

# Minutes of the 18<sup>th</sup> Annual General Meeting of Zurich Insurance Group Ltd



on Wednesday, April 4, 2018 (2.15 p.m.),  
Wallisellenstrasse 45, Hallenstadion, CH-8050 Zurich-Oerlikon

Translated from the German original\*

## Formal matters

<b>Chairman:</b>	Tom de Swaan, Chairman of the Board of Directors
<b>Secretary:</b>	Adrian Peyer, Secretary of the Board of Directors
<b>Notary Public:</b>	Christoph Nörr, Deputy Notary Public Zurich Enge, for notarization of the resolutions regarding the extension of the authorized share capital and approval of related changes to the Articles of Association (agenda item 6)
<b>Scrutineers:</b>	Dr. Beat Krähenmann (chairperson of the scrutineers) Robert Amgwerd Sebastian Bättig Michèle Burger Markus K. Hirt Dr. Felix Horber Dr. Irene Klauer Lara Kopp Roberto Küttel Roman Schärer
<b>Independent Voting Rights Representative as defined by article 689c CO:</b>	lic. iur. Andreas G. Keller, Attorney at Law
<b>Auditors:</b>	PricewaterhouseCoopers AG, Zurich, represented by Mark Humphreys, Markus Neuhaus, Peter Eberli, Stephen O'Hearn and Alexander Finn

The Chairman opens the Meeting at 2.15 p.m. and welcomes the shareholders. He introduces the Independent Voting Rights Representative, the Notary Public, the members of the Board of Directors and the Executive Committee in attendance, as well as the Secretary of the Board of Directors and welcomes Mr. Michel Liès, who is being proposed as new member and Chairman of the Board of Directors by the Board of Directors. He refers to the news release of March 26, 2018 and states that agenda item 4.1.10 is redundant as Ms. Jasmin Staiblin is no longer available for election to the Board of Directors.

The Chairman refers to the public convening notice published on March 9, 2018 in the Swiss Official Gazette of Commerce and to the invitation sent to all shareholders entered in the share register with voting rights on March 8, 2018. The Chairman states that no requests for the inclusion of items on the agenda had been received from shareholders and that the Annual Report 2017, the Remuneration Report 2017 and the Auditors' Reports had been available for inspection by the shareholders at Austrasse 46 in Zurich since March 9, 2018. The Chairman then determines that the General Meeting was properly convened and is quorate.

The Chairman explains to the shareholders their competencies according to law and the Articles of Association and also illustrates other administrative provisions and matters. Votes and elections are conducted electronically.

Thereafter, the speeches by the Chairman (Appendix 1) and the Group Chief Executive Officer, Mario Greco (Appendix 2), follow. After that, the Group Chief Executive Officer hands the floor back to the Chairman.

\* **Please note that this is a translation of the German original. In the event of inconsistency or ambiguity, the German version shall prevail.**

## Attendance

Based on the count of the admission cards handed in at 2.55 p.m., 1,649 shareholders and the Independent Voting Rights Representative are present, collectively representing a total of 73,935,846 votes, which corresponds to 68.68% of the shares entitled to vote:

Shareholders	564,973	Votes
Independent Voting Rights Representative	73,370,873	Votes

## Agenda item 1: Reporting on the financial year 2017

The Chairman informs the shareholders in attendance that agenda item 1 is split into two sub-agenda items each requiring a vote. Shareholders would first vote on the approval of the Management Report, the Annual Financial Statements and the Consolidated Financial Statements 2017 (agenda item 1.1), and then have the opportunity to express their opinion on the Remuneration Report 2017 in a non-binding advisory vote (agenda item 1.2).

The Chairman explains the structure of the Annual Report and notes that the Remuneration Report 2017, the proposals of the Board of Directors with respect to the appropriation of the available earnings and the capital contribution reserve as well as the reports of the Auditors, PricewaterhouseCoopers Ltd, for the Annual Financial Statements and the Consolidated Financial Statements of Zurich Insurance Group Ltd had been published together with the Annual Report 2017. He further states that the Auditors, PricewaterhouseCoopers AG, recommend the approval of the Annual Financial Statements of Zurich Insurance Group Ltd 2017 and the Consolidated Financial Statements of Zurich Insurance Group Ltd 2017.

The Chairman then elaborates on the Remuneration Report. He points out that the relevant parts of the Remuneration Report 2017 had also been audited by PricewaterhouseCoopers Ltd.

Subsequently, the Chairman invites shareholders to express their opinion on agenda items 1.1 and 1.2.

Two shareholders request the floor:

### 1 Fritz Peter, Hüntwangen (Actares)

The speaker introduces himself as representative of Actares. He congratulates the Board of Directors on the proposal of Mr. Michel Liès as the new Chairman of the Board of Directors. The speaker criticizes that no separate elections as a member and then as Chairman of the Board of Directors are held for the proposed Chairman of the Board of Directors. While emphasizing that this is not at all due to Mr. Liès' person, he states that Actares recommends voting against the appointment of Mr. Liès because of the simultaneous elections. He expresses his gratitude for the answers to the written questions submitted by Actares in advance of the General Meeting. During the last year, Zurich had taken encouraging, significant steps to strengthen sustainable corporate governance. In particular, he mentions the activities and initiatives relating to responsible investments and the partial withdrawal from coal. He points out Zurich's excellent performance in the Dow Jones Sustainability Index suggesting that with Zurich, Mr. Liès should engage in a sustainable "Race to the top" with his former colleagues at Swiss Re to win this award. The speaker then expresses his concern about the restructurings and the associated reduction of jobs at Zurich, which led to insecurity and resignation among the staff. He urges Zurich to regain the confidence of the employees and to refrain from dismissals and involuntary early retirements for operational reasons of employees with long-term loyalty to the company. The speaker explains that Actares recommends the rejection of all compensation-related proposals. He refers to the Corporate Responsibility Initiative (*Unternehmensverantwortungsinitiative*), which is supported by Actares and in relation to which Zurich, among others, had received a questionnaire regarding duty of care with respect to human rights at the beginning of the year. However, no feedback had been received so far. The speaker concludes with the summarizing questions to the Chairman, where Zurich stood at the end of 2015, 2016 and 2017 concerning its goal of filling 35% of the top 10% of positions with female executives by 2020, and whether based on this development Zurich is confident to achieve this goal by 2020; how many redundancies or involuntary early

retirements were carried out in Switzerland in 2017 for operational reasons; whether, and if so, how many employees were transferred last year from a permanent to a temporary position and why; whether Zurich can promise that such restructurings would soon be a matter of the past; and when Actares could expect a response to the survey on the duty of care with respect to human rights.

The Chairman expresses his thanks for the speech and the elaborations, which tie in with the correspondence of the last weeks, referring to the answers to the comprehensive questionnaire and the offering of a personal meeting prior to the General Meeting. He also expresses his appreciation of the commendation for the proposal of Mr. Liès as the new Chairman of the Board of Directors, and regrets that Actares would vote against Mr. Liès' election because of a technicality in spite of their praise for him. Regarding the first question, the Chairman notes that in the Board of Directors this goal was already achieved and that Zurich is also well on the way in this respect on top management level. With respect to redundancies and early retirements, he argues that the insurance industry is in a state of radical changes due to technological developments, which requires certain structural reorganizations. Employees were aware of this and signaled broad support for this strategic orientation as they understood that Zurich's future depended on its flexibility and ability to respond to new economic developments. The changes implemented during the last year promised that Zurich would continue to be a successful and sustainable company in the future. Zurich offers employees who are affected by restructuring-related redundancies comprehensive support on the basis of the existing social plan. With respect to the last point, the Chairman confirms that Actares would receive a response to the survey on the duty of care with respect to human rights by the end of the week.

## 2 Walter Benz, Döttigen/AG

The speaker thanks the Board of Directors, the Executive Committee and all employees of Zurich for the good business performance in 2017 and the respective increase of the dividend. He had noted with great pleasure that Zurich had been one of the first companies to introduce tailor-made electric car insurance, that the CO<sub>2</sub> emissions per employee had been reduced by 53% between 2007 and 2016, and that Zurich invested billions in green bonds. The sale of electric cars and thus the consumption of electricity would rise sharply in the next few years, which is why there would also be a need in Switzerland for the generating of more clean electricity. At the location of the melting glaciers new storage facilities would be needed that would help prevent the constantly increasing number of floodings and would allow balanced river flows. Together with other river hydropower plants they would enable the generation of much more clean electricity. He asks the Board of Directors and the Executive Committees to consider his ideas, wishes continuing successful activities and thanks the Chairman of the Board of Directors for his years of successful service at Zurich.

The Chairman thanks him for his kind words. He states that being a responsible and sustainable company is the cornerstone of Zurich's business. Zurich is also working on contributing its part to the implementation of the Paris Agreement and to the reduction of CO<sub>2</sub> emissions. For this reason, Zurich also promotes the insurance of electric cars. With regard to increased electricity consumption by electric cars, Zurich believes that this could be compensated for by the reduction of CO<sub>2</sub> emissions. Zurich is constantly working to improve operational efficiency, such as space and energy efficiency at the new headquarters at Mythenquai, which are currently under construction. Finally, the Chairman emphasizes Zurich's efforts in the area of flood control.

Given that there are no further requests to take the floor, the Chairman explains the use of the new televoter.

### **Agenda item 1.1: Approval of the Management Report, the Annual Financial Statements and the Consolidated Financial Statements for 2017**

The General Meeting approves the Management Report, the Annual Financial Statements and the Consolidated Financial Statements 2017 with the following result:

	Percent	Number of votes
Represented shares/votes	100%	73,938,980
Votes in favor	99.48%	73,560,777
Votes against	0.08%	59,991
Abstentions (including no vote)	0.44%	318,212

### **Agenda item 1.2: Advisory vote on the Remuneration Report 2017**

The General Meeting accepts the Remuneration Report 2017 with the following result:

	Percent	Number of votes
Represented shares/votes	100%	73,938,960
Votes in favor	88.83%	65,684,843
Votes against	10.22%	7,558,397
Abstentions (including no vote)	0.95%	695,720

### **Agenda item 2: Appropriation of available earnings for 2017 and appropriation of the capital contribution reserve**

The Chairman explains that under agenda item 2.1 the Board of Directors proposes to appropriate the available earnings for 2017 of Zurich Insurance Group Ltd as follows:

Net income 2017 after taxes	CHF	2,370,084,728
Balance brought forward	CHF	13,159,651,200
<b>Available earnings for 2017</b>	<b>CHF</b>	<b>15,529,735,928</b>
Distribution of a dividend for the 2017 financial year before tax of <b>CHF 16.60</b> per share with a nominal value of CHF 0.10 each for 151,339,851 * shares	CHF	2,512,241,527*
Balance to be carried forward	CHF	13,017,494,401

The Chairman further elaborates that under agenda item 2.2, the Board of Directors proposes to appropriate a part of the capital contribution reserve as follows:

Distribution of a dividend for the 2017 financial year from capital contribution reserve of CHF **1.40** per share with a nominal value of CHF 0.10 each for 151,339,851\* shares CHF 211,875,791\*

\*These figures are based on the share capital issued on December 31, 2017, and may change depending on the number of shares issued on April 9, 2018. Treasury shares are not entitled to dividends and are not taken into account.

Subsequently, the Chairman invites shareholders to express their opinion on agenda items 2.1 and 2.2.

No one requests the floor.

### **Agenda item 2.1: Appropriation of available earnings for 2017**

The General Meeting approves the Board of Directors' proposal for the appropriation of available earnings for 2017 with the following result:

	Percent	Number of votes
Represented shares/votes	100%	73,938,192
Votes in favor	99.76%	73,767,741
Votes against	0.09%	68,123
Abstentions (including no vote)	0.15%	102,328

### **Agenda item 2.2: Appropriation of the capital contribution reserve**

The General Meeting approves the Board of Directors' proposal for the appropriation of the capital contribution reserve with the following result:

	Percent	Number of votes
Represented shares/votes	100%	73,938,192
Votes in favor	99.79%	73,782,944
Votes against	0.05%	42,883
Abstentions (including no vote)	0.16%	112,365

The Chairman states that it is planned to pay the dividend from available earnings of CHF 16.60 per share less 35% for Swiss withholding tax and the dividend from the capital contribution reserve of CHF 1.40 per share on or after April 10, 2018.

### **Agenda item 3: Discharge of members of the Board of Directors and of the Executive Committee**

The Chairman explains that the Board of Directors proposes to grant discharge to the members of the Board of Directors and of the Executive Committee for their activities during the financial year 2017. The Chairman clarifies that

the proposal for the discharge also includes all members that have left or have been newly appointed to the Board of Directors or the Executive Committee during 2017.

Subsequently, the Chairman invites shareholders to express their opinion on agenda item 3.

No one requests the floor.

The Chairman points out that persons who participated in the management of the company are not authorized to vote on the discharge, neither with their own shares nor with shares that they represent.

The General Meeting grants discharge to the members of the Board of Directors and of the Executive Committee for the financial year 2017 with the following result:

	Percent	Number of votes
Represented shares/votes	100%	73,847,445
Votes in favor	98.51%	72,752,665
Votes against	0.90%	664,943
Abstentions (including no vote)	0.59%	429,837

## **Agenda item 4: Election and re-elections**

### **Agenda item 4.1: Election of a new member and Chairman of the Board of Directors and a new member of the Board of Directors, and re-elections of eight members of the Board of Directors**

The Chairman mentions that as stated in the invitation to today's General Meeting, Ms. Susan Bies, Mr. Fred Kindle and he himself are no longer available for a re-election, but that all the other members of the Board of Directors agreed to stand for re-election for another term of office of one year. The Chairman briefly delivers insight into Mr. Michel Liès' resume and points out that due to the withdrawal of her candidacy for election to the Board of Directors of the second new candidate, Ms. Jasmin Staiblin, there will be no vote on her election at today's General Meeting.

#### **Agenda item 4.1.1: Election of Mr. Michel M. Liès as member and Chairman of the Board of Directors**

The Chairman states that the Board of Directors proposes to elect Mr. Michel M. Liès as member and as Chairman of the Board of Directors for a term of office ending with the conclusion of the next Annual General Meeting.

Subsequently, the Chairman invites shareholders to express their opinion on agenda item 4.1.1.

No one requests the floor.

The General Meeting elects Mr. Michel Liès as member and Chairman of the Board of Directors for a term of office ending with the conclusion of the next Annual General Meeting with the following result:

	Percent	Number of votes
Represented shares/votes	100%	73,926,703
Votes in favor	99.00%	73,190,310
Votes against	0.75%	559,328
Abstentions (including no vote)	0.25%	177,065

The Chairman congratulates Mr. Michel Liès to his election in the name of the entire Board of Directors.

### **Agenda items 4.1.2 – 4.1.9: Re-elections of current members of the Board of Directors**

The General Meeting continues with the re-elections of the incumbent members of the Board of Directors. The Chairman explains that the new televoter allows for the re-elections under agenda items 4.1.2. to 4.1.9. to be held in one ballot and he briefly explains the new process. Considering the large number of elections the Chairman invites the shareholders to express their opinion on any of the individual candidates prior to the elections. The Chairman explains that the election results for agenda items 4.1.2. to 4.1.9. would be announced together.

No one requests the floor.

#### **Agenda item 4.1.2: Re-election of Ms. Joan Amble as member of the Board of Directors**

The Board of Directors proposes to re-elect Ms. Joan Amble as member of the Board of Directors for a term of office ending with the conclusion of the next Annual General Meeting.

#### **Agenda item 4.1.3: Re-election of Ms. Catherine P. Bessant as member of the Board of Directors**

The Board of Directors proposes to re-elect Ms. Catherine P. Bessant as member of the Board of Directors for a term of office ending with the conclusion of the next Annual General Meeting.

#### **Agenda item 4.1.4: Re-election of Dame Alison Carnwath as member of the Board of Directors**

The Board of Directors proposes to re-elect Dame Alison Carnwath as member of the Board of Directors for a term of office ending with the conclusion of the next Annual General Meeting.

#### **Agenda item 4.1.5: Re-election of Mr. Christoph Franz as member of the Board of Directors**

The Board of Directors proposes to re-elect Mr. Christoph Franz as member of the Board of Directors for a term of office ending with the conclusion of the next Annual General Meeting.

#### **Agenda item 4.1.6: Re-election of Mr. Jeffrey L. Hayman as member of the Board of Directors**

The Board of Directors proposes to re-elect Mr. Jeffrey L. Hayman as member of the Board of Directors for a term of office ending with the conclusion of the next Annual General Meeting.

#### **Agenda item 4.1.7: Re-election of Ms. Monica Mächler as member of the Board of Directors**

The Board of Directors proposes to re-elect Ms. Monica Mächler as member of the Board of Directors for a term of office ending with the conclusion of the next Annual General Meeting.

### Agenda item 4.1.8: Re-election of Mr. Kishore Mahbubani as member of the Board of Directors

The Board of Directors proposes to re-elect Mr. Kishore Mahbubani as member of the Board of Directors for a term of office ending with the conclusion of the next Annual General Meeting.

### Agenda item 4.1.9: Re-election of Mr. David Nish as member of the Board of Directors

The Board of Directors proposes to re-elect Mr. David Nish as member of the Board of Directors for a term of office ending with the conclusion of the next Annual General Meeting.

The General Meeting re-elects all members of the Board of Directors standing for re-election for a term of office ending with the conclusion of the next Annual General Meeting with the following results:

Agenda item	Name	Represented shares/votes	Votes in favor	Votes against	Abstentions (incl. no vote)
4.1.2	Ms. Joan Amble	73,926,069 100%	73,530,347 99.46%	230,496 0.31%	165,226 0.23%
4.1.3	Ms. Catherine P. Bes-sant	73,926,069 100%	73,497,087 99.41%	253,789 0.34%	175,193 0.25%
4.1.4	Dame Alison Carnwath	73,926,069 100%	73,148,505 98.94%	493,620 0.66%	283,944 0.40%
4.1.5	Mr. Christoph Franz	73,926,069 100%	72,892,456 98.60%	746,233 1.00%	287,380 0.40%
4.1.6	Mr. Jeffrey L. Hayman	73,926,069 100%	73,479,484 99.39%	212,370 0.28%	234,215 0.33%
4.1.7	Ms. Monica Mächler	73,926,069 100%	73,546,133 99.48%	193,561 0.26%	186,375 0.26%
4.1.8	Mr. Kishore Mahbubani	73,926,069 100%	73,391,634 99.27%	317,908 0.43%	216,527 0.30%
4.1.9	Mr. David Nish	73,926,069 100%	73,049,895 98.81%	666,691 0.90%	209,483 0.29%

The Chairman congratulates all the current members on their re-election.

### Agenda item 4.2: Elections and re-elections of members of the Remuneration Committee

The Chairman points out that the members of the Remuneration Committee are elected and re-elected individually by the General Meeting for a term of office ending with the conclusion of the next Annual General Meeting. He explains that Mr. Christoph Franz and Mr. Kishore Mahbubani are standing for re-election to the Remuneration Committee. It is being proposed to elect Ms. Catherine Bessant and Mr. Michel M. Liès as new members of the Remuneration Committee. The new televoter also allows the re-elections and elections to the Remuneration Committee to be conducted in one ballot. Considering the large number of re-elections and elections, the results would also be jointly announced afterwards. The Chairman again invites the shareholders to express their opinion on any individual candidate prior to the elections.

No one requests the floor.

The General Meeting then proceeds with the re-election of Mr. Christoph Franz and Mr. Kishore Mahbubani and the election of Ms. Catherine Bessant and Mr. Michel Liès as members of the Remuneration Committee.

**Agenda item 4.2.1: Re-election of Mr. Christoph Franz as member of the Remuneration Committee**

The Board of Directors proposes to re-elect Mr. Christoph Franz as member of the Remuneration Committee for a term of office ending with the conclusion of the next Annual General Meeting.

**Agenda item 4.2.2: Re-election of Mr. Kishore Mahbubani as member of the Remuneration Committee**

The Board of Directors proposes to re-elect Mr. Kishore Mahbubani as member of the Remuneration Committee for a term of office ending with the conclusion of the next Annual General Meeting.

**Agenda item 4.2.3: Election of Ms. Catherine P. Bessant as member of the Remuneration Committee**

The Board of Directors proposes to elect Ms. Catherine P. Bessant as member of the Remuneration Committee for a term of office ending with the conclusion of the next Annual General Meeting.

**Agenda item 4.2.4: Election of Mr. Michel M. Liès as member of the Remuneration Committee**

The Board of Directors proposes to elect Mr. Michel M. Liès as member of the Remuneration Committee for a term of office ending with the conclusion of the next Annual General Meeting.

The General Meeting elects all members of the Remuneration Committee standing for re-election and election for a term of office ending with the conclusion of the next Annual General Meeting with the following results:

Agenda item	Name	Represented shares/votes	Votes in favor	Votes against	Abstentions (incl. no vote)
4.2.1	Mr. Christoph Franz	73,921,159 100%	72,511,674 98.09%	1,123,405 1.51%	286,080 0.40%
4.2.2	Mr. Kishore Mahbubani	73,921,159 100%	72,644,691 98.27%	1,065,737 1.44%	210,731 0.29%
4.2.3	Ms. Catherine P. Bessant	73,921,159 100%	73,054,984 98.82%	644,960 0.87%	221,215 0.31%
4.2.4	Mr. Michel M. Liès	73,921,159 100%	72,700,081 98.34%	954,637 1.29%	266,441 0.37%

The Chairman congratulates the elected members.

**Agenda item 4.3: Re-election of the Independent Voting Rights Representative**

The Chairman explains that the Board of Directors proposes to re-elect the incumbent Independent Voting Rights Representative, Mr. lic. iur. Andreas G. Keller, Attorney at Law, as independent voting rights representative for a term of office ending with the conclusion of the next Annual General Meeting.

No one requests the floor.

The General Meeting re-elects Mr. lic. iur. Andreas G. Keller as Independent Voting Rights Representative for a term of office ending with the conclusion of the next Annual General Meeting with the following result:

	Percent	Number of votes
Represented shares/votes	100%	73,920,589
Votes in favor	99.79%	73,770,532
Votes against	0.05%	40,239
Abstentions (including no vote)	0.16%	109,818

The Chairman congratulates Mr. Keller on his re-election.

#### **Agenda item 4.4: Re-election of the Auditors**

The Chairman states that the Board of Directors proposes to re-elect the incumbent Auditors, PricewaterhouseCoopers Ltd, Zurich, as auditors for the 2018 financial year.

The Chairman confirms that PricewaterhouseCoopers Ltd fulfills all independency requirements, is registered as a federally supervised audit firm and thus qualifies as statutory auditors.

No one requests the floor.

The General Meeting re-elects PricewaterhouseCoopers Ltd, Zurich, as Auditors for the financial year 2018 with the following result:

	Percent	Number of votes
Represented shares/votes	100%	73,920,609
Votes in favor	95.51%	70,606,433
Votes against	4.27%	3,158,983
Abstentions (including no vote)	0.22%	155,193

#### **Agenda item 5: Approval of the Remuneration**

The Chairman informs the shareholders in attendance that agenda item 5 is split into two sub-agenda items: the approval of the remuneration for the Board of Directors (agenda item 5.1) and the approval of the remuneration for the Executive Committee (agenda item 5.2).

The Chairman refers to the report by the Board of Directors that was attached to the invitation to the Annual General Meeting and that includes important explanations about the remunerations of the Board of Directors and the Executive Committee that are subject to approval. He briefly addresses both sub-agenda items and then opens the discussion.

No one requests the floor.

### Agenda item 5.1: Approval of the Remuneration for the Board of Directors

The General Meeting approves the maximum total amount of remuneration for the Board of Directors in the amount of CHF 4,650,000 for the period from the 2018 Annual General Meeting to the 2019 Annual General Meeting with the following result:

	Percent	Number of votes
Represented shares/votes	100%	73,914,942
Votes in favor	97.16%	71,815,811
Votes against	2.17%	1,605,357
Abstentions (including no vote)	0.67%	493,774

### Agenda item 5.2: Approval of the Remuneration for the Executive Committee

The General Meeting approves the maximum total amount of remuneration for the Executive Committee in the amount of CHF 72,200,000 for the financial year 2019 with the following result:

	Percent	Number of votes
Represented shares/votes	100%	73,914,672
Votes in favor	91.19%	67,408,949
Votes against	7.99%	5,910,436
Abstentions (including no vote)	0.82%	595,287

### Agenda item 6: Extension of Authorized Share Capital and approval of the related changes to the Articles of Association (Art. 5<sup>bis</sup> and Art. 5<sup>ter</sup>)

The Chairman explains the background of the proposed changes to the Articles of Association regarding the authorized share capital and the dilution restrictions for the authorized and contingent capital (art. 5<sup>bis</sup> and 5<sup>ter</sup>). The proposed changes to the Articles of Association have been included in the invitation and published in the Swiss Official Gazette of Commerce on March 9, 2018. As the proposed changes to the authorized share capital are connected to the respective extension of the combined dilution restrictions for the authorized and contingent share capital, the Board of Directors proposes to vote on these amendments to the Articles of Association at the same time.

No one requests the floor.

The General Meeting approves the proposed changes to the Articles of Association with the required qualified quorum as follows:

	Percent	Number of votes
Represented shares/votes	100%	73,912,905
Required votes in favor for approval (2/3-quorum)	66.67%	49,275,270
Votes in favor	80.15%	59,246,910
Votes against	19.38%	14,329,415
Abstentions (including no vote)	0.47%	336,580

The resolution regarding the amendment to the Articles of Association is notarized in a public deed by the personally present Deputy Notary Public Zurich Enge, Christoph Nörr.

\* \* \*

The Chairman states that the formal part of today's General Meeting is now concluded and gives the floor to Mr. Michel Liès, the newly elected Chairman of the Board of Directors.

The speech of Mr. Michel Liès (Appendix 3) follows. The newly elected Chairman then hands the floor back to the Chairman.

At the end of his term of office as the Chairman of the Board of Directors, the Chairman thanks the attending shareholders for their time, support and trust. He also highlights that the next Annual General Meeting is expected to take place on April 3, 2019.

The Chairman closes the Annual General Meeting of Zurich Insurance Group Ltd at 4.47 p.m.

*sig.*

Tom de Swaan  
Chairman

*sig.*

Adrian Peyer  
Secretary

Appendices:

Appendix 1: Speech of the Chairman, Tom de Swaan

Appendix 2: Speech of the Group Chief Executive Officer, Mario Greco

Appendix 3: Speech of the newly elected Chairman of the Board of Directors, Michel M. Liès



*Check against delivery.*

*This is a translation of the original German text and in the event of any discrepancies the original version prevails.*

**Annual General Meeting - Wednesday, April 4, 2018**  
***Speech by Tom de Swaan, Chairman***

Dear Ladies and Gentlemen

As you can imagine, today holds a range of emotions for me.

Pride at being part of this wonderful company for the past 12 years. Sadness as our time together comes to a close. But more than anything else, confidence.

Confidence that Zurich is - and will remain - a successful global insurer.

In this, my final address to you, I'd like to explain why that is the case.

**Annual results 2017**

Let us begin with a recap of 2017's financial results.

Ladies and Gentlemen, over this past year, our focus and discipline has delivered a strong positive outcome. There has been meaningful progress across our Property and Casualty, Life and Farmers businesses. This was driven by improved underwriting, reduced costs and expanded service offerings. At the same time, premiums grew and customer retention levels are improving.

We are also on track to meet our 2017 to 2019 targets. By the end of last year, cost savings reached USD 700 million. So we are well on the way to our overall target of USD 1.5 billion by the end of 2019. Cash remittances and underlying return on equity levels were also on target. And at the same time, our capital position remains strong.

This performance is particularly impressive when you consider the global context:

- Our results were delivered in a year when the hurricane season in North America was one of the worst on record. The devastation of storms Harvey, Irma and Maria highlighted the increasing impact and frequency of extreme weather risks.
- Our results were delivered despite a challenging macroeconomic environment. Interest rates still linger near historic lows, insurance rates are still intensely competitive, and global growth is still not back to historic norms
- And our results were delivered despite regulatory and political challenges. In 2017, this included one-off changes to the taxation of Life insurance policies and accident pay-outs in the UK. More broadly, the future of Britain in Europe, the changing role of the United States in global affairs and persistent protectionism continue to cause concern.

Dear Shareholders, Zurich's ability to embrace this changing environment is not by chance. It is through the vigilant oversight of a management team that understands the realities of these markets today, has a vision for where these markets are going in the future, and has a proven capability to drive necessary change. This is why I and my fellow Board members feel such confidence in the future earnings potential of the Zurich Group.

And it is why we stand before you today proposing to increase the dividend to CHF 18 per share.

### **Insights from the past**

Ladies and Gentlemen, I am privileged to have served on your Board, and for the last five years as your Chairman. Particularly so at such a key point in economic, political



and technological history. Much has changed over the period as a whole. At the start of my journey here, I'm not sure I could ever have predicted a world of negative interest rates, where investors were prepared to pay to lend governments money!

I've witnessed both the Zurich and external events unfold. I've seen first-hand the inherent strengths of this company. And I've recognised that seismic changes in society have introduced new imperatives for success in modern business.

Let me briefly outline two important and connected imperatives here:

**Imperative 1: Businesses must regain trust by being customer centric and addressing wider challenges**

The first imperative relates to trust.

During my time with Zurich, there has been a cracking in the bond of trust between societies and global institutions.

Dear Shareholders, recall that I joined Zurich's Board in 2006. Global growth averaged 5.6% in 06/07 - the highest level since 1973. World trade grew by 8.7% during the same time, marking the peak of the globalisation period. This was a "rosy" period for the macroeconomic environment, with US interest rates at around 5.25%. There was little signal, if any, that the world was dancing on the edge of a volcano.

But then came the Global Financial Crisis. A great many people saw their savings wiped out, jobs disappear and household incomes depleted. According to Edelman's "trust barometer" in 2009, only 17% of those surveyed trusted business leaders to tell the truth.

In response to the crisis, some policymakers closed off domestic markets, hoping to protect their economies from contagion. Public appetite for greater regulation and government control of businesses also increased. Global trade collapsed as trade credit vanished and uncertainty hit supply chains.

Low levels of public trust persisted into the first half of this decade. Many questioned the merits of globalisation - a trend that had lifted millions out of poverty. They were emboldened by a sluggish recovery and events such as the European sovereign debt crisis. People wondered what was to be gained from allowing others to dictate their choices.

In some areas, the threat of protectionism progressed to populism.

The most obvious examples were the United Kingdom's decision to exit the European Union and the victory of Donald Trump in the 2016 presidential election.

Dear Shareholders, the point of this brief narrative is to highlight the extent and impact of the loss of public trust. We feel its legacy in the present day:

- It's this lack of trust which drives today's challenging regulatory environment.
- It's this lack of trust which drives the continued doubt of globalisation in some quarters, an unpredictable political climate in certain countries and threats to global trade.
- And it's this lack of trust which creates the imperative that, to succeed, business must regain trust by recommitting itself to the customers' interests and addressing wider societal challenges.

**Imperative 2: Businesses must embrace technological advance and use it to better serve customers**

Ladies and Gentlemen. The second imperative I would like to address – and one that is inherently linked with trust – concerns technology.

The advance of technology in recent years has been dramatic. There are many ways to illustrate this. But let me use just one example today.



Shortly after I joined Zurich, rumors began to fly about a new innovation. A few months later, Apple aired a commercial titled “Hello” during the 79<sup>th</sup> Academy awards, setting the stage for the release of the first iPhone. The iPhone was hailed as revolutionary, with its user-friendly touchscreen design and 2G internet capability.

Just one year later, the Apple app store was launched, unleashing the creative energies of coders, entrepreneurs and visionaries across the planet, and in the process igniting a customer revolution fueled by true empowerment and seamless engagement. In its first weekend, 10 million apps were downloaded; within a year 1.5 billion had been downloaded. Today, over 2.2 million apps are available and have been downloaded more than 130 billion times.

But these were not all games, social media platforms or other activities that many in our generation may consider frivolous. They included new ways to connect people with common interests, spawning the creation of new business models never before imagined. For example, today the world’s largest fleet company doesn’t own a single vehicle, the world’s largest retailer doesn’t own a single store, and the world’s largest hospitality company doesn’t own a single hotel room. These truths – and the countless other ingenious improvements in life like mobile payments, voice-activated assistants and the ability to video-chat with grandchildren – were unfathomable when I first joined Zurich’s Board. But today we take them for granted, and expect all aspects of our lives to be as simple, intuitive and value-adding as our favorite Apps.

There is a clear point to this, which goes far beyond the smartphone: The rapid growth of technology has transformed, and indeed created, entire industries.

It has also transformed customers’ expectations of products and services. The power is literally in their hands. This is multiplied by the growth in significance of peer-to-peer reviewing.

I’m convinced that technology, and the use of it, will increasingly shape the fate of insurers. In fact, technology will transform the entire insurance value chain; from automating processes and changing the nature of products to individualizing risk



assessments and changing market players. You'll hear more about this from Mario Greco, who has systematically engaged the Board on not only the challenges that these forces present, but the opportunities they create to fundamentally redefine the role of insurance in people's lives.

The key, though, is not using technology for its own sake. Businesses must instead harness innovation to improve customer products, services and outcomes. In this way, it's a further means to rebuild trust.

### **Zurich's resilience**

Dear Shareholders, in a moment, I will tell you how Zurich is responding to these imperatives of rebuilding trust and harnessing technology.

But first, let me tell you about an innate strength of this company. Something I have seen again and again during my time here. A strength that has seen us through the challenges of the past.

That strength is our resilience.

Right from the beginning, in 2006, this was clear.

The company was emerging from the most severe financial crisis in its history.

It wasn't an easy process. But decisive actions and the underlying strength of our core business led to the return of good financial performance, strong return on equity and excellent investment results.

And when the Global Financial Crisis began to hit in 2007, these actions meant that Zurich was able to get through relatively smoothly. We had very limited exposure to devalued assets.

Zurich is justifiably proud that we were the only large quoted financial company that did not have a single quarter in negative territory.



It's that resilient strength which has seen us through some difficult moments in subsequent years and drives strong performance in today's challenging operating environment.

And our resilience goes beyond the financials. It's also about the remarkable unity, commitment and team ethic this company displays, even in the toughest of times. This was particularly true in occasions marked by personal tragedy, such as 2013 and 2015.

### **The global renewal**

Ladies and gentlemen, now I want to tell you why Zurich fills me with confidence for the future.

For context, let me give some predictions on the future external environment:

- I believe the rise of new global powers in the East and South will be opportunities to capture ever larger pools of new customers and markets.
- I believe technological advance, the "fourth industrial revolution", will bring great advantages, but primarily to the brands that view it as a means to deepen their customer focus.
- I believe that Europe and the Euro are here to stay.
- And I believe the threat of protectionism will ultimately not prevail. There are many cases where free and open trade continues to prosper. Note, for example, the completion of TPP, the EU-Mercosur agreement and the European Union's recent agreements with Canada and Japan. These are good news stories, and I believe there is more to come. The enormous benefits global trade has delivered to the world will not be severed by one or two nations

That doesn't mean we won't be challenged to the extreme by regulatory complexity, low public trust, populism and technological advance.

But there is a world of opportunity for those who can navigate successfully.



### Zurich's renewal

And that, Ladies and Gentlemen, is exactly what I see happening at Zurich.

We have understood and recognised the imperatives for success.

I said earlier that regaining public trust demands a relentless focus around the customer.

Let me tell you that our clear and maintained focus on the customer today is different from anything I have seen previously during my journey with Zurich.

One example has been the work of our outstanding Group Strategy Task Force. In 2017, this group of 40 of our brightest talents helped to develop Zurich's Purpose and Values. These let customers know, in a clear and simple way, why we are relevant to their lives and how we deliver on that relevance.

We've also made a number of acquisitions to expand our service offering, across an even broader range of areas, such as ANZ's Australian Life Insurance arm and travel insurance provider Cover-More.

I also mentioned that regaining customers' trust means showing a spirit of empathy and addressing wider societal concerns. Zurich's continued corporate responsibility focus ensures we meet these expectations. We've committed to further actions on our flood resilience program; divestment, disengagement and dialogue around thermal coal and reduction of our own carbon footprint. But we are going further too: we have become a signatory to the United Nations Principles for Sustainable Insurance, and we've recommitted to our responsible investment program, where we will be increasing our impact investments to USD 5 billion. And in 2017, Zurich was extremely proud to be one of only six companies worldwide to achieve a prestigious EDGE 'Move' certification – in both Switzerland and Austria - for Gender Equality.

Dear Friends, the second imperative I told you about was the need to harness technological innovation to improve customer experiences.

Once again, I can report real and tangible action.

We've made acquisitions targeting key capabilities and targeted points in the value chain, and established internal mechanisms aimed at fostering the creative fast-paced decision-making so necessary in today's rapidly changing markets. We have also initiated discussions at the Board level regarding the skills and mindsets that will set the stage for how we embrace these new opportunities. And we have engaged in a series of innovative collaborations that demonstrate our ability to work in the ecosystems of the future.

In short, Zurich is not passive in the face of fundamental change, it is embracing that change and setting its own course for future success.

Let me reiterate:

My confidence in Zurich's future is based on how we've responded to external imperatives. But it also stems from the inherent qualities I see in this company.

I have mentioned our financial strength and resilience. And I have highlighted the skills, commitment and focus of our people.

Finally, let me add world class leadership, both at Board and Executive Committee level.

Great leadership is required to galvanize, direct and inspire. Only then can a company reach its full potential.

On that note, I would like to pay tribute to some departing Board members:

Susan Bies brought a wealth of knowledge, judgment and integrity to her role as Chair of the Risk and Investment Committee, and I thank her for her grace, insight and commitment.

Similarly, Fred Kindle was a strong partner as Vice Chair of the Board, and his deep understanding of markets – both here in Switzerland and around the world – contributed greatly to our success over the past decade.



I also wish to fully endorse the nomination of Michel Lies as my successor. Michel is a proven industry leader with a keen sense of the positive role insurance can play in society. He understands the nuances of risk, but as importantly he understands people and is not intimidated by change.

All of these attributes are why I'm very pleased with the choice of Michel and am convinced that he is the right choice to ensure Zurich's Board remains a world class asset.

Dear Shareholders, this concludes my review and outlook, thank you for your attention. I now hand over to our CEO Mario Greco for his thoughts. Mario, the floor is yours.

#### **Concluding remarks at end of AGM meeting**

Dear Shareholders, this brings us to the end of today's AGM. Indeed, the end of my time as your Chairman. What a remarkable journey it has been.

All that remains is to thank you for your time and support.

Let me reiterate: I'm proud to have been associated with this great organization. I'm sad that our time together has come to a close.

But I'm confident, ladies and gentlemen, in this company.

Confident because of our present performance. Confident for the future, because we have recognised, and acted upon, imperatives for success. Confident in Zurich's great strengths: financially resilient, with talented and committed people and world class leadership.

It has been my honor to serve you all. Thank you.

*Check against delivery.*



**Annual General Meeting - Wednesday, April 4, 2018**  
***Speech by Mario Greco, Group Chief Executive Officer***

Ladies and Gentlemen, good afternoon. Welcome to Zurich's 2018 Annual General Meeting. It's great to see all of you here.

As you know, today Tom de Swaan steps down after 5 years as Chairman and 12 years on the Board. His contribution has been truly impressive and we're profoundly grateful for his efforts. Please join me in thanking Tom for a job very well done.

Now let me address the 2017 results, which have been achieved against an otherwise challenging year.

First, I am very pleased with the strong progress that we have made against all of the three-year targets we set out for 2019.

Our underlying Business Operating Profit return on equity reached 12.1 percent. Our key measure of capital strength stood at 132%, well beyond our 120% max target. Cash remittances of USD 3.7 billion ensured deep liquidity and support attractive shareholder returns. And we have achieved cumulative nominal expense savings of USD 700 million, well on track to reach the USD 1.5bn promised. Together, these results demonstrate the focus and commitment that position us to meet or exceed our three-year financial targets by the end of 2019.

I said before that 2017 was a challenging year. A year when extraordinary weather events in the US, and certain policy decisions in the UK, negatively affected our results by over USD 800 million.

Despite these challenges, our Property & Casualty business has returned to growth while also improving the underlying accident year loss ratio. Our reinsurance programs also demonstrated their effectiveness, reducing our net exposure to the US storm losses.



In Life, successful growth initiatives in Asia-Pacific and Latin America and in our bancassurance partnerships, fueled double-digit increases in premiums, operating profit and new business value.

And at the Farmers Exchanges, which we do not own, the trend of top-line growth continued, and the combined ratio for Motor, its largest business line, improved by six points.

Our core businesses are healthy and growing stronger, and are well-positioned to capitalize on improving market conditions.

Based on these strengths and on the steps we are taking to build on those strengths, the Board today proposes an increase of the dividend to CHF 18. In addition, we have announced a new capital management policy to ensure that existing shareholdings are not diluted by any of our compensation funding arrangements. These are testaments to our commitments to ensure high shareholder returns. And they reflect our confidence that earnings – and shareholder returns – will continue to grow in 2018 and beyond.

Ladies and Gentlemen, the environment in which we all operate is fundamentally changing, and will demand that Zurich change too.

Firstly, the insurance sector is rapidly evolving to adapt to a new world of digitally empowered, globally mobile customers. Insurance is an industry where very little has changed for three centuries. In fact, Franz Kafka worked in insurance in 1907 before he became a writer. Until recently he could have come back to the industry and found his old job, if not his old desk. Not anymore.

- Homes will become smarter and more digitally connected, opening up creative new ways to manage and mitigate risk.
- The tracking of vital health indicators will open up new ways to make people healthier and live longer.
- And connected cars will dominate the roads, changing the risk profiles of every driver and passenger – behind the wheel or not.



We at Zurich understand these changes and we want to anticipate them to benefit customers. We believe that all of these connected devices are transforming risk models, and that risk pooling is slowly losing relevance. We are preparing to use large amounts of data, generated in real time, to provide new risk-mitigating services, and to better understand and price risks on an individual basis.

When we look at connected homes, wearables and telematics we see new ecosystems developing, allowing us to reimagine our role from one limited to risk transfer to one extending to risk mitigation and advice.

Finally, Zurich wants to be the steward of customer data, helping to protect sensitive personal information from cyber risks and using it responsibly to enrich customers' lives.

Ladies and Gentlemen, Zurich is leading this massive industry transformation and will continue to do so over the coming years.

That is why 2017 saw us systematically expand our capabilities and our distribution footprint through targeted acquisitions and collaboration agreements, while exiting non-core businesses.

For example, we completed the acquisition of Cover-More and recently accelerated its growth with a series of acquisitions in Latin America. This makes Zurich the world's third largest travel insurance and assistance provider. With Cover-More we move beyond financial compensation after damages occur, and toward services that enhance and enrich people's lives.

In the world of telematics, we acquired BrightBox, a pioneer in connected car technology. What they do is connect the various links in the mobility chain – auto manufacturers, car dealerships, drivers – serving as the interconnected tissue that binds the new mobility ecosystem together.

Within the Group, we established a new unit – Zurich Insurance Mobile Solutions – to accelerate mobile-enabled solutions for our retail and commercial businesses.



On distribution, we entered into an agreement to purchase Australia New Zealand Bank's Life insurance business. This includes a 20-year agreement to distribute our products and services through ANZ's bank channel, positioning Zurich as the largest retail life insurer in Australia, one of the most stable and profitable markets in the world.

We also announced new sales arrangements with companies like Miles & More, Porsche, Standard Chartered, EasyJet and others. And we entered into a new collaboration with CoverWallet to launch a digital platform for small and medium sized businesses in Spain. That's a first of its kind there and a model for the rest of Europe.

These are concrete examples of Zurich's deeply rooted customer-focused strategy. By transforming ourselves to align with this new era of the empowered customer, we will drive solid profitable growth in the years to come.

And reimagining this company goes even further. Because change is happening beyond the insurance sector. Society itself is transforming.

Forces like globalization, the mobility of talent and funds, shifting geopolitics, reskilling for a digital workforce, demographics, climate change... each of these poses immensely complex social issues that demand solutions from an increasingly stretched set of governmental and multi-lateral institutions.

We can no longer expect the responsibility to fall on our political leaders alone. As business leaders, we must step up and take actions – individually and collectively – to be agents of change and play a more impactful role in addressing these societal issues.

This requires further creative and bold thinking at Zurich.

It's also why our Executive Team, in collaboration with the Board, has reset our ambition level on sustainability issues. We want to be known as one of the most responsible and impactful businesses in the world. It's a longer-term ambition, but it's based on our understanding that the world is undergoing a transformation, and that Zurich can have a positive impact. From climate change and responsible investment to workforce protection and digital skills, we have the knowledge, capabilities and spirit to make a difference.



But Ladies and Gentlemen, all of the progress and achievements I have cited – from financial results and business performance to industry transformation and social impact – are only possible if we match our leadership capabilities to the changes we want to see. That is why on the Executive Committee I'm very pleased to have welcomed Kathleen Savio as CEO Zurich North America and Alison Martin as Group Chief Risk Officer. Both are proven business leaders with strong records of accomplishment, and both have already begun to shape our future. Beyond the Executive Committee, though, we are systematically strengthening the management team at the functional and country level, setting new expectations for leadership, customer focus and employee engagement.

And, as one very valuable Chairman departs, we look forward to welcoming another. Michel Lies possesses deep knowledge of our industry and society. He knows what it takes for a major Swiss company to be successful in a global market. And we look forward to working with him.

### **Concluding Remarks**

In closing, Ladies and Gentlemen, I hope you share our excitement about Zurich's future. In society, in our industry and at Zurich, you're witnessing fundamental change. But we are not mourning the end of an era, we are welcoming a new one. We are not being disrupted and reacting to technology, we are anticipating what customers expect of us and leading the change. We are systematically adding service capabilities and distribution platforms that build on our core strengths. And we are future proofing this organization with a renewed culture and revamped leadership team.

As our 2017 results show, we are doing all of this while progressing on our three-year targets, improving our business performance and delivering an increased and sustainable dividend.

This is the Zurich you can come to expect. This is the Zurich you can be proud of. Thank you very much and I look forward to a rewarding 2018.



*Check against delivery.*

*This is a translation of the original German text and in the event of any discrepancies the original version prevails.*

**Annual General Meeting - Wednesday, April 4, 2018**  
***Speech by Michel M. Liès, newly elected Chairman***

Dear Ladies and Gentlemen

As we close this Annual General Meeting, as your new Chairman I would quickly like to make three points.

Firstly, I want to congratulate our outgoing Chairman Tom de Swaan. His leadership during a decade of massive change and challenge is a testament to his skills, knowledge and focus. But just as importantly, I would like to congratulate him for assembling an incredibly capable Board with deep insights. He has systematically sought out proven leaders with relevant expertise, and today the Board of Directors of Zurich is composed of people from diverse backgrounds who contribute a wide range of experience, skills and knowledge. I thank Tom for taking his role as Chairman so seriously, and look forward to working with my new colleagues.

The second point I would like to make is to acknowledge the management team that Mario Greco has assembled. I negotiated directly with Mario during my days at Swiss Re, and I can assure you that he represents Zurich very well. He and his team possess an uncommon ability to blend a deep understanding of today's market realities with a precise vision of where all these changes are taking us. Combined with a relentless focus on the operational steps needed to drive change, they are positioning Zurich for success in a market undergoing transformation. I also look forward to working with them, now on the same side of the negotiating table.

And my final point is to remind us all of why we are part of the Zurich Insurance Group family. Insurance is a noble cause. In fact, our focus on ensuring people, businesses and communities can live the lives they want is unmatched in any other sector.



We are literally the assurance people need to engage in the world around them and to prosper in it. The claims that we pay to our customers help to restore the lives of many people. We take that responsibility seriously and are committed to making a positive difference in the world.

In the months and years to come you will hear me speak out loudly and often about this role that we serve because I honestly believe that the insurance sector continues to be misunderstood and underappreciated. This is particularly true in a world facing the massive changes we're seeing today. Our role as risk experts has never been more important to addressing society's challenges.

I am proud to join Zurich's Board, especially as the company refines its purpose and values, and recommits itself to the broader social role it can and must play.

These are going to be exciting times, and I look forward to reporting on the progress we have made at next year's Annual General Meeting.

Thank you for your support, and thank you for this opportunity.