

# Invitation

## to the Annual General Meeting of Zurich Insurance Group Ltd

Wednesday, April 1, 2020

Place: Hallenstadion, Wallisellenstrasse 45, CH-8050 Zurich-Oerlikon  
Doors open: 1:00 p.m.  
Start: 2:15 p.m.

Translation of the German original



# Agenda

## 1. Reporting on the financial year 2019

### 1.1 Approval of the Management Report, the Annual Financial Statements and the Consolidated Financial Statements for 2019

The Board of Directors proposes to approve the Management Report together with the Annual Financial Statements and the Consolidated Financial Statements 2019.

### 1.2 Advisory vote on the Remuneration Report 2019

The Board of Directors proposes to accept the Remuneration Report 2019 in a non-binding advisory vote.

## 2. Appropriation of available earnings for 2019

The Board of Directors proposes that the Company pay a dividend of CHF 20 per share out of the available earnings for 2019. The last trading day with entitlement to receive a dividend is April 2, 2020. The shares will be traded ex-dividend as of April 3, 2020.

The Board of Directors proposes to appropriate the available earnings for 2019 as follows:

### Available earnings and proposed appropriation

As of January 1, 2019 (balance brought forward)	CHF	12,729,701,960
Dividends paid	CHF	-2,816,853,854
Cancellation of treasury shares (directly held by the Company)	CHF	-547,993,352
Net income after taxes	CHF	2,863,505,626
Allocation from reserve for treasury shares (indirectly held via subsidiaries)	CHF	217,287,749
<b>Available earnings for 2019</b>	<b>CHF</b>	<b>12,445,648,129</b>

Distribution of a dividend for the 2019 financial year before tax of CHF 20 per share with a nominal value of CHF 0.10 each for 149,608,027 <sup>1</sup> shares	CHF	–2,992,160,540 <sup>1</sup>
Balance carried forward	CHF	9,453,487,589 <sup>1</sup>

If this proposal is approved, a dividend of CHF 20 per share, less 35% Swiss withholding tax, will be paid from April 7, 2020, and the remaining available earnings for 2019 in the amount of CHF 9,453,487,589<sup>1</sup> will be carried forward.

### 3. Discharge of members of the Board of Directors and of the Executive Committee

The Board of Directors proposes to discharge the members of the Board of Directors and of the Executive Committee for their activities in the financial year 2019.

### 4. Re-elections and elections

#### 4.1 Re-elections of the Chairman and the members of the Board of Directors

The Chairman of the Board of Directors and the other members of the Board of Directors have declared acceptance of their re-election as member and Chairman and as members of the Board of Directors, respectively, for a term of office ending with the conclusion of the next Annual General Meeting.

The Board of Directors proposes to re-elect Michel M. Liès as member and Chairman as well as Joan Amble, Catherine Bessant, Dame Alison Carnwath, Christoph Franz, Michael Halbherr, Jeffrey Hayman, Monica Mächler, Kishore Mahbubani, Jasmin Staiblin, and Barry Stowe as members of the Board of Directors for a term of office ending with the conclusion of the next Annual General Meeting.

Information as to the professional background of the Chairman and other members of the Board of Directors can be found in the Corporate Governance Report in the Annual Report 2019.

<sup>1</sup> These figures are based on the share capital issued on December 31, 2019, and may change depending on the number of shares issued on April 6, 2020. Treasury shares are not entitled to dividends and will not be taken into account.

- 4.1.1 Re-election of Michel M. Liès as member and Chairman of the Board of Directors
- 4.1.2 Re-election of Joan Amble
- 4.1.3 Re-election of Catherine Bessant
- 4.1.4 Re-election of Dame Alison Carnwath
- 4.1.5 Re-election of Christoph Franz
- 4.1.6 Re-election of Michael Halbherr
- 4.1.7 Re-election of Jeffrey Hayman
- 4.1.8 Re-election of Monica Mächler
- 4.1.9 Re-election of Kishore Mahbubani
- 4.1.10 Re-election of Jasmin Staiblin
- 4.1.11 Re-election of Barry Stowe

## **4.2 Re-elections of the members of the Remuneration Committee**

The Board of Directors proposes to re-elect Michel M. Liès, Catherine Bessant, Christoph Franz, Kishore Mahbubani and Jasmin Staiblin as members of the Remuneration Committee for a term of office ending with the conclusion of the next Annual General Meeting subject to their re-election as members of the Board of Directors.

- 4.2.1 Re-election of Michel M. Liès
- 4.2.2 Re-election of Catherine Bessant
- 4.2.3 Re-election of Christoph Franz
- 4.2.4 Re-election of Kishore Mahbubani
- 4.2.5 Re-election of Jasmin Staiblin

### **4.3 Election of the Independent Voting Rights Representative**

The Board of Directors proposes to elect the Law Office Keller Partnership, Zurich, as Independent Voting Rights Representative for a term of office ending with the conclusion of the next Annual General Meeting.

### **4.4 Re-election of the Auditors**

The Board of Directors proposes to re-elect PricewaterhouseCoopers Ltd, Zurich, as Auditors for the financial year 2020.

## **5. Approval of the remuneration**

For explanations on agenda item 5, we refer to the Board of Directors Report on the approval of the remuneration for the Board of Directors and for the Executive Committee at the Annual General Meeting 2020 of Zurich Insurance Group Ltd.

### **5.1 Approval of the remuneration for the Board of Directors**

The Board of Directors proposes to approve a maximum total amount of remuneration for the Board of Directors of CHF 5,670,000 for the period from the Annual General Meeting 2020 to the Annual General Meeting 2021.

### **5.2 Approval of the remuneration for the Executive Committee**

The Board of Directors proposes to approve a maximum total amount of remuneration for the Executive Committee of CHF 78,200,000 for the financial year 2021.

## 6. Authorized and contingent share capital

### Explanation

The authorized share capital according to Art. 5<sup>bis</sup> of the Articles of Association resolved by the Annual General Meeting on April 4, 2018 expires on April 4, 2020. The Board of Directors wishes to maintain the Company's financing flexibility at a level that is commensurate with its global insurance and reinsurance peers in order to be able to raise capital to finance growth projects and to secure the Group's solvency position if required also in the future. Being able to quickly meet changing capital requirements provides companies with a competitive advantage compared to those that do not have this flexibility.

The Board of Directors believes it is in the best interest of the Company and its shareholders to extend the authorized share capital for two further years until April 1, 2022 and to adjust the amount to the level as prior to the completion of last year's reduction of the share capital (new authorized share capital: up to 44,882,400 shares or 30% of the share capital currently registered in the commercial register). The extension of the authorized share capital requires the corresponding extension of the validity of the combined dilution limitations for authorized and contingent share capital contained in Art. 5<sup>bis</sup> para. 5 and Art. 5<sup>ter</sup> para. 1 lit. d to April 1, 2022. For reasons of consistency, the Board of Directors also proposes to adjust the level of the contingent share capital in Art. 5<sup>ter</sup> para. 1 lit. a to reflect the share capital currently registered in the commercial register (new contingent share capital: up to 29,921,600 shares or 20% of the share capital currently registered in the commercial register).

In this context and to ensure that the Company maintains flexibility and optionality comparable to its global peers and is able to issue shares within a short period of time if needed, the Board of Directors further proposes to maintain the possibility to restrict or exclude the subscription rights under Art. 5<sup>bis</sup> para. 4 and the advance subscription rights under Art. 5<sup>ter</sup> para. 1 and to slightly amend the possible reasons for such restriction or exclusion. In Art. 5<sup>bis</sup> para. 4 lit. d and Art. 5<sup>ter</sup> para. 1 lit. c, the Board of Directors proposes to include the improvement of the rating capital position in addition to the regulatory capital position as a specific reason to exclude or restrict the existing shareholders' subscription or advance subscription rights given that rating agencies' evaluations are of high importance to all financial market participants as well as clients and other contract parties.

To mitigate dilution effects on existing shareholders as a consequence of share issuances from authorized or in connection with financial instruments issued under contingent share capital, the Board of Directors proposes to amend Art. 5<sup>bis</sup> para. 4, Art. 5<sup>bis</sup> para. 5 and Art. 5<sup>ter</sup> para. 1 lit. d so as to cap the total number of new shares that may be issued until April 1, 2022 from authorized or conditional capital under restriction or exclusion of subscription or advance subscription rights, respectively, at 14,960,800 shares or 10% (previously 20%) of the current share capital.

## Proposal

The Board of Directors proposes to amend Art. 5<sup>bis</sup> and Art. 5<sup>ter</sup> of the Articles of Association as follows:

### Current version

#### Article 5<sup>bis</sup> Authorized Share Capital

1 The Board of Directors is authorized to increase the share capital, at the latest on April 4, 2020, by an amount not exceeding CHF 4,500,000 by issuing up to 45,000,000 fully paid registered shares with a nominal value of CHF 0.10 each. An increase in partial amounts is permitted.

4 The Board of Directors is further authorized to restrict or exclude the subscription rights and to allocate them to third parties, the Company or one of its group companies, up to a maximum of 15,000,000 fully paid registered shares, if the shares are to be used:

d for the improvement of the regulatory capital position of the Company or one of its group companies in a fast and expeditious manner.

### Proposed new version

(changes in *bold italics*)

#### Article 5<sup>bis</sup> Authorized Share Capital

1 The Board of Directors is authorized to increase the share capital, at the latest on *April 1, 2022*, by an amount not exceeding CHF *4,488,240* by issuing up to *44,882,400* fully paid registered shares with a nominal value of CHF 0.10 each. An increase in partial amounts is permitted.

[paras. 2 and 3 remain unchanged]

4 The Board of Directors is further authorized to restrict or exclude the subscription rights and to allocate them to third parties, the Company or one of its group companies, up to a maximum of *14,960,800* fully paid registered shares, if the shares are to be used:

[lit. a to c remain unchanged]

d for the improvement of the regulatory *and/or rating* capital position of the Company or one of its group companies in a fast and expeditious manner.



5 Up to April 4, 2020, the total of new shares issued from (i) authorized share capital according to this art. 5<sup>bis</sup> para. 4 where the subscription rights were restricted or excluded, and (ii) contingent share capital according to art. 5<sup>ter</sup> para. 1 of these articles of association where the advance subscription rights were restricted or excluded, may not exceed 30,000,000 new shares.

#### Article 5<sup>ter</sup> Contingent Share Capital

1 a The share capital may be increased by an amount not exceeding CHF 3,000,000 by issuing up to 30,000,000 fully paid registered shares with a nominal value of CHF 0.10 each by the voluntary or mandatory exercise of conversion and/or option rights which are granted in connection with the issuance of loans, bonds, similar debt instruments, equity-linked instruments or other financial market instruments (collectively, the “Financial Instruments”) by the Company or one of its group companies or by mandatory conversion of Financial Instruments issued by the Company or one of its group companies, that allow for contingent mandatory conversion into shares of the Company, or by exercising option rights which are granted to the shareholders. The subscription rights are excluded. The then-current owners of the Financial Instruments shall be entitled to subscribe for the new shares. The conversion and/or option conditions are to be determined by the Board of Directors.

5 Up to **April 1, 2022**, the total of new shares issued from (i) authorized share capital according to this art. 5<sup>bis</sup> para. 4 where the subscription rights were restricted or excluded, and (ii) contingent share capital according to art. 5<sup>ter</sup> para. 1 of these articles of association where the advance subscription rights were restricted or excluded, may not exceed **14,960,800** new shares.

#### Article 5<sup>ter</sup> Contingent Share Capital

1 a The share capital may be increased by an amount not exceeding CHF **2,992,160** by issuing up to **29,921,600** fully paid registered shares with a nominal value of CHF 0.10 each by the voluntary or mandatory exercise of conversion and/or option rights which are granted in connection with the issuance of loans, bonds, similar debt instruments, equity-linked instruments or other financial market instruments (collectively, the “Financial Instruments”) by the Company or one of its group companies or by mandatory conversion of Financial Instruments issued by the Company or one of its group companies, that allow for contingent mandatory conversion into shares of the Company, or by exercising option rights which are granted to the shareholders. The subscription rights are excluded. The then-current owners of the Financial Instruments shall be entitled to subscribe for the new shares. The conversion and/or option conditions are to be determined by the Board of Directors.

[lit. b remains unchanged]

c The Board of Directors is authorized, when issuing Financial Instruments, to restrict or exclude the advance subscription rights in cases where they are issued (i) for the financing including re-financing of a take-over of an enterprise, of parts of an enterprise, or of participations or of investments by the Company or one of its group companies, or (ii) on national or international capital markets (including private placements to one or more selected investors), or (iii) for the improvement of the regulatory capital position of the Company or one of its group companies in a fast and expeditious manner. If the advance subscription rights are restricted or excluded by a resolution of the Board of Directors, the following applies: the Financial Instruments are to be issued at prevailing market conditions (including standard dilution protection clauses in accordance with market practice) and the setting of the conversion or issue price of the new shares must take due account of the stock market price of the shares and/or comparable instruments priced by the market at the time of issue or time of conversion. The conversion rights may be exercisable during a maximum of 10 years and option rights during a maximum of 7 years from the time of the respective issue; contingent conversion features may remain in place indefinitely.

c The Board of Directors is authorized, when issuing Financial Instruments, to restrict or exclude the advance subscription rights in cases where they are issued (i) for the financing including re-financing of a take-over of an enterprise, of parts of an enterprise, or of participations or of investments by the Company or one of its group companies, or (ii) on national or international capital markets (including private placements to one or more selected investors), or (iii) for the improvement of the regulatory **and/or rating** capital position of the Company or one of its group companies in a fast and expeditious manner. If the advance subscription rights are restricted or excluded by a resolution of the Board of Directors, the following applies: the Financial Instruments are to be issued at prevailing market conditions (including standard dilution protection clauses in accordance with market practice) and the setting of the conversion or issue price of the new shares must take due account of the stock market price of the shares and/or comparable instruments priced by the market at the time of issue or time of conversion. The conversion rights may be exercisable during a maximum of 10 years and option rights during a maximum of 7 years from the time of the respective issue; contingent conversion features may remain in place indefinitely.

d Up to April 4, 2020, the total of new shares issued from (i) authorized share capital according to art. 5<sup>bis</sup> para. 4 of these articles of association where the subscription rights were restricted or excluded, and (ii) contingent share capital according to this art. 5<sup>ter</sup> para. 1 where the advance subscription rights were restricted or excluded, may not exceed 30,000,000 new shares.

d Up to ***April 1, 2022***, the total of new shares issued from (i) authorized share capital according to art. 5<sup>bis</sup> para. 4 of these articles of association where the subscription rights were restricted or excluded, and (ii) contingent share capital according to this art. 5<sup>ter</sup> para. 1 where the advance subscription rights were restricted or excluded, may not exceed ***14,960,800*** new shares.

[para. 2 remains unchanged]

## 7. Further changes to the Articles of Association

### Explanation

The Board of Directors proposes to amend further provisions of the Articles of Association. The reasons for the changes are alignment with best practices of industry and peers, alignment with legal and regulatory provisions and updates and simplifications of processes as well as the rules regarding representation of shareholders at General Meetings.

### Proposal

The Board of Directors proposes to amend Art. 10 nos. 3 to 8, Art. 13 paras. 2 to 5, Art. 17 para. 2, Section V<sup>bis</sup> and Art. 31<sup>bis</sup>, Art. 33 para. 1 and Art. 37 of the Articles of Association as follows:

#### Current version

##### Article 10 Powers

The General Meeting shall have the following powers:

#### Proposed new version

(changes in ***bold italics***)

##### Article 10 Powers

[remains unchanged]

[nos. 1 and 2 remain unchanged]

3 The election and dismissal of a further auditor as special auditor to undertake the special audits required for an increase in share capital;

4 The approval of the management report, the annual financial statements and the consolidated financial statements;

### Article 13 Right of Attendance, Representation

2 A shareholder entered in the share register as a shareholder with voting rights, who cannot attend the General Meeting personally, may, by means of a written authorization to be submitted to the Company, authorize another shareholder with voting rights or in the case of nominees with voting rights, the beneficial owner, to represent him. He may also appoint the independent voting rights representative to represent him.

3 Minors and persons under conservatorship may be represented by their legal representatives, married persons by their spouses, and legal entities by authorized signatories or other authorized representatives, even if such person is not a shareholder.

*[deleted]*

3 The approval of the management report (*if required*), the annual financial statements and the consolidated financial statements;

*[nos. 5–8 remain unchanged but become nos. 4–7]*

### Article 13 Right of Attendance, Representation

[para. 1 remains unchanged]

2 A shareholder entered in the share register as a shareholder with voting rights *may be represented by his legal representative or*, by means of a written authorization to be submitted to the Company, *by another person who need not be a shareholder*. He may also appoint the independent voting rights representative to represent him.

*[deleted]*

4 The Board of Directors sets the conditions for authorizations and instructions, whereby electronic authorizations and instructions without qualified electronic signature may also be permitted. The conditions for representation by the beneficial owner of shares held by nominees with voting rights may be set by the Board of Directors in a directive.

3 The Board of Directors sets the conditions for authorizations and instructions, whereby electronic authorizations and instructions without qualified electronic signature may also be permitted. *[rest deleted]*

*[para. 5 remains unchanged but becomes para. 4]*

## Article 17 Resolutions and Elections

2 Votes on Motions and elections shall be conducted by open vote unless the Chairman shall order, or shareholders representing in the aggregate at least two percent of the represented votes shall require, a written ballot. Should the result of an open vote or election be unclear, the Chairman may order that the vote or election be repeated in written form; in this case only the result of the written vote shall count. In a directive, the Board of Directors may set forth the acceptance of voting and elections by equivalent procedures (e.g. electronically) maintaining the principle of presence.

## Article 17 Resolutions and Elections

[para. 1 remains unchanged]

2 *The Chairman shall decide on the form of resolutions and elections. The Chairman may have an election or vote repeated at any time if there are doubts about the result of the vote. In such case, the preceding election or vote shall be deemed not to have taken place.*

## V<sup>bis</sup> Intended Acquisition of Assets

### Article 31<sup>bis</sup>

The Company intends to use the proceeds from the capital increase executed on April 17, 2009 to partially finance the indirect acquisition of the U.S. domestic personal auto insurance business of American International Group, Inc. for an expected overall purchase price of approximately USD 1.9 bn whereby the Company will, in view of such acquisition, grant a loan to Zurich Group Holding in the aggregate amount of USD 1.1 bn.

*[deleted]*

*[deleted]*

*[deleted]*

### Article 33 Number of Mandates Permitted

1 Members of the Board of Directors may not hold more than three additional mandates for listed companies, and five mandates for non-listed companies; members of the Group Executive Committee may not hold more than one additional mandate for a listed company and three mandates for non-listed companies.

### Article 33 Number of Mandates Permitted

1 Members of the Board of Directors may not hold more than ***eight additional mandates, of which not more than three in listed companies.*** Members of the Group Executive Committee may not hold more than ***four additional mandates, of which not more than one in a listed company.***

[paras. 2 and 3 remain unchanged]

### Article 37 Place of Jurisdiction

1 All disputes on Company matters between individual shareholders and the Company or its corporate bodies, as well as between the Company and its corporate bodies, or between the corporate bodies themselves, shall be judged by the ordinary courts at the domicile of the Company in Zurich, subject to the right of appeal to the Swiss Federal Supreme Court.

### Article 37 Place of Jurisdiction

1 All disputes on Company matters between individual shareholders and the Company or its corporate bodies, as well as between the Company and its corporate bodies, or between the corporate bodies themselves, shall be judged by the ***courts at the domicile of the Company.***  
***[rest deleted]***

2 Irrespective of the place of jurisdiction specified in para. 1 above, the Company may alternatively prosecute its corporate bodies and shareholders at their normal place of jurisdiction.

2 Irrespective of the place of jurisdiction specified in para. 1 above, the Company may alternatively prosecute its corporate bodies and shareholders at their *ordinary* place of jurisdiction.

All other provisions of the Articles of Association remain unchanged.

# Information

The German invitation published in the Swiss Official Gazette of Commerce ([www.sogc.ch](http://www.sogc.ch)) on March 6, 2020, is the original version and prevails in the event of any inconsistencies.

## Admission/admission card

Shareholders entered in the share register on March 24, 2020 as shareholders with voting rights are entitled to participate in the Annual General Meeting.

The registration in the share register has no influence on the trading of shares by registered shareholders before, during or after the Annual General Meeting.

The admission card and voting materials may be ordered with the reply card or by means of the online registration system of Computershare Switzerland Ltd and will be mailed between March 9 and 27, 2020. Preparations for the Annual General Meeting will be facilitated by the prompt return of the reply card.

Shareholders who have not received the admission card and the voting materials are kindly asked to show their reply card at the information desk on the day of the Annual General Meeting where they may collect the admission card and the voting materials.

In order to determine the attendance correctly, any shareholder leaving the Annual General Meeting early or temporarily is requested to present the unused voting materials and admission card at the exit.



## Proxies/authorization

Shareholders with voting rights may arrange to be represented by another shareholder entered in the share register as a shareholder with voting rights by granting authority to this person in writing. Minors and persons under conservatorship may be represented by their legal representatives, married persons by their spouses and legal entities by authorized signatories or other authorized representatives, even if such persons are not shareholders. The representation authority must be granted on the reply card, the admission card or by means of the online registration system of Computershare Switzerland Ltd.

Shareholders may also arrange to be represented by the Independent Voting Rights Representative, lic. iur. Andreas G. Keller, Attorney at Law, P.O. Box, CH-8027 Zurich (by means of the reply card, the admission card or the online registration system of Computershare Switzerland Ltd).

By signing the reply card or admission card in blank or in the absence of any specific instructions in the reply card or admission card, general authorization is granted to the Independent Voting Rights Representative to vote in favor of motions or voting recommendations made by the Board of Directors.

## Annual Report and Remuneration Report

The Annual Report, including the Remuneration Report and the reports of the Auditors, may be downloaded from our website [www.zurich.com/agm](http://www.zurich.com/agm) as from March 6, 2020. Shareholders may request that the Annual Report be sent to them from the Share Register of Zurich Insurance Group Ltd, Mythenquai 2, CH-8002 Zurich. It will be available for inspection at Austrasse 46, CH-8045 Zurich as from March 6, 2020.

## Reception

Following the Annual General Meeting, all participants are invited to a reception. The reception will take place in the premises of the Hallenstadion Zurich.

## Transport

To reach the Hallenstadion, the use of public transport is recommended. Directions are shown on the next page. You will receive a ticket of transportation valid for public transportation in the ZVV fare zone 110 (Zurich city, 2nd class) together with the admission card. The ticket will only be valid together with the invitation.

Zurich, March 5, 2020

Zurich Insurance Group Ltd

For the Board of Directors

A handwritten signature in blue ink, appearing to read 'M. M. Liès'.

Michel M. Liès, Chairman



## How to get there

We recommend using public transportation. Tram no. 11 leaves every 6 minutes from the Bahnhofstrasse or Bahnhofquai tram stops (close to the Zurich main station) to the tram stop Messe/Hallenstadion (approx. travel time 27 minutes). From Zurich main station, take an S-Bahn train S2, S6, S7, S8, S9, S14, S15, S16, S19 or S24 to Zurich-Oerlikon railway station (approx. travel time 7 minutes), then take tram no. 11, bus no. 61 or bus no. 62 (leaving every 7 minutes) or bus no. 94 (leaving every 15 minutes) to the Messe/Hallenstadion stop.

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