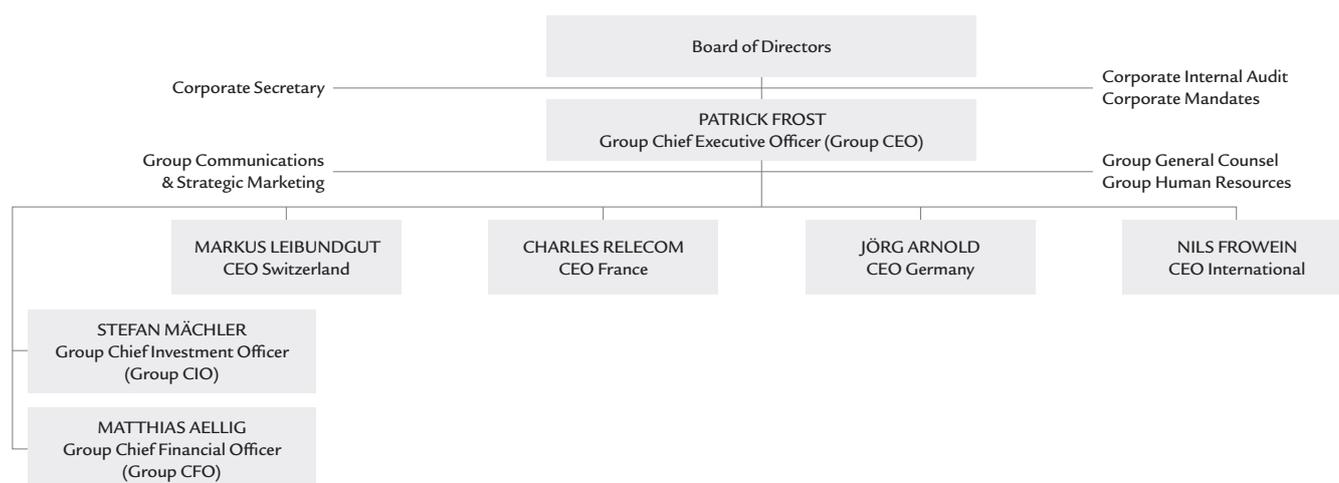
The Group CEO directs the business operations of the Group. The Group CEO, together with the Corporate Executive Board, works out the long-term objectives and strategic orientation of the Group for submission to the Board of Directors and, based on the resolutions of the Board of Directors, ensures the goal-oriented leadership and development of the Group. The Corporate Executive Board can form committees to address specific areas and can delegate competencies to such Corporate Executive Board committees.

The organisation and division of tasks within the Corporate Executive Board generally reflects the key business areas and functions. The members of the Corporate Executive Board have a direct management role with functional management responsibility for cross-divisional competencies. The members of the Corporate Executive Board are responsible for setting objectives, financial planning, HR management and achievement of objectives within their area. They issue directives for their area within the context of legal and regulatory requirements, the relevant regulations and the Group directives valid for the Group as a whole.

The Corporate Executive Board is responsible for the implementation of the corporate strategy, for the establishment of conditions governing business operations and for financial guidance. It is responsible for the preparation of the resolutions for the Board of Directors and its committees, and for monitoring the implementation of these decisions in the Group. The Corporate Executive Board is vested with the authority to rule on business referred to it by the Board of Directors, the Board of Directors' committees and the Chairman of the Board of Directors, insofar as decision or approval is not reserved exclusively to the delegating body.

The Corporate Executive Board may delegate operational responsibility for the management of subsidiaries to individual members of the Corporate Executive Board.

Management structure of the Swiss Life Group as at 31 December 2019



The following information on the members of the Corporate Executive Board is based on the situation on the balance sheet date. The information on former members of the Corporate Executive Board and information on any previous external mandates can be found in the Corporate Governance section of the relevant previous annual reports, available at www.swisslife.com, “Investors & Shareholders” area, “Results and reports” section (www.swisslife.com/annualreports).

Members of the Corporate Executive Board

On 31 December 2019 the Corporate Executive Board of Swiss Life Holding was composed of the following members:

Name	Function	Member of the Corporate Executive Board since
Patrick Frost	Group CEO	01.07.2006
Markus Leibundgut	CEO Switzerland	01.04.2014
Matthias Aellig	Group CFO	01.03.2019
Charles Relecom	CEO France	01.07.2008
Jörg Arnold	CEO Germany	01.07.2017
Stefan Mächler	Group CIO	01.09.2014
Nils Frowein	CEO International	01.01.2015

Patrick Frost – Born 1968, Swiss national
Group Chief Executive Officer (Group CEO)



Patrick Frost studied at the ETH in Zurich and the universities of Cologne, Basel and Zurich, obtaining degrees in natural science (dipl. Natural Science (dipl. Natw. ETH), economics (Dr. rer. pol.) and law (lic. iur.)). He began his career in the mid-nineties as an analyst and subsequently as a Portfolio Manager in asset management for Winterthur Group. After two years in the US as a Corporate Bond Manager, he was appointed Head of Fixed Income at Winterthur Group in 2001.

In 2006 Patrick Frost was appointed Member of the Corporate Executive Board and Group Chief Investment Officer of Swiss Life and in this capacity was responsible for the investment management of the Swiss Life Group. Since 1 July 2014 he has been Group Chief Executive Officer (Group CEO) of the Swiss Life Group.

Other appointments:

- Roche Holding AG, Member of the Board of Directors (from March 2020)
- American Chamber of Commerce, Member of the Financial Services Chapter Board
- Zurich Chamber of Commerce, Member of the Board of Directors
- Zürcher Volkswirtschaftliche Gesellschaft, (Zurich Economic Society), 1st Vice Chairman of the Board

Markus Leibundgut — Born 1969, Swiss national
Chief Executive Officer Switzerland (CEO Switzerland)



Markus Leibundgut studied Physics and Mathematics at the University of Bern and gained his doctorate in quantum field theory. Having joined McKinsey & Company in 1999 he worked in various positions as a strategic advisor for companies in a number of sectors including technology, telecommunications and management. During his career at McKinsey & Company, Markus Leibundgut focused on consulting in the insurance sector in Europe and Switzerland. He was elected a partner in 2005. From 2009 to 2011 Markus Leibundgut also managed the McKinsey European Life Insurance Center of Competence. He joined Swiss Life in 2012, initially heading the Finance & Actuarial Services business area as CFO and Member of the Executive Board at Swiss Life Switzerland. In 2013 Markus Leibundgut was appointed Chief Operating Officer and Member of the Executive Board of Swiss Life Germany.

From April 2014 to March 2017 Markus Leibundgut was Chief Executive Officer Germany (CEO Germany) and Member of the Corporate Executive Board of the Swiss Life Group.

Markus Leibundgut was appointed Chief Executive Officer Switzerland (CEO Switzerland) in April 2017. He continues as a Member of the Corporate Executive Board of the Swiss Life Group.

Other appointments:

- Palladio Foundation, Member of the Board of Trustees
- Swiss Insurance Association (SIA), Member of the Board of Directors
- Society for the Promotion of the Institute of Insurance Economics of the University of St. Gallen, Member of the Board

Matthias Aellig — Born 1971, Swiss national
Group Chief Financial Officer (Group CFO)



Matthias Aellig studied Physics at the University of Bern. After receiving his doctorate in the field of solar wind and completing a research visit at the Massachusetts Institute of Technology (MIT) in Cambridge, USA, he joined McKinsey & Company in Zurich as an advisor in 2000, mainly charged with projects in the banking and insurance area. At the end of 2003, Matthias Aellig joined the then-Winterthur Group (now AXA), initially as Head of Value Management and then, as of 2004, as Chief actuary Life, running the Winterthur Group's actuarial office. In 2007 he was named Chief actuary Life at Zurich Switzerland, in which role he was notably responsible for reserving, the group life operating account and market-consistent valuation. In 2010 Matthias Aellig became Chief Risk Officer of the Swiss Life Group. In this function he was charged with the Group-wide enterprise risk management framework, which includes, in addition to quantitative and qualitative risk management, the Group's actuarial office and product and margin management.

Since March 2019, Matthias Aellig has been Group Chief Financial Officer (Group CFO) and Member of the Corporate Executive Board.

Other appointment:

– Swiss Insurance Association (SIA), Chairman of the Finance and Regulation Committee

Charles Relecom — Born 1953, Belgian and Swiss national
Chief Executive Officer France (CEO France)



Charles Relecom graduated from the University of Namur (Belgium) with a degree in mathematics and went on to gain a master's degree in Actuarial Science at the University of Louvain (Belgium). He began his career in 1978 as Chief Actuary and Chief Technology Officer at Swiss Life in Belgium. In 1984 he moved to the head office in Zurich, where he played a significant role in setting up the International Division. From 1988 to 1994 he worked for ELVIA Life as Director of Sales in the key accounts business. In 1994 he moved to "La Suisse" and, in 1998, was appointed CEO of the non-life business and Chief Actuary. In 2000 he became the CEO of "La Suisse", a position he held until 2005 when the company was integrated into the Swiss Life Group. Following the integration, Charles Relecom returned to Swiss Life in Belgium, initially as the CEO of Zelia S.A. and, from February 2006, as CEO for the entire Belgian business.

In July 2008 Charles Relecom was appointed Chief Executive Officer France (CEO France) of the Swiss Life Group and Member of the Corporate Executive Board.

Other appointment:

– French Insurance Association (FFA), Member of the Board of Directors

Jörg Arnold — Born 1964, German national
Chief Executive Officer Germany (CEO Germany)



After completing his studies in business economics at the University of Cologne, Jörg Arnold joined what was then Colonia Versicherung (now the AXA Group) in 1991 as assistant to the CEO. Jörg Arnold worked in a variety of positions at the company, including head of the Distribution Management department and district manager of the Frankfurt branch office, and in 1998 was made sales director and Member of the Executive Committee of Colonia Versicherung at its Berlin branch office. In 2001 he was appointed Head of Sales at Deutsche Ärzteversicherung AG, joining their Management Committee. In 2010 Jörg Arnold took over as CEO of Deutsche Ärzteversicherung AG. In this capacity he was responsible for sales as well as for operations, business development and human resources. In 2014 Jörg Arnold became Global Head of Savings, Retirement & Distribution at AXA Group in Paris within the Life & Savings Global Business Line, which is responsible for the Group's worldwide life insurance business.

Since July 2017, Jörg Arnold has been Chief Executive Officer Germany (CEO Germany) and Member of the Corporate Executive Board of the Swiss Life Group.

Stefan Mächler — Born 1960, Swiss national
Group Chief Investment Officer (Group CIO)



After studying law at the University of St. Gallen, Stefan Mächler (lic. iur. HSG) spent 18 years working for the Credit Suisse Group in the capital market and asset management areas. After nine years abroad and various posts in Tokyo, Osaka, Seoul and Frankfurt, he returned to Switzerland in early 1999 and was appointed Managing Director of Sales & Marketing Europe and Switzerland at Credit Suisse Asset Management. At the same time, he was the driving force behind the foundation of the listed real estate company Swiss Prime Site AG, where he served as Chairman of the Board of Directors until 2005. From 2005 until 2009 he worked for Deutsche Bank, initially assuming responsibility for managing family offices in Switzerland and in the final two years serving as CEO of Privatbank Rüd, Blass & Cie AG. From 2009 until 2014, Stefan Mächler was in charge of asset management at the Swiss Mobiliar Group as Chief Investment Officer and Member of the Group Executive Board.

Since September 2014, Stefan Mächler has been Group Chief Investment Officer (Group CIO) and Member of the Corporate Executive Board of the Swiss Life Group.

Other appointments:

– Stiftung Technopark Zürich, Member of the Board of Trustees

Nils Frowein — Born 1964, German national
Chief Executive Officer International (CEO International)



Nils Frowein is an economics graduate with German and American accountancy certification. He is a skilled banker and has extensive expertise in the financial services sector and many years of capital market experience. From 1997 until 2004 he worked at the auditing firm BDO Deutsche Warentreuhand AG, where he was responsible for the Financial Advisory Services division, most recently as partner. From 2004 to 2007 Nils Frowein was CFO of financial services provider MLP. There he was significantly involved in laying the strategic foundations for the company. Nils Frowein joined AWD as deputy Chief Executive Officer in January 2008. He was initially Chief Financial Officer and was appointed Chief Operating Officer on 1 September 2008. Between 2009 and 2010 he additionally took charge of the Swiss business of AWD as acting CEO.

Nils Frowein has been Chairman of the Swiss Life subsidiary Chase de Vere in the UK since 2010 and since 2011 Chairman of the Supervisory Board of Swiss Life Select Austria and the Czech Republic.

Nils Frowein has been Chief Executive Officer of the International market unit (CEO International) since 1 January 2013 and Member of the Corporate Executive Board of the Swiss Life Group since 1 January 2015.

Since 2017 he has in addition been Chairman of Swiss Life Singapore, Swiss Life Luxembourg and Swiss Life Liechtenstein. In October 2018 Nils Frowein became Chairman of the Supervisory Board of Fincentrum, in the Czech Republic and Slovakia.

Other appointments:

- German-Swiss Chamber of Commerce, Member of the Board
- British Swiss Chamber of Commerce, Member of the Board
- International School Hannover Region (ISHR), Member of the Supervisory Board (since December 2019)

Resignations and new members

On 1 March 2019, Thomas Buess, up until 28 February 2019 Group Chief Financial Officer (Group CFO) handed over his function to Matthias Aellig, who previously served as Group Chief Risk Officer. In his new role as Group CFO, Matthias Aellig has been Member of the Corporate Executive Board since 1 March 2019. Thomas Buess was elected to the Board of Directors of Swiss Life Holding by the General Meeting on 30 April 2019; his CV can therefore be found in the section providing information on Members of the Board of Directors on page 35.

Transfer of Management Tasks

No management tasks have been contractually delegated to third parties by Swiss Life Holding.

Swiss Life Compensation Report for the Financial Year 2019

The General Meeting of Shareholders of Swiss Life Holding on 23 April 2014 approved various provisions of the Articles of Association, in response to a proposal by the Board of Directors pertaining to the implementation of the Ordinance against Excessive Compensation in Listed Stock Companies (Compensation Ordinance, VegüV), which take account of the requirements and powers of the General Meeting of Shareholders in relation to corporate governance and compensation.

With regard to the compensation system, the key principles of the compensation policy of the Swiss Life Group are regulated by the Articles of Association. The members of the Board of Directors are granted exclusively fixed compensation. This is paid partly in blocked Swiss Life Holding shares, with the amount, date of allocation and duration of the blocking period set by the Board of Directors. The members of the Corporate Executive Board are entitled to a fixed basic salary and, if applicable, a short- and long-term variable compensation component. The variable compensation for members of the Corporate Executive Board has been limited under the Articles of Association to a maximum 181% of the fixed basic salary.

Pursuant to the Articles of Association, the General Meeting of Shareholders is responsible for approving the maximum total amount of fixed compensation for the Board of Directors until the next ordinary General Meeting. The General Meeting of Shareholders also votes on a prospective basis on the maximum amount of the fixed compensation and the long-term variable compensation component (equity compensation plan) for the Corporate Executive Board for the next financial year. By contrast, the short-term variable compensation component for the Corporate Executive Board is submitted for approval to the General Meeting of Shareholders on a retrospective basis for the previous financial year, in full cognisance of the respective business figures.

Since 2009, Swiss Life has given shareholders the opportunity to hold a separate advisory vote at the General Meeting on the compensation report for the relevant financial year. The outcome of the vote is of material importance for the Board of Directors in their assessment and structuring of compensation. This vote on the compensation report will continue to be held in the future in line with good corporate governance practice.

On the basis of the powers of the General Meeting of Shareholders in relation to compensation under the Articles of Association, which came into effect on 1 January 2015, the General Meeting of Shareholders had approved the compensation for the Board of Directors and the Corporate Executive Board on 24 April 2018 as follows:

- For the Board of Directors: The maximum total amount of fixed compensation until the next ordinary General Meeting in 2019 in the amount of CHF 3 200 000 in total.
- For the Corporate Executive Board: The short-term variable compensation component for the 2017 financial year in the amount of CHF 3 698 750 in total (bonus and deferred compensation in cash), determined by the Board of Directors at the beginning of 2018 in view of the 2017 annual results, and the maximum total amount of the fixed compensation and the long-term variable compensation (equity compensation plan) for the 2019 financial year in the amount of CHF 13 800 000 in total.

At the General Meeting of Shareholders of 30 April 2019, the following compensation was approved for the Board of Directors and Corporate Executive Board:

- For the Board of Directors: The maximum total amount of fixed compensation until the next ordinary General Meeting in 2020 in the amount of CHF 3 200 000 in total.
- For the Corporate Executive Board: The short-term variable compensation component for the 2018 financial year in the amount of CHF 4 675 000 in total (bonus and deferred compensation in cash), determined by the Board of Directors at the beginning of 2019 in view of the 2018 annual results, and the maximum total amount of the fixed compensation and the long-term variable compensation (equity compensation plan) for the 2020 financial year in the amount of CHF 13 800 000 in total.

In the same way, the General Meeting on 28 April 2020 will be asked to approve the exclusively fixed compensation to be paid to the Board of Directors until the 2021 ordinary General Meeting, the short-term variable compensation component for the Corporate Executive Board for the 2019 financial year and the maximum total amount of fixed compensation (basic salary incl. ancillary benefits and occupational provisions) and of the long-term variable compensation component (equity compensation plan) for the 2021 financial year.

The proposed budget/maximum amount for the fixed and long-term variable compensation for the Corporate Executive Board for the 2021 financial year represents an upper limit, which would only be exhausted in the case of exceptional business performance. The Board of Directors will determine the fixed compensation and the long-term variable compensation component for the Corporate Executive Board at the beginning of 2021 and will detail the key underlying factors in the respective compensation report, on which the shareholders can in turn hold an advisory vote.

The Articles of Association of Swiss Life Holding can be seen and printed out at www.swisslife.com, “Investors and Shareholders” area, “Shareholders and services” section, “Articles of Association” (www.swisslife.com/articles) subsection. For stipulations on compensation and on the approval of compensation for the Board of Directors and the Corporate Executive Board, particular reference is made to Articles 14–16 of the Articles of Association.

Guidelines and standards

The following information takes into account the requirements under the directive of the SIX Swiss Exchange on information relating to corporate governance and Circular 2010/1 of the Swiss Financial Market Supervisory Authority FINMA on minimum standards for remuneration schemes of financial institutions, as well as the transparency requirements under the Compensation Ordinance.

Additional information on compensation and benefit expenditure for the management and employees of the Swiss Life Group can be found in the Consolidated Financial Statements (notes 23 and 29 on pages 257 to 267 and 281 to 282). The information according to Art. 663c of the Swiss Code of Obligations regarding the shareholdings of members of the Board of Directors and the Corporate Executive Board is shown in the Notes to the Swiss Life Holding Financial Statements on pages 319 to 321.

The information on compensation granted to Corporate Executive Board members also includes the variable compensation, which was determined by the Board of Directors at the beginning of 2020 and is published on an accrual basis as compensation for the 2019 financial year. The members of the Board of Directors are granted exclusively fixed compensation, payable 70% in cash and 30% in Swiss Life Holding shares; the allocated shares are subject to a three-year blocking period.

The compensation received by each member of the Board of Directors, and that of the acting Chairman of the Corporate Executive Board (Group CEO), who in the period under review received the highest compensation of the members of the Corporate Executive Board, is disclosed on an individual basis.

Compensation policy principles

The compensation policy principles are governed by the Articles of Association of Swiss Life Holding, which can be seen at www.swisslife.com, “Investors and Shareholders” area, “Shareholders and services” section, “Articles of Association” (www.swisslife.com/articles) subsection. Within this framework, the Board of Directors as a whole establishes the compensation policy guidelines for the Group (incl. variable compensation and equity compensation plans) and relevant guidelines for the employee benefit institutions.

The compensation policy underpins the performance culture required by the corporate strategy and forms part of the HR policy. The aim is to retain well-qualified employees and gain new, highly skilled staff. The compensation system is in line with the market environment and must be competitive. The individual overall compensation takes into account the employee’s professional skills, engagement and personal performance. It comprises the basic salary, a variable short-term component related to achieving annual targets, which is normally paid out in cash and sometimes equities and, if applicable, as deferred compensation in cash, and a long-term variable compensation component in the form of an equity compensation plan, as well as contributions to occupational provisions and risk insurance.

Salary	
Variable compensation	
Short-term variable compensation component <i>(Bonus in cash and possibly in shares and, if applicable, deferred compensation in cash)</i>	Long-term variable compensation component <i>(Equity compensation plan, RSU plan)</i>
Contributions to occupational provisions and risk insurance	

The salary is determined according to the employee’s function and skill set, and is annually reassessed and adjusted if appropriate. Salary comparison studies and recognised job evaluation systems are used to check appropriateness and to ensure internal and external comparability.

The variable compensation components are linked to the strategic objectives of the Group and the individual divisions, and the associated financial and HR-related targets. They are based on the achievement of annual objectives defined in advance for a period of three years as part of medium-term planning and determined on the basis of the actual performance of individuals or teams in relation to the objectives set (performance-linked payment) and on the degree of achievement of the Swiss Life Group targets as reflected in its annual result (share in the company's success). Quantitative and qualitative performance is also always assessed on the basis of the competencies required for the function held, such as professional expertise, entrepreneurship, task fulfilment, cooperation and leadership. The percentage weighting between the individual and/or team performance and the share in the company's success depends on the position and responsibilities of the function holder.

The share in the company's success is measured using quantitative Group targets (Key Performance Indicators, KPIs), which are defined in advance for the following three years as part of medium-term planning. Besides the annual profit, the main KPIs for the medium-term planning are distribution capacity, the planned cost savings, the risk and fee result, new business profitability, the return on equity and solvency (Swiss Solvency Test, SST). In order to avoid conduct aimed at the short-term achievement of key indicators with a higher weighting, the individual KPIs are not mechanistically weighted in advance. Assuming the generally equal weighting of all KPIs, the individual weighting is determined at the end of each financial year by the Board of Directors as a whole on the basis of a proposal by the Compensation Committee taking all developments into account and consideration (discretionary decision).

Personal performance based on the specified quantitative and qualitative objectives is assessed annually in the employee appraisal procedure implemented throughout the Group (Group Performance System, GPS). Two assessment elements/models are used for determining objectives and evaluating performance: the Group Objectives Model (GOM) relating to qualitative and quantitative objectives and the Group Competency Model (GCM) for measuring and assessing individual competencies and behaviour, including the relevant compliance regulations.

For persons responsible for risk management and risk control, the quantitative objectives are set in such a way that performance is not linked to the result of the monitored business unit, specific products or transactions.

In order to be eligible for any variable compensation, a GPS target achievement of at least 80% is required.

Permanent employment contracts in Switzerland contain notice periods of between three and twelve months, depending on position and seniority. All employment contracts with members of the Corporate Executive Board specify a notice period of twelve months. Members of the Corporate Executive Board have no contractual entitlements to severance payments. Likewise members of the Board of Directors have no such entitlements.

Practice and procedure

Pursuant to the Organisational Regulations, the Board of Directors as a whole is responsible for determining the level and make-up of compensation for its members, whereas the Compensation Committee is responsible for putting forward appropriate proposals (for the internal organisation of the Board of Directors see “Internal organisational structure”, pages 42 to 45). The Board of Directors as a whole also establishes the guidelines for the company’s compensation policy. In doing so, it takes into consideration the compensation policies of other companies in the financial services industry, drawing its findings from publicly available information and studies by independent external experts. Comparable companies in the insurance sector in Switzerland used for the purposes of providing relevant information for the current compensation policy included Allianz, AXA, Baloise Insurance, Swiss Re, Zurich Insurance Group and Helvetia.

The Board of Directors as a whole sets the level and distribution of the variable compensation pool for all employees on the basis of its compensation policy guidelines at the proposal of the Compensation Committee. When determining the level of the allocation, it takes into consideration the annual result, as well as medium-term planning and the degree of target achievement.

Finally, the Board of Directors as a whole is responsible for determining the individual compensation of members of the Corporate Executive Board.

As part of the implementation of the Compensation Ordinance and based on the amended Articles of Association as in force on 1 January 2015, the General Meeting of Shareholders approves, on the basis of a proposal by the Board of Directors, the maximum total amount of fixed compensation and long-term variable compensation for the Corporate Executive Board for the following financial year. This prospective approval excludes the short-term variable compensation component for the Corporate Executive Board, which is approved by the General Meeting of Shareholders retrospectively for the previous financial year. In addition, the General Meeting of Shareholders can, under Article 16 of the Articles of Association, pass a resolution at any time to retrospectively increase an approved total amount. If new members of the Corporate Executive Board are appointed after a resolution approving the compensation has been passed, the Articles of Association stipulate that a supplementary amount of a maximum 40% of the total amount for the year in question is available for their compensation and to offset any disadvantages in connection with the change of job; this does not require the approval of the General Meeting of Shareholders.

The Board of Directors carries out an annual performance assessment of all members of the Corporate Executive Board, based on preparatory work by the Compensation Committee. In addition, current aspects of HR policy and, in particular, succession planning are regularly discussed at meetings of the Compensation Committee and the Board of Directors as a whole.

The Board of Directors may consult independent professionals where deemed appropriate. In the year under review, Swiss Life was advised on specific compensation-related matters by PricewaterhouseCoopers (PwC).

Within the framework of the compensation arrangements for members of the Corporate Executive Board, “deferred compensation in cash” was introduced as a new compensation component linked to short-term variable compensation on 1 January 2012. On the basis of the corresponding regulations, a portion of the short-term variable cash compensation determined by the Board of Directors is not paid immediately but after a period of three years has elapsed and provided that the regulatory requirements are satisfied at that point. The allocated deferred compensation in cash represents an entitlement during the three-year deferral period. The underlying “deferred cash plan” also provides for adjustment and reclaiming mechanisms (clawback). A full or partial reduction of the deferred compensation is provided for in the following cases: negative impact of the key figures applying to the allocation of deferred compensation due to a restatement of the annual accounts or damage to Swiss Life as a result of a violation of statutory, regulatory or compliance standards by participants in the plan. If the employment relationship is terminated by a participant during the three-year deferral period for deferred compensation in cash, the entitlements expire worthless (retention component). For the 2019 financial year, the Board of Directors has determined that, as from a variable compensation amount in cash of CHF 500 000, 23% (or 33% for the Group CEO) of the total variable compensation in cash is to be allocated as deferred compensation.

As a long-term variable compensation component linked to the performance of the Swiss Life Holding share price and to the medium-term planning and degree of target achievement, an equity compensation plan has been in place since 2004 for members of the Corporate Executive Board and other key performers within the Swiss Life Group, who are determined by the Corporate Executive Board with the approval of the Compensation Committee. Based on this plan, participants are granted future subscription rights to Swiss Life Holding shares. These subscription rights entitle them to receive Swiss Life Holding shares free of charge after a period of three years has elapsed, provided that the prerequisites under the plan have been satisfied at that point.

Since 2011 participants in the equity compensation plan have been allocated Restricted Share Units (RSUs) on 1 April (2011–2013 equity compensation plans) or on 1 March (equity compensation plans from 2014). The RSUs grant the holder future subscription rights, entitling them to receive Swiss Life Holding shares free of charge after a three-year period has elapsed. The attribution of shares after the expiry of the three-year deferral period is effected on a 1:1 basis (1 RSU = 1 share): the plan is therefore very simple, transparent throughout the whole term and directly linked to the performance of the Swiss Life share price. The value of RSUs during the three-year term develops linearly with the Swiss Life Holding share price and thus symmetrically corresponds with shareholder interests. Altogether 51 members participated in the 2016 equity compensation plan, in which a total of 51 270 RSUs were allocated: 14 586 in total to the Corporate Executive Board, of which 3 478 to Patrick Frost in his capacity as Group CEO. In all, 58 members of Swiss Life Group senior management participated in the 2017 equity compensation plan, in which a total of 43 768 RSUs were allocated: 12 177 in total to the Corporate Executive Board, of which 3 017 to Patrick Frost, in his capacity as Group CEO. A total of 57 members of Swiss Life Group senior management participated in the 2018 equity compensation plan. A total of 42 950 RSUs were allocated: 11 454 in total to the members of the Corporate Executive Board, of which 2 828 RSUs to Patrick Frost as Group CEO. 65 persons participated in the 2019 equity compensation plan and a total of 40 840 RSUs were allocated: 10 237 in total to the Corporate Executive Board, of which 2 496 to Group CEO Patrick Frost. Under the 2020 equity compensation plan, a total of 42 553 RSUs were allocated to 62 members of Swiss Life Group senior management; members of the Corporate Executive Board received a total of 10 993 RSUs, of which 2 519 were allocated to Group CEO Patrick Frost.

The 2016, 2017 and 2018 equity compensation plans are based on the “Swiss Life 2018” Group-wide programme, which was announced at the Swiss Life Group’s Investor Day on 25 November 2015 (see www.swisslife.com/investorsday2015). On that basis and based on the relevant mid-term planning (MTP), the following performance criteria were set for the next three years, in each case cumulatively over the three-year period: IFRS profit (50% weighting), the risk and fee result (25% weighting) and Cash to Swiss Life Holding (25% weighting).

The 2019 and 2020 equity compensation plans are based on the new Group-wide programme “Swiss Life 2021”, which was announced at the Swiss Life Group’s Investor Day on 29 November 2018 (see www.swisslife.com/investorsday2018). For the purpose of supporting the achievement of the respective corporate goals, the performance criteria have been determined by the Board of Directors as follows: IFRS profit (50% weighting), the risk and fee result (25% weighting), Cash to Swiss Life Holding (25% weighting).

In accordance with the Group-wide programme “Swiss Life 2021” (financial years 2019–2021) the following target values were communicated in relation to these performance criteria: IFRS profit/equity ratio of 8–10%, risk result of CHF 400–450 million in 2021, fee result of CHF 600–650 million in 2021 and Cash to Swiss Life Holding of CHF 2.00–2.25 billion cumulatively in 2019–2021. On this basis the Board of Directors determined the specific performance targets applicable to the 2019 and 2020 equity compensation programmes pursuant to the 2019–2021 MTP (2019 equity compensation programme) and the 2020–2022 MTP (2020 equity compensation programme). These MTP target values cannot be disclosed for reasons of business secrecy. The respective specific target values have been set on a basis consistent with the “Swiss Life 2021” Group-wide programme, taking account of the current business development, with comparatively at least equally high requirements for target achievement.

After expiry of the three-year period of the RSU plan, the target value for each performance criterion according to the medium-term planning is compared with the actual result achieved. The share allocation corresponds to the number of allocated RSUs (1 RSU = 1 share) if all three performance criteria have been achieved or exceeded after the three-year period has elapsed; overperformance does not lead to a higher share allocation. If the targets are only partly achieved, the share allocation is correspondingly reduced in accordance with the weighting of the performance target concerned or the RSUs expire worthless. After expiry of the equity compensation plan, the number of RSUs available for exercise according to the effective performance and, respectively, the corresponding degree of target achievement and the corresponding share allocation (vesting) will be disclosed. The corresponding information on the vesting of the various equity compensation plans and the shares allocated, is set out in Note 23 of the Consolidated Financial Statements on pages 265 to 267.

The attribution of the long-term variable compensation component (equity compensation plan, RSU plan) is deferred for a period of three years from the date of allocation, as is the case with the deferred compensation in cash. Likewise, the RSU plans provide for adjustment and reclaiming mechanisms (clawback). These apply in the event of a negative impact of the key figures applying to the allocation of deferred compensation due to a retroactive correction to a restatement of the annual accounts and in the case of damage to Swiss Life as a result of a violation of statutory, regulatory or compliance standards. If the employment relationship is terminated by a participant during the three-year term of the RSU plan, the future entitlements expire worthless.

Compensation to members of the Board of Directors

The members of the Board of Directors are granted exclusively fixed compensation. This is paid 70% in cash and 30% in Swiss Life Holding shares; the shares are subject to a three-year blocking period from the date of allocation.

The compensation takes into account membership of the Board of Directors of Swiss Life Holding and its subsidiary Swiss Life Ltd, as well as membership of the individual Board Committees, and is commensurate with the individual's function and workload. According to the regulatory requirements, it consists of basic compensation for serving on the Boards of Directors of Swiss Life Holding and Swiss Life Ltd, and additional compensation depending on membership of one or more Board committees and any chairing of such committees.

There were no contributions to occupational provisions for the members of the Board of Directors.

For the period from the 2018 ordinary General Meeting to the 2019 ordinary General Meeting, the General Meeting of Shareholders of 24 April 2018 approved a maximum amount of fixed compensation for the Board of Directors totalling CHF 3 200 000. Effectively the fixed compensation for the Board of Directors during the period in question (2018 General Meeting to 2019 General Meeting) was CHF 3 044 938 in total.

For the period from the 2019 ordinary General Meeting to the 2020 ordinary General Meeting, the General Meeting of Shareholders of 30 April 2019 approved a maximum amount of fixed compensation for the Board of Directors totalling CHF 3 200 000. In 2019, the Board of Directors determined the compensation for the members of the Board of Directors unchanged at the same level as in the previous year.

The compensation paid to members of the Board of Directors in the 2019 financial year is shown on an individual basis in the 2019 compensation table below. For comparison purposes, the compensation for the 2018 financial year is shown again after the 2019 compensation table.

Compensation in blocked shares is reported in both tables on the basis of the respective stock exchange closing prices on the day of allocation. The economic value at allocation, which is equal to the tax value, is indicated in footnote 3.

At the General Meeting of 28 April 2020, the Board of Directors will submit for approval to the shareholders the maximum amount of fixed compensation for the Board of Directors for the new term from the 2020 ordinary General Meeting until the 2021 ordinary General Meeting.

Compensation to the Board of Directors in 2019

(audited)

Amounts in CHF	Compensation in cash		Compensation in blocked shares ³		Aggregate total in cash and shares (amount) ⁴
	Amount	Number	Amount (at closing price on allocation)		
Rolf Dörig, Chairman of the Board of Directors	840 000	743	360 492		1 200 492
Frank Schnewlin	245 000	217	105 287		350 287
Thomas Buess ¹	73 500	65	31 708		105 208
Adrienne Corboud Fumagalli	98 000	87	42 213		140 213
Ueli Dietiker	161 000	143	69 375		230 375
Damir Filipovic	98 000	87	42 213		140 213
Frank W. Keuper	98 000	87	42 213		140 213
Stefan Loacker	135 333	120	58 298		193 631
Henry Peter	137 667	123	59 591		197 258
Martin Schmid ²	114 000	87	42 213		156 213
Franziska Tschudi Sauber	98 000	87	42 213		140 213
Klaus Tschütscher	112 000	100	48 514		160 514
TOTAL BOARD OF DIRECTORS	2 210 500	1 946	944 331		3 154 831

¹ Joined 30.04.2019.² This includes the compensation of CHF 16 000 for the membership of the Board of Directors of Fontavis AG, a 100% subsidiary of Swiss Life Investment Management Holding AG.³ The allocation of shares was effected on 18.06.2019 and 16.12.2019 at the stock exchange closing price of CHF 477.50 and CHF 493.10 respectively. Taking into account the blocking period of three years, the economic value, which is equal to the tax value, is CHF 400.9186 and CHF 414.0166 respectively.⁴ All contributions are gross contributions, i.e. they include employee contributions to AHV/IV/ALV. Employer contributions to AHV/IV/ALV/FAK amounted to a total of CHF 186 002 in the year under review.

Compensation to the Board of Directors in 2018

(audited)

Amounts in CHF	Compensation in cash		Compensation in blocked shares ³		Aggregate total in cash and shares (amount) ⁴
	Amount	Number	Amount (at closing price on allocation)		
Rolf Dörig, Chairman of the Board of Directors	840 000	1 001	360 514		1 200 514
Gerold Bühler ¹	81 667	102	35 088		116 755
Frank Schnewlin	245 000	292	105 160		350 160
Adrienne Corboud Fumagalli	98 000	118	42 490		140 490
Ueli Dietiker	144 666	172	62 287		206 953
Damir Filipovic	98 000	118	42 490		140 490
Frank W. Keuper	98 000	118	42 490		140 490
Stefan Loacker	107 333	128	46 202		153 535
Henry Peter	156 333	187	67 447		223 780
Martin Schmid ²	73 500	87	31 826		105 326
Franziska Tschudi Sauber	98 000	118	42 490		140 490
Klaus Tschütscher	107 333	128	46 202		153 535
TOTAL BOARD OF DIRECTORS	2 147 832	2 569	924 686		3 072 518

¹ Left 24.04.2018.² Joined 24.04.2018.³ The allocation of shares was effected on 18.06.2018 and 17.12.2018 at the stock exchange closing price of CHF 344.00 and CHF 377.90 respectively. Taking into account the blocking period of three years, the economic value, which is equal to the tax value, is CHF 288.8293 and CHF 317.2924 respectively.⁴ All contributions are gross contributions, i.e. they include employee contributions to AHV/IV/ALV. Employer contributions to AHV/IV/ALV/FAK amounted to a total of CHF 180 502 in the year under review.

Compensation to members of the Corporate Executive Board

Compensation remitted to members of the Corporate Executive Board comprises the fixed basic salary, short-term variable compensation in cash and other compensation (child allowances, company cars, premium contributions to 3rd pillar pension plans). The short-term variable compensation in cash is allocated as a bonus and as deferred compensation in cash. The deferred compensation in cash is paid out after a period of three years has elapsed and provided that the regulatory requirements have been satisfied. In addition, a long-term variable compensation component is in place in the form of an equity compensation plan linked to the performance of the Swiss Life Holding share price, respectively to medium-term planning and corresponding target achievement (RSU plan). As already mentioned, participants are entitled to Swiss Life Holding shares after a period of three years has elapsed and provided that the relevant requirements are satisfied at the time of allocation.

The fixed basic salary is determined annually by the Board of Directors, on the basis of a proposal by the Compensation Committee, taking into account the individual member's function-related responsibility and the current market conditions.

The variable compensation components are determined by the Board of Directors in accordance with the compensation policy and based on the company result and the achievement of personal goals during the relevant business year, assessed in the employee appraisal procedure implemented throughout the Group (Group Performance System, GPS).

The amount of the variable compensation (short-term variable compensation in cash and equity compensation plan as a long-term variable compensation component) is limited in the Articles of Association of Swiss Life Holding to a maximum of 181% of the fixed basic salary (statutory "bonus cap", upper limit for the variable compensation). On the basis of the current compensation policy the Board of Directors has, with a view to harmonising fixed and variable compensation in the case of maximum target achievement and departing from a benchmark of 100%, set a range of 100–130% of the fixed basic salary for the variable compensation components; under extraordinarily positive circumstances the Board of Directors may augment this range at its own discretion to a maximum of 150% (Group CEO 165%). The short-term and long-term variable compensation components are, in principle, apportioned equally in a ratio determined by the Board of Directors in consideration of the results achieved in the given financial year (discretionary decision). In the case of an "on target" achievement, the range for variable compensation of members of the Corporate Executive Board is 80–100% of the fixed basic salary ("on-target bonus").

The short-term and long-term components of the variable compensation are allocated in principle in equal amounts (1:1 ratio), whereby the deferred compensation components (RSU plan and deferred compensation in cash) are considered as a whole. The Board of Directors may determine a different ratio for the Corporate Executive Board as a whole or for the Chairman (Group CEO) or individual members of the Corporate Executive Board (discretionary decision).

At Corporate Executive Board level, variable compensation depends 60% directly on the company's success. The Key Performance Indicators (KPIs) used to assess company success include, as mentioned above, key figures relating to annual profit, payout capacity, cost savings, the risk and fee result, new business profitability, return on equity and solvency (Swiss Solvency Test, SST).

40% of the variable compensation is based on Corporate Executive Board members' achievement of specified personal goals. On the one hand, these personal goals are linked back to the company's success, in that each Corporate Executive Board member has to meet personal quantitative objectives contributing to the company's success in relation to his division. On the other hand, the personal goals cover qualitative aspects, namely project targets, risk management and compliance goals, as well as requirements relating to leadership and to supporting and further developing corporate culture.

In what remains a very challenging economic environment, Swiss Life was again, as in the previous year, able to significantly exceed its medium-term planning targets based on the "Swiss Life 2021" Group-wide programme in the year under review: Net profit rose by 12% from CHF 1080 million to CHF 1205 million. Likewise, insurance reserves were again substantially strengthened to the benefit of the company's policyholders. The cash remittance to Swiss Life Holding increased by 8% to CHF 752 million. The value of new business in the year under review also posted a marked increase of 45% from CHF 386 million to CHF 561 million in the context of the extraordinarily high demand for full insurance solutions in Switzerland; the new business margin was 1.9%. The solvency target was clearly exceeded from a qualitative and quantitative perspective; Swiss Life estimates its SST ratio at slightly above 200% as of 1 January 2020, based on the regulatory solvency standard model. The fee result grew 15% over the previous year to CHF 553 million. The risk result of CHF 417 million was also above target. The cost targets were met in their entirety. Finally, the target range of 8–10% for the adjusted return on equity in the 2019 financial year was exceeded at 10.8%.

For the 2019 financial year, the General Meeting of Shareholders of 24 April 2018, as mentioned at the start of the present Compensation Report, had approved a maximum total amount of the fixed compensation and the long-term variable compensation component (equity compensation plan) for the Corporate Executive Board of CHF 13 800 000, based on the Articles of Association applicable on 1 January 2015. In line with this, the Board of Directors accordingly set a fixed compensation at the beginning of 2019 (basic salary incl. ancillary costs and occupational provisions) of CHF 8 568 120 in total for the members of the Corporate Executive Board. It also granted future subscription rights worth CHF 3 896 816, as long-term variable compensation under the 2018 RSU plan, to the members of the Corporate Executive Board, on 1 March 2019, for the extraordinarily good performance in 2018, when Swiss Life again increased its operational effectiveness and achieved profitable growth. The subscription rights allocated under the 2019 RSU plan entitle the holder to receive Swiss Life Holding shares following a three-year vesting period, provided the requirements are satisfied at that point. The approved budget for the 2019 financial year was applied to the sum of CHF 12 464 936, in view of the excellent business development.

At the General Meeting of Shareholders of 28 April 2020, the Board of Directors will again submit for approval the maximum amount of the fixed compensation and long-term variable compensation component (equity compensation plan) for the Corporate Executive Board for the 2021 financial year.

The compensation for members of the Corporate Executive Board for the 2019 financial year is reported in detail in the 2019 compensation table below. Patrick Frost, Chairman of the Corporate Executive Board (Group CEO) since 1 July 2014, received the highest compensation of the members of the Corporate Executive Board in the 2019 financial year; accordingly his compensation is disclosed individually.

In addition to Group CEO Patrick Frost, seven persons were members of the Corporate Executive Board during the 2019 reporting period, as reported in the compensation table below.

The short-term variable compensation component for the Corporate Executive Board of a total CHF 4 290 000 (cash bonus of CHF 3 790 000 and deferred compensation in cash of CHF 500 000), which was determined by the Board of Directors at the beginning of 2020 for the 2019 financial year and will be proposed to the General Meeting of Shareholders on 28 April 2020 for approval, is disclosed in the following compensation table on an accrual basis as compensation for the 2019 financial year (accrual method). The members of the Corporate Executive Board did not receive any compensation in shares for the 2019 financial year; they are participating in the current equity compensation plan that provides for the allocation of so-called Restricted Share Units (RSUs).

The long-term variable compensation component in the form of the equity compensation plan (RSU plan 2020) is also reported in the compensation table for the 2019 financial year, which serves as the basis for the amount of the allocation and the corresponding number of allocated RSUs (accrual method).

The variable compensation for the members of the Corporate Executive Board reflects the excellent business development. The variable compensation components in the year under review amounted to around 163% of the fixed basic salary of the Group CEO and 115% of the fixed basic salaries of the other Corporate Executive Board members. The variable compensation relative to the fixed basic salary is thus well below the statutory maximum of 181%. With regard to the overall compensation for the Group CEO, the Board of Directors has decided, as in the previous year, in favour of maintaining the fixed salary and applying a correspondingly higher weighting of the performance-related variable compensation; with regard to variable compensation, the deferred components (variable deferred compensation in cash and RSUs) were overweighted.

Expenditure for occupational provisions for members of the Corporate Executive Board in the period under review amounted to CHF 1 633 465. This includes the ordinary annual employer contribution of CHF 275 470 for the occupational benefits of Patrick Frost, Group CEO.

The stated amounts do not include social security contributions (AHV/IV/ALV/FAK) payable by the employer under the law. The respective expenditure is shown in footnote 6 of the 2019 compensation table.

Following the 2019 compensation table, the details of the compensation for 2018 are stated in a separate table for comparison.

Compensation to the Corporate Executive Board in 2019

(audited)

Amounts in CHF	Compensation in cash				Compensation in shares		Total compensation in cash and shares (amount)
	Salary	Bonus for 2019 paid in 2020 ³	Other compensation ⁴	Total compensation in cash	Number	Amount	
Patrick Frost, Group CEO	1 500 000	1 000 000	29 599	2 529 599	0	0	2 529 599
Other members of Corporate Executive Board ^{1,2}	5 204 770	2 790 000	200 286	8 195 056	0	0	8 195 056
TOTAL CORPORATE EXECUTIVE BOARD	6 704 770	3 790 000	229 885	10 724 655	0	0	10 724 655

¹ 7 individuals were taken into account in the period under review.

² The salary amounts also include tax-equalisation payments and international travel expenses totalling CHF 270 800.

³ The short-term variable compensation component for the 2019 financial year (bonus and deferred compensation in cash) was determined by the Board of Directors at the beginning of 2020 for the 2019 financial year.

⁴ Child allowances (CHF 12 700), company cars (CHF 11 808), premium contributions to 3rd pillar pension plans (CHF 164 683), other (CHF 40 694) in total amounts.

Amounts in CHF	Expenditure for occupational provisions		Aggregate total compensation in cash and in shares and occupational provisions expense (amount) ⁶
	Regular contributions ⁵	Extraordinary contributions	
Patrick Frost, Group CEO	275 470	0	2 805 069
Other members of Corporate Executive Board	1 357 995	0	9 553 051
TOTAL CORPORATE EXECUTIVE BOARD	1 633 465	0	12 358 120

⁵ Pursuant to the pension fund regulations, occupational provisions were financed by the employer and the employee at a ratio of 70% to 30%.

⁶ All contributions are gross contributions, i.e. they include employee contributions to AHV/IV/ALV. Employer contributions to AHV/IV/ALV/FAK amounted to a total of CHF 1 055 501 in the year under review.

Amounts in CHF	Variable deferred compensation in cash ³	Restricted Share Units (RSUs) 2020 RSU plan 2020 ^{8,9}		Aggregate total compensation incl. deferred compensation in cash and RSUs (amount)
		Amount ⁷	Number	
Patrick Frost, Group CEO	500 000	2 519	950 268	4 255 337
Other members of Corporate Executive Board	0	8 474	3 196 731	12 749 782
TOTAL CORPORATE EXECUTIVE BOARD	500 000	10 993	4 146 999	17 005 119

⁷ The variable deferred compensation in cash is paid out after a deferral period of three years, provided the requirements are satisfied at that point.

⁸ The RSUs represent future subscription rights that entitle the individuals concerned to receive Swiss Life Holding shares after a period of three years, provided the requirements are satisfied at that point.

⁹ For the 2020 RSU plan beginning 01.03.2020 the 2019 financial year forms the basis for the amount of the allocation and the corresponding number of allocated RSUs. The allocation of RSUs on 01.03.2020 was effected at a fair value of CHF 377.24 as calculated by the independent consultancy firm KPMG AG, Zurich.

Compensation to the Corporate Executive Board in 2018

(audited)

Amounts in CHF	Compensation in cash				Compensation in shares		Total compensation in cash and shares (amount)
	Salary	Bonus for 2018 paid in 2019 ³	Other compensation ⁴	Total compensation in cash	Number	Amount	
Patrick Frost, Group CEO	1 500 000	1 000 000	29 562	2 529 562	0	0	2 529 562
Other members of Corporate Executive Board ^{1,2}	5 669 594	2 975 000	207 895	8 852 489	0	0	8 852 489
TOTAL CORPORATE EXECUTIVE BOARD	7 169 594	3 975 000	237 457	11 382 051	0	0	11 382 051

¹ 6 individuals were taken into account in the period under review.

² The salary amounts also include tax-equalisation payments and international travel expenses totalling CHF 251 400.

³ The short-term variable compensation component for the 2018 financial year (bonus and deferred compensation in cash) was determined by the Board of Directors at the beginning of 2019 for the 2018 financial year.

⁴ Child allowances (CHF 10 950), company cars (CHF 12 061), premium contributions to 3rd pillar pension plans (CHF 172 401), other (CHF 42 045) in total amounts.

Amounts in CHF	Expenditure for occupational provisions		Aggregate total compensation in cash and in shares and occupational provisions expense (amount) ⁶
	Regular contributions ⁵	Extraordinary contributions	
Patrick Frost, Group CEO	273 146	0	2 802 708
Other members of Corporate Executive Board	1 444 310	0	10 296 799
TOTAL CORPORATE EXECUTIVE BOARD	1 717 456	0	13 099 507

⁵ Pursuant to the pension fund regulations, occupational provisions were financed by the employer and the employee at a ratio of 70% to 30%.

⁶ All contributions are gross contributions, i.e. they include employee contributions to AHV/IV/ALV. Employer contributions to AHV/IV/ALV/FAK amounted to a total of CHF 896 478 in the year under review.

Amounts in CHF	Variable deferred compensation in cash ³	Restricted Share Units (RSUs) 2019 RSU plan ^{8,9}		Aggregate total compensation incl. deferred compensation in cash and RSUs (amount)
		Amount ⁷	Number	
Patrick Frost, Group CEO	500 000	2 496	950 127	4 252 835
Other members of Corporate Executive Board	200 000	7 741	2 946 689	13 443 488
TOTAL CORPORATE EXECUTIVE BOARD	700 000	10 237	3 896 816	17 696 323

⁷ The variable deferred compensation in cash is paid out after a deferral period of three years, provided the requirements are satisfied at that point.

⁸ The RSUs represent future subscription rights that entitle the individuals concerned to receive Swiss Life Holding shares after a period of three years, provided the requirements are satisfied at that point.

⁹ For the 2019 RSU plan beginning 01.03.2019 the 2018 financial year forms the basis for the amount of the allocation and the corresponding number of allocated RSUs. The allocation of RSUs on 01.03.2019 was effected at a fair value of CHF 380.66 as calculated by an independent consultancy firm.

Additional fees and compensation to members of governing bodies¹

No additional fees and compensation were paid to members of governing bodies in the year under review.

Compensation to former members of governing bodies¹

No compensation was paid to former members of governing bodies in the year under review.

Compensation to closely linked parties^{1,2}

No compensation was paid to closely linked parties in the year under review.

Loans and credits to members of governing bodies¹

In accordance with Article 20 of the Articles of Association, which can be seen at www.swisslife.com, “Investors and Shareholders” area, “Shareholders and services” section, “Articles of Association” subsection (www.swisslife.com/articles), the Company may grant members of the Board of Directors and the Corporate Executive Board secured loans and credits at usual market terms for up to CHF 10 million each and unsecured loans and credit of up to CHF 0.5 million each.

No loans or credit were granted to members of governing bodies in the year under review; as at the balance sheet date, there are no outstanding loans or credit to members of governing bodies.

Loans and credits to former members of governing bodies¹

No loans or credit were granted to former members of governing bodies in the year under review; as at the balance sheet date, there are no outstanding loans or credit to former members of governing bodies.

Loans and credits to closely linked parties^{1,2}

No loans or credit were granted to closely linked parties in the year under review; as at the balance sheet date, there are no outstanding loans or credit to closely linked parties.

¹ audited

² “Closely linked parties” are natural persons and legal entities (in the sense of Art. 678 of the Swiss Code of Obligations and Art. 16 of the Compensation Ordinance) that have close personal, economic, legal or de facto ties with members of governing bodies. This typically includes spouses, minor children, companies controlled by members of governing bodies, and natural or legal persons serving as members of governing bodies in a fiduciary capacity.

Share ownership/Participation rights

As at the balance sheet date of 31 December 2019, acting members of the Board of Directors and the Corporate Executive Board (including closely linked parties) held the following number of registered Swiss Life Holding shares and future subscription rights to Swiss Life Holding shares in the form of Restricted Share Units (RSU):

Board of Directors

	SLH shares 31.12.2019
Rolf Dörig, Chairman of the Board of Directors	31 108
Frank Schnewlin	5 627
Thomas Buess ¹	24 224
Adrienne Corboud Fumagalli	794
Ueli Dietiker	1 156
Damir Filipovic	1 777
Frank W. Keuper	1 014
Stefan Loacker	848
Henry Peter	12 405
Martin Schmid	374
Franziska Tschudi Sauber	3 231
Klaus Tschütscher	1 037
TOTAL BOARD OF DIRECTORS	83 595

Corporate Executive Board

	Restricted Share Units (RSUs) 31.12.2019 ¹	SLH shares 31.12.2019
Patrick Frost, Group CEO	8 341	22 071
Matthias Aellig	3 934	2 623
Jörg Arnold	3 740	250
Nils Frowein	4 000	2 008
Markus Leibundgut	4 479	5 805
Stefan Mächler	4 307	4 807
Charles Relecom	4 205	1 644
TOTAL CORPORATE EXECUTIVE BOARD	33 006	39 208

¹ Total number of RSUs allocated in the years 2017, 2018 and 2019 in connection with the relevant equity compensation plan. The RSUs represent future subscription rights that entitle the individuals concerned to receive SLH shares after a period of three years, provided that the relevant conditions are met at that point. In addition to the reported shareholding, Thomas Buess held a total of 4512 RSUs as at the balance sheet date of 31 December 2019, which were allocated to him in 2017, 2018 and 2019 in the context of his former function as Group CFO and Member of the Corporate Executive Board of Swiss Life.

Shareholdings as well as future subscription rights to Swiss Life Holding shares as at 31 December 2018 are shown in the Notes to the Swiss Life Holding Financial Statements on page 321.

Options

No share options have been granted in the Swiss Life Group since 2003 and no options are outstanding.

Further information

In the form of an overview, the following additional information is provided on the Swiss Life Group compensation systems for the 2019 financial year:

In CHF (unless otherwise indicated)

Total compensation ¹	1 001 242 765
of which total variable compensation (total pool) ²	176 482 642
Number of persons who received variable compensation	7 796
Total outstanding deferred compensation	16 052 694
of which cash payment	698 894
of which shares	0
of which options	0
of which others (Restricted Share Units, RSU)	13 343 345
Charges and credits in the financial year from compensation for previous financial years ³	2 110
Board of Directors, Executive Board and persons whose activities have a significant influence on the risk profile of the company:	
Total sign-on payments made in the financial year ⁴	0
Total severance payments made in the financial year ⁵	0

¹ The totality of any monetary value which the company distributes to a person directly or indirectly for the work performed for the company, e.g. in the form of cash payments, non-cash benefits, expenditure which establishes or increases entitlements to occupational provisions, pensions, shares or other allocation of shareholding rights as well as the forgiving, extinguishing or renunciation of any claims or debts.

² Part of the total compensation, the granting or the amount of which is at the discretion of the company or which is contingent on fulfilment of predefined conditions. This includes compensation contingent on performance or meeting certain targets. Sign-on payments and severance payments also fall within the scope of the definition of variable compensation.

³ Decrease in expenses affecting net income for variable compensation for the 2019 financial year.

⁴ Compensation which is agreed on the conclusion of an employment agreement to be paid or be due once. Also deemed to constitute a sign-on payment shall be compensation for benefits foregone vis-à-vis a previous employer.

⁵ Compensation which is agreed in connection with the termination of an employment relationship.

Report of the Statutory Auditor

Report of the statutory auditor to the General Meeting of Swiss Life Holding Ltd

Zürich

We have audited the compensation report of Swiss Life Holding Ltd for the year ended 31 December 2019. The audit was limited to the information contained on pages 61 and 65 to 67 of the compensation report.

Board of Directors' responsibility

The Board of Directors is responsible for the preparation and overall fair presentation of the compensation report in accordance with Swiss law and the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance). The Board of Directors is also responsible for designing the compensation system and defining individual compensation packages.

Auditor's responsibility

Our responsibility is to express an opinion on the accompanying compensation report. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the compensation report complies with Swiss law and articles 14–16 of the Ordinance.

An audit involves performing procedures to obtain audit evidence on the disclosures made in the compensation report with regard to compensation, loans and credits in accordance with articles 14–16 of the Ordinance. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements in the compensation report, whether due to fraud or error. This audit also includes evaluating the reasonableness of the methods applied to value components of compensation, as well as assessing the overall presentation of the compensation report.

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

Opinion

In our opinion, the compensation report of Swiss Life Holding Ltd for the year ended 31 December 2019 complies with Swiss law and articles 14–16 of the Ordinance.

PricewaterhouseCoopers AG

Peter Eberli
Audit expert
Auditor in charge

Nebojsa Baratovic
Audit expert

Zürich, 10 March 2020



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Shareholders' Participation Rights

Restrictions on voting rights

In exercising voting rights, no shareholder can collect more than 10% of the total share capital directly or indirectly in respect of his own shares and those he represents. Legal entities and partnerships which are connected through capital, voting rights, uniform management or in any other way, as well as individuals or legal entities and partnerships which act in concert by virtue of agreement, as a syndicate or in any other way, are deemed to be a single person. Any amendment to or revocation of restrictions on voting rights must be approved by at least two thirds of the voting shares represented at the General Meeting of Shareholders and an absolute majority of the share par value represented. The Board of Directors can permit exceptions to this limit on the basis of its discretionary powers. During the year under review, no such exceptions were granted.

Right of representation

Under the terms of the Articles of Association, a shareholder may be represented by a legal representative, or, if a written power of attorney exists, by another shareholder entitled to vote or by the independent voting representative.

Independent voting representative

The General Meeting of Shareholders elects an independent voting representative. His term of office ends after completion of the next ordinary General Meeting of Shareholders. Re-election is possible. The independent voting representative is obliged to exercise the represented voting rights pursuant to the instructions given. He can be represented at the General Meeting of Shareholders by an assistant. He remains fully responsible for compliance with his obligations. If the company does not have an independent voting representative, the Board of Directors appoints one for the next General Meeting of Shareholders.

Required majorities

In addition to the resolutions provided for by law, a qualified majority (corresponding to at least two thirds of the voting shares represented and an absolute majority of the share par value represented) is required to:

- change provisions concerning restrictions on voting rights
- dissolve the company (liquidation)
- dismiss more than one third of the members of the Board of Directors
- change these provisions of the Articles of Association

Convocation of the General Meeting of Shareholders and agenda

The rules set out in the Articles of Association for convening a General Meeting of Shareholders and drawing up the agenda comply with the stipulations of the law. Shareholders who represent at least 0.25% of the share capital can submit a written request within a time limit published in advance by Swiss Life Holding for the inclusion on the agenda of an item for discussion, together with the relevant motions. The written application must be accompanied by a blocking certificate issued by a bank to confirm that the shares are deposited with it until after the General Meeting of Shareholders.

Entry in the share register

Entries can be made in the share register up to the day before the General Meeting of Shareholders. In all cases, however, the company reserves the right to adhere to the legal maximum period of 20 days for recognition of entries in the share register in accordance with Art. 685g of the Swiss Code of Obligations. For administrative reasons (postal delivery times), the deadline for registering to participate in the General Meeting of Shareholders is usually seven calendar days before the event takes place.

Voting system and procedures

Based on a corresponding authorisation in the Articles of Association, the presiding officer at Swiss Life Holding's General Meeting of Shareholders generally requests that votes be taken electronically. Swiss Life Holding uses a certified electronic voting system which permits balloting with remote-controlled handsets and records the exact number of voting shares represented.

Changes of Control and Defence Measures

Duty to make an offer

Swiss Life Holding's Articles of Association provide for neither an "opting up" nor an "opting out" clause within the meaning of Art. 135 para. 1 and Art. 125 paras 3 and 4 of the Financial Market Infrastructure Act (FMIA).

Clauses on changes of control

No contractual provisions exist in favour of the Board of Directors or the Corporate Executive Board with regard to changes in control of the company.

Auditors

As was the case last year, PricewaterhouseCoopers (PwC) is again serving as external statutory auditor for all Swiss Life Group companies that are directly or indirectly held by Swiss Life Holding under its scope of consolidation.

PwC confirms that it meets the legal requirements concerning professional qualification and independence.

Duration of the mandate and term of office of the lead auditor

The Articles of Association stipulate that the external auditor is to be elected by the General Meeting of Shareholders for one financial year at a time. When Swiss Life Holding was established in 2002, PwC was named statutory auditor and Group auditor. Since then PwC has been elected without fail. PwC has also acted as statutory auditor for Swiss Life Ltd since 1994. Swiss Life Holding last invited tenders for its statutory auditor and Group auditor mandate for the 2008 financial year. On completion of the evaluation process, the Board of Directors, in accordance with the proposal of the Audit Committee, again nominated PwC as its statutory auditor and Group auditor at the General Meeting of Shareholders.

The partner at PwC in charge of auditing the Swiss Life Holding annual financial statements and consolidated financial statements (lead auditor) has exercised this function since 2018.

The role of lead auditor rotates in compliance with the term of office regulations stipulated by the Swiss Code of Obligations, the independency guidelines set forth by the Swiss Institute of Certified Accountants and Tax Consultants, and internal guidelines at PwC. Under the Swiss Code of Obligations and independency guidelines set forth by the Swiss Institute of Certified Accountants and Tax Consultants, the maximum term of office of the lead auditor is limited to seven years.

Auditing fees

In 2019 the auditing fees credited to PricewaterhouseCoopers came to around CHF 9.1 million (prior year: CHF 8.6 million). This includes the fees for reviewing the 2019 half-year accounts.

Additional fees

PwC invoiced additional fees of approximately CHF 0.9 million in 2019 (prior year CHF 1.0 million), for services in the areas of risk management, fiscal and legal consulting and other advisory services. All services were performed in compliance with the relevant independency regulations set out in the Swiss Code of Obligations, the Audit Supervision Act and FINMA circular 2013/3, "Auditing".

Supervisory and control instruments vis-à-vis the auditors

The Audit Committee maintains regular contact with the external auditors. It evaluates the independence of the external auditors and identifies possible conflicts of interest. It also examines the terms and conditions of the external audit mandates and assesses the audit plan and strategy for the year in question.

The external auditors submit regular written reports on the status of the auditing work. They also submit detailed reports on the half-year and annual financial statements to the Audit Committee. At the end of the year, the external auditors draw up a comprehensive report for the attention of the General Meeting of Shareholders and a detailed report on the financial year just completed for the attention of the Audit Committee, the Board of Directors and the Swiss Financial Market Supervisory Authority FINMA.

The Audit Committee also acknowledges and approves the various recommendations of the external auditors, including the Management Letter. If required, the committee discusses with representatives of the external auditors any issues which could have a major impact, either collectively or individually, on the financial situation or the result of the audit.

In the year under review, representatives of the external auditors attended all Audit Committee meetings, either in their entirety or for specific items on the agenda.

Information Policy

The Communications and Investor Relations areas provide up-to-date reports to private and institutional investors, financial analysts, journalists and the public.

Key facts and figures about the Swiss Life Group and info kits on previous years' reports are available on the internet at www.swisslife.com, "Investors & Shareholders" area, "Results & Reports" section (www.swisslife.com/results). Details on events relevant to shareholders, analysts and the media (General Meetings of Shareholders, media conferences etc.) can be found at www.swisslife.com, "Investors & Shareholders" area, "Financial Calendar" section (www.swisslife.com/financialcalendar).

At www.swisslife.com/subscription, all interested parties can subscribe to the company's mailing list so as to receive timely ad hoc reports and media releases free of charge via the e-mail distribution system. These releases are also published on the Swiss Life website at the same time as they are sent to subscribers, and are available online for at least two years at www.swisslife.com, "Media" area, "Media releases" section (www.swisslife.com/mediareleases).

In addition to its comprehensive Annual Report and Financial Statements, Swiss Life Holding also publishes its half-year results. Furthermore, in May and November of each year, it publishes specific details on the previous quarter. All Swiss Life's annual reports since 1998 and all half-year reports since 2001 can be accessed on the internet at www.swisslife.com, "Investors & Shareholders" area, "Results & Reports" section, (www.swisslife.com/annualreports). A report detailing the key facts and figures on business operations is sent out on an annual basis to all the shareholders listed in the share register.

On 29 November 2018, furthermore, Swiss Life presented its targets for 2021 as part of its Investor Day. The relevant information and presentations can be accessed on the internet at www.swisslife.com, "Investors & Shareholders" area, "Investor Days" section (www.swisslife.com/investordays).

Contact details are available at the end of this Annual Report.