

Inspiring action

Empowering others.

Zurich has the ambition to be one of the most responsible and impactful businesses in the world. Together with our customers, employees, investors and communities, we want to empower everyone to make a contribution to a better future for people and the planet. "We can inspire others to take action by raising awareness, having champions and leaders help guide us, and then lead by example," says Anna Wenger, Group Financial Accounting and Reporting.

 **Anna Wenger**
Group Financial Accounting and Reporting,
Zurich Insurance Group

 **To watch the video, visit:**
www.zurich.com/reports/2021/annual-report

Governance

42 Corporate
governance report

86 Remuneration
report



Message from our Chairman on corporate governance

Driving change.

“

At Zurich, we're playing our part in responding to the challenges of the years to come.

Michel M. Liès
Chairman of the Board of Directors



Message from our Chairman on corporate governance (continued)

Dear Shareholder

We are confronted with unprecedented challenges impacting our planet: from climate change and biodiversity loss to social inequalities and the ongoing challenges relating to the COVID-19 pandemic.

In these demanding times, Zurich benefits from its strong corporate governance framework, including clear structures, rules and processes, and a diverse and independent Board that is well positioned to support management in its efforts to deliver on strategic priorities.

Our Board's engagement does not stop there. Supported by the work of our committees and management, we are consistently re-evaluating our role in society and how Zurich can play its part in responding to the challenges of the years to come.

Most importantly, we have a strong focus on ESG integration. We safeguard an ESG strategy that is not only robust and authentic, but also embedded across our businesses. This provides us with the credibility to have trustworthy dialogue on topics that affect society.

Our ESG strategy is increasingly important to our employees, customers and investors. With this in mind, we took steps throughout 2021 to strengthen our commitments and will continue to review our position in 2022.

Key steps towards a greener future

For instance, in 2021 we became a founding member of the Net-Zero Insurance Alliance and signed up to reduce the carbon intensity of our underwriting portfolios to net-zero by 2050.

We followed this up with new underwriting guidelines for the oil and gas sector that build on our existing guidelines for thermal coal, oil sands, and oil shales. But exclusions are always a last resort. We believe the best way to progress towards net-zero goals is to engage with customers and investee companies and provide them with guidance and support to help them transition to a greener future.

Zurich also became the first insurer to offer a carbon-neutral equity fund for its life insurance customers and introduced new global measures to accelerate cuts in carbon emissions from our operations. In addition, we are expanding our insurance coverage for the renewable energy sector and strengthening our alternative energy underwriting capabilities.

Diversity remains a key priority

Another key priority for us is to have a diverse Board and Executive Committee, along with the diverse backgrounds of our employees and customers. During the last year, we continued to have a diverse Board, particularly from a gender perspective, with a female representation of 55 percent. For 2022, we anticipate a balanced gender representation, provided that our shareholders follow our proposal to elect Peter Maurer as a new Board member at the next Annual General Meeting (AGM).

Furthermore, two of our four Board committees are currently chaired by female members, and in the Executive Committee four women lead important business units.

Outlook for the year 2022

2022 will be a special year for Zurich as we will mark our 150-year anniversary. We will spend time looking back through our history. Zurich has always proactively addressed societal concerns through philanthropy, internal policies and ESG risk assessments.

We will also take the time to consider the future – to consider how we can help create a brighter future together, and for all. It will require confronting climate change, leveraging the opportunities of a green recovery, and tackling societal inequalities.

We must balance this with the creation of sustainable value for all our stakeholders. This will be one of our focus areas as we set new targets and objectives for a strategy cycle that we will unveil in November.

You can rely on us to take decisions that support all stakeholders in the years ahead as we continue to be guided by our aspiration to be one of the most responsible and impactful businesses in the world.

Thank you for your continued trust, support and engagement.

Michel M. Liès
Chairman of the Board of Directors

Board Changes

At the AGM on April 7, 2021, we welcomed Sabine Keller-Busse as a new Board member. Prior to the AGM 2021, Jeffrey Hayman had withdrawn his candidacy due to future full-time commitments.

The Board proposes to shareholders the re-election of all current members at the AGM on April 6, 2022, and the election of Peter Maurer as new Board member, whereby Peter Maurer shall assume the director role as of October 1, 2022 only (please see for further details the AGM invitation 2022).

Executive Committee Changes

On July 13, 2021, Urban Angehrn, Group Chief Investment Officer since July 2015 and a member of the Group's Executive Committee, tendered his resignation. This followed his appointment as CEO of the Swiss Financial Market Supervisory Authority FINMA. As a result, Peter Giger, Group Chief Risk Officer and Executive Committee member, has taken on the additional responsibilities as Group Chief Investment Officer ad interim. Stephan van Vliet was appointed Group Chief Investment Officer and member of the Executive Committee effective from May 1, 2022.

Sierra Signorelli, former Group Chief Underwriting Officer, became CEO Commercial Insurance and Executive Committee member as of March 4, 2021. She succeeded James Shea, who decided to leave Zurich to pursue opportunities outside the company.

Tulsi Naidu, former CEO UK, was appointed CEO Asia Pacific and became a member of the Executive Committee as of January 1, 2021, succeeding Jack Howell who took over the role of CEO Zurich Global Ventures (formerly CEO Global Business Platforms) as of January 1, 2021, remaining a member of the Executive Committee in this capacity.

Kristof Terryn, former Group Chief Operating Officer, was appointed CEO North America as of January 1, 2021, succeeding Kathleen Savio who stepped down from the Executive Committee to move into the newly created role of Group Chief Transformation Officer as of the same date.

Corporate governance report

Contents

Group governance	43
Capital structure	45
Shareholders	47
Board of Directors	50
Executive Committee	66
Governance and control functions	76
External auditor	79
Additional information	81

Corporate governance report (continued)

Group governance

Our commitment to effective corporate governance

The Zurich Insurance Group, consisting of Zurich Insurance Group Ltd and its subsidiaries (the Group or Zurich), is committed to effective corporate governance for the benefit of its shareholders, customers, employees and other stakeholders based on the principles of fairness, transparency and accountability. Structures, rules and processes are designed to enable proper conduct of business by defining the powers and responsibilities of its corporate bodies and employees. Our structures provide for checks and balances and institutional independence of the Board from the Group Chief Executive Officer (Group CEO) and the Executive Committee (ExCo) which together are responsible for managing the Group on a day-to-day basis.

Zurich's corporate governance principles are described in a number of corporate documents, in particular in the Articles of Association, the Organizational Rules and the Charter of the Committees of the Board of Directors of Zurich Insurance Group Ltd (Organizational Rules) (www.zurich.com/about-us/corporate-governance/corporate-documents). Zurich also complies with the Swiss Code of Best Practice for Corporate Governance (Swiss Code of Best Practice) issued by *economiesuisse*. The Governance, Nominations and Sustainability Committee (GNSC) regularly reviews the Group's corporate governance against best practice standards.

Effective corporate governance is complemented by a remuneration system that fosters the right behaviors. Information on remuneration, shareholdings and loans to Board and ExCo members is contained in the remuneration report (see [pages 84 to 117](#)).

Supervision

Zurich is subject to insurance group supervision by the Swiss Financial Market Supervisory Authority FINMA (FINMA). The Swiss insurance regulation requires Swiss insurance companies and groups to establish and maintain strong governance and risk management systems, as well as effective internal control systems appropriate to their business activities. It prescribes the calculation of a risk-based solvency margin on a Group-wide basis and at legal entity level pursuant to the Swiss Solvency Test (SST). Amongst others, all material intra-group transactions must be reported to FINMA. In addition to the group supervision exercised by FINMA and its insurance supervision of the legal entities Zurich Insurance Company Ltd, Zurich Life Insurance Company Ltd, Zurich Reinsurance Company Ltd and Orion Legal Expenses Insurance Ltd., the insurance and other financial services subsidiaries of the Group are subject to the respective local financial market regulations.

Operational Group structure

Zurich Insurance Group Ltd, the Group's listed holding company, is a corporation organized under Swiss law with registered offices at Mythenquai 2, 8002 Zurich. Zurich's business is focused on providing best-in-class property and casualty, and life insurance products and services to individuals, small businesses, mid-sized and large companies.

The operational structure reflects the businesses operated by the Group and how these are strategically run to offer different products and services to specific customer groups. The Group is managed by regions, and in addition, Commercial Insurance, Zurich Global Ventures and Farmers in the U.S.:

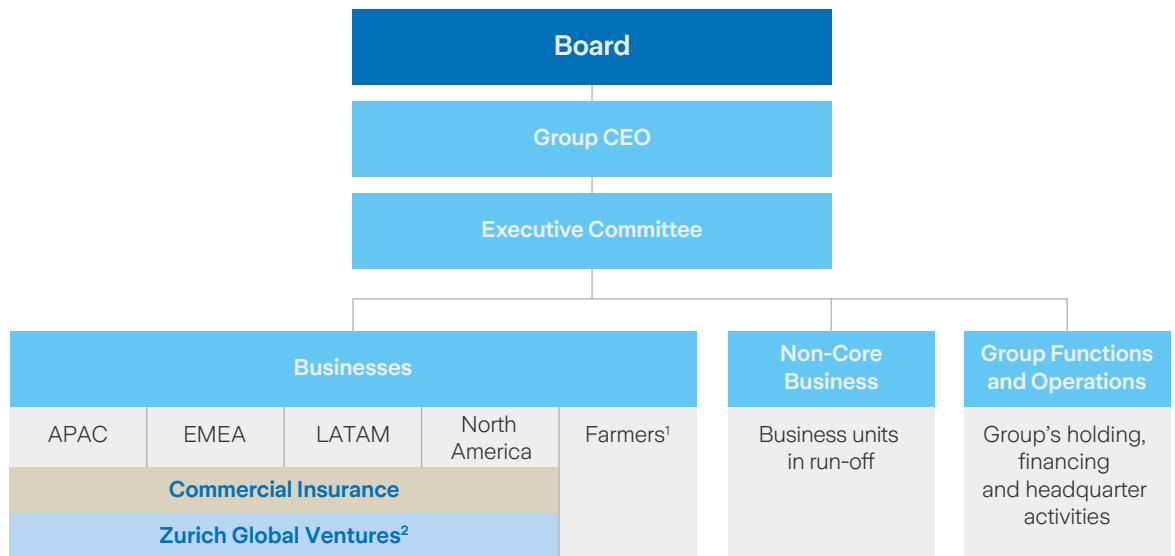
- Through regions (APAC, EMEA, LATAM and North America), the Group provides a variety of property and casualty and life products to retail and commercial customers as well as reinsurance propositions. Each region is headed by a regional CEO.
- Commercial Insurance brings together the corporate and commercial insurance expertise worldwide under a single umbrella. It is organized as a global business and headed by the CEO Commercial Insurance.
- Zurich Global Ventures (formerly Global Business Platforms) was created on January 1, 2021 to globally accelerate customer centricity and the development of digital services in furtherance of the insurance business. It also comprises Cover-More and Zurich International (ZINT), which are embedded in the regions. As of January 1, 2022, a new unit Zurich Integrated Benefits Solutions (ZIBS) was established within Zurich Global Ventures, bringing together various existing businesses providing employee benefits (including, amongst others, ZINT's International Markets and Europe business). Zurich Global Ventures is headed by the CEO Zurich Global Ventures.
- Farmers Group, Inc., a wholly owned subsidiary of the Group, is not an insurance company. It provides certain non-claims services and ancillary services to the Farmers Exchanges in the U.S. as its attorney-in-fact and receives fees for its services. Zurich Insurance Group has no ownership interest in the Farmers Exchanges. Farmers Group, Inc. is headed by the CEO of Farmers Group, Inc.

Corporate governance report (continued)

The Group’s activities further comprise the non-core business including certain business units in run-off which are under the responsibility of the Group Chief Financial Officer (Group CFO) and the CEO North America. Group Functions and Operations comprise the Group’s holding, financing and headquarter activities and include amongst others the Group Chief Information and Digital Officer, Group Chief Risk Officer (Group CRO) and the Group CFO.

On the investment side, Investment Management manages the Group’s own assets and the assets of policyholders and is headed by the Group Chief Investment Officer (Group CIO).

Operational Group structure as of December 31, 2021



¹ Zurich Insurance Group has no ownership interest in the Farmers Exchanges. Farmers Group, Inc., a wholly owned subsidiary of the Group, provides certain non-claims services and ancillary services to the Farmers Exchanges as its attorney-in-fact and receives fees for its services.

² Certain units of Zurich Global Ventures are reported under Group Functions and Operations. Cover-More and ZINT’s businesses are embedded in the regions, which has remained unchanged following the establishment of ZIBS per January 1, 2022.

A detailed review of the 2021 business results can be found in the financial review starting on [page 216](#). The Group’s reportable segments can be found on [pages 323 to 324](#).

Information about the Group’s business activities is also available within the Group overview section starting on [page 1](#) and on our website (www.zurich.com/about-us).

A list of the Group’s significant subsidiaries can be found on [pages 339 to 340](#).

For further information on the ExCo see [pages 66 to 75](#).

Corporate governance report (continued)

Capital structure

Share capital and shares

The shares of Zurich Insurance Group Ltd (ZIG) are listed on the SIX Swiss Exchange (ISIN: CH0011075394, symbol: ZURN). Certain group companies have listed debt issued under its Euro Medium-Term Note Programme and other financial instruments.

As of December 31, 2021, the ordinary share capital of ZIG amounted to CHF 15,046,016.70 divided into 150,460,167 fully paid registered shares with a nominal value of CHF 0.10 each. The market capitalization as of December 31, 2021 was CHF 60,244,250,867.

ZIG has an American Depositary Receipt (ADR) level 1 program with The Bank of New York Mellon (BNYM).¹ As of December 31, 2021, investors held 23,343,430 ADRs (representing 2,334,343 ZIG shares).

Please refer to [page 294](#) for information about treasury shares. Further information on ZIG's shares can also be found under: www.zurich.com/investor-relations/our-shares.

Authorized and contingent share capital

On April 7, 2021, the AGM approved a renewal of the authorized share capital for another two years (from April 2021 to April 7, 2023). Until and including April 7, 2023, the Board is authorized to increase the share capital 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 (art. 5^{bis}). This authorized share capital corresponds to about 30 percent of the total registered shares issued as of December 31, 2021. Share issuances from authorized share capital where the shareholders' subscription rights are restricted or excluded are limited to 14,960,800 shares (i.e., about 10 percent of the total registered shares issued as of December 31, 2021).

Furthermore, the share capital of ZIG may be increased by an amount not exceeding CHF 2,992,160 by issuing of 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 ZIG or one of its group companies, or by mandatory conversion of financial instruments issued by ZIG or one of its group companies, that allow for contingent mandatory conversion into shares of ZIG, or by exercising option rights which are granted to the shareholders (art. 5^{ter} para. 1a). This contingent share capital corresponds to about 20 percent of the total registered shares issued as of December 31, 2021.

Until and including April 7, 2023, the total number of new shares which could be issued from (i) authorized share capital under art. 5^{bis} para. 4 where the subscription rights are restricted or excluded, and (ii) contingent share capital in connection with financial instruments under art. 5^{ter} para. 1 where the advance subscription rights are restricted or excluded is limited to 14,960,800 shares (i.e., about 10 percent of the total registered shares issued as of December 31, 2021).

Moreover, there is an additional contingent share capital (art. 5^{ter} para. 2a) of CHF 409,509.20, representing 4,095,092 fully paid registered shares with a nominal value of CHF 0.10 each, which may be issued to employees of ZIG or one of its group companies. This contingent share capital corresponds to about 2.7 percent of the total registered shares issued as of December 31, 2021.

For further information, see art. 5^{bis} and 5^{ter} of the Articles of Association (www.zurich.com/investor-relations/our-shares/articles-of-association) and the audited consolidated financial statements, note 19 on [pages 293 to 295](#).

¹ Under this program, BNYM issues the American Depositary Shares (ADSs). Each ADS represents the right to receive one-tenth of one share of ZIG. ZIG's ADSs are traded over the counter (OTC) and are evidenced by American Depositary Receipts (ADRs). Since July 1, 2010, ZIG's ADRs have been traded on "OTCQX", an electronic platform operated by OTC Markets Group Inc. under the symbol ZURVY. ADS holders are not treated as shareholders of ZIG and are not able to directly enforce or exercise shareholder rights. Only BNYM as depositary of the level 1 program may exercise voting rights with respect to instructions received from beneficial owners of ADRs.

Corporate governance report (continued)

Changes to share capital

Changes in the ordinary share capital over the last two years	Share capital	Number	Nominal value
	in CHF	of shares	in CHF
As of December 31, 2019	14,960,802.70	149,608,027	0.10
Newly issued shares from contingent capital	85,214.00	852,140	0.10
As of December 31, 2020	15,046,016.70	150,460,167	0.10
Newly issued shares from contingent capital	0.00	–	–
As of December 31, 2021	15,046,016.70	150,460,167	0.10

For information on changes of the share capital during 2019, see the Annual Report 2019, pages 86 to 87 and pages 239 to 241 (www.zurich.com/investor-relations/results-and-reports).

Participation certificates, non-voting equity securities and preference shares

ZIG has not issued any participation certificates, non-voting equity securities or preference shares.

Convertible bonds and options

As of December 31, 2021, ZIG had no public convertibles or options outstanding. For information on employee share plans, see the audited consolidated financial statements, note 21 on [pages 305 to 306](#).

Cross-shareholdings

As of December 31, 2021, ZIG had no cross shareholdings in excess of 5 percent of share capital, or voting rights with any other company.

Limitations on transferability and nominee registrations

There are no limitations on transferability except for the following:

Registration as a shareholder requires a declaration that the shareholder has acquired the shares in his or her own name and for his or her own account (art. 7 para. 2 of the Articles of Association, www.zurich.com/investor-relations/our-shares/articles-of-association). Nominees holding ZIG shares may for the benefit of, or as nominee for another person, be registered for up to 200,000 shares with voting rights, notwithstanding that the nominee does not disclose the identity of the beneficial owner. A nominee, however, is entitled to be registered as a shareholder with voting rights of more than 200,000 shares if the nominee discloses the identity of each beneficial owner and informs the beneficial owners about corporate actions, consults as to the exercise of voting rights and pre-emptive rights, transfers dividends and acts in the interests of and in accordance with the instructions of the beneficial owners.

There are special provisions relating to the registration and exercise of rights attached to shares held by BNYM in connection with the ADR program.

Corporate governance report (continued)

Shareholders

Significant shareholders

According to the rules on disclosure of significant shareholdings in Swiss listed companies, it has to be disclosed if certain thresholds starting at 3 percent are reached, exceeded or if the shareholding subsequently falls below those thresholds. Zurich Insurance Group Ltd (ZIG) is obliged to announce third party shareholdings upon receipt of a notification that the shareholding has reached, fallen below or exceeded the relevant thresholds. During 2021, the Group received no such notification.

As of December 31, 2021, ZIG was not aware of any person or institution, other than BlackRock, Inc., New York (> 5 percent) and The Capital Group Companies, Inc., Los Angeles (> 5 percent), which, directly or indirectly, had an interest as a beneficial owner in shares, option rights and/or conversion rights relating to shares of ZIG reaching or exceeding the relevant thresholds.

The announcements related to these notifications can be found via the SIX Disclosure Office's platform: www.six-exchange-regulation.com/en/home/publications/significant-shareholders.html.

ZIG is not aware of any person or institution which, as of December 31, 2021, directly or indirectly, alone or with others, exercised or was a party to any arrangements to exercise control over ZIG.

Duty to make an offer

The Articles of Association (www.zurich.com/investor-relations/our-shares/articles-of-association) do not provide for opting out or opting up in the meaning of the Swiss Financial Market Infrastructure Act. Therefore, mandatory offers have to be submitted when a shareholder or a group of shareholders acting in concert exceeds 33 1/3 percent ownership of the issued and outstanding share capital of ZIG.

Shareholder structure

Number of shares held	as of December 31, 2021	Number of	% of registered
		registered shareholders	share capital
1 – 500		126,769	13.6
501 – 1,000		5,351	4.2
1,001 – 10,000		4,412	11.4
10,001 – 100,000		439	13.3
100,001+		65	57.5
Total registered shares¹		137,036	100.0

¹ of registered shareholders.

Registered shareholders by type	as of December 31, 2021	Registered	Registered
		shareholders in %	shares in % ¹
Individual shareholders		96.1	27.7
Legal entities		3.8	31.0
Nominees, fiduciaries		0.1	41.3
Total		100.0	100.0

¹ of registered shareholders.

Registered shareholders by geography	as of December 31, 2021	Registered	Registered
		shareholders in %	shares in % ¹
Switzerland		93.4	51.9
UK		0.4	31.1
North America		0.6	9.5
Asia		0.2	0.4
Latin America		0.1	0.0
Rest of the world		5.3	7.1

¹ of registered shareholders.

Corporate governance report (continued)

Shareholders' rights

Overview

Pursuant to art. 14 of the Articles of Association (www.zurich.com/investor-relations/our-shares/articles-of-association), each share entered into the share register entitles the holder to one vote at shareholders' meetings and to exercise all other membership rights in respect of that share. Each share further entitles all shareholders to dividend payments (excluding treasury shares). The Board will propose to the shareholders at the AGM on April 6, 2022 a dividend of CHF 22 per share.

Voting rights restrictions and representation

There are no voting rights restrictions (other than set out under "Limitations on transferability and nominee registrations", see [page 46](#)).

A shareholder with voting rights can attend shareholders' meetings in person or duly authorize his or her legal representative, another person who need not be a shareholder, or the independent voting rights representative. Shareholders can order their admission card or authorize a representative either in writing or via the online platform of Computershare Switzerland Ltd.

The AGM elects the independent voting rights representative for a term of office until conclusion of the next AGM. The independent voting rights representative may be re-elected.

ZIG generally informs all shareholders at the beginning of the shareholders' meeting of the aggregate number of shares represented by shareholders or their representatives physically attending the meeting and the number of shares represented by the independent voting rights representative. However, in accordance with Swiss legislation passed in response to the COVID-19 pandemic, ZIG decided that shareholders could not personally attend the AGM on April 7, 2021 but only exercise their voting rights by instructing the independent voting rights representative in writing or electronically. ZIG informed its registered shareholders accordingly.

Statutory quora

Pursuant to art. 15 of the Articles of Association (www.zurich.com/investor-relations/our-shares/articles-of-association), the AGM constitutes a quorum irrespective of the number of shareholders present and shares represented. Resolutions and elections generally require the approval of an absolute majority of the votes represented, unless respective provisions in the Articles of Association (of which there are currently none) or mandatory legal provisions stipulate otherwise. Art. 704 of the Swiss Code of Obligations provides for a two-thirds majority of votes represented and an absolute majority of the nominal value of shares represented for certain important matters, such as a change of the company's purpose or domicile, a dissolution of the company and certain matters relating to capital increases.

Convening of shareholders' meetings

Shareholders' meetings are convened by the Board or, if necessary, by the external auditor and other bodies in accordance with the provisions set out in art. 699 and 700 of the Swiss Code of Obligations. Shareholders with voting rights representing at least 10 percent of the share capital may call a shareholders' meeting, indicating the matters to be discussed and the corresponding proposals. The invitation to shareholders is mailed to registered shareholders at least 20 calendar days before the meeting is held and, in addition, is published in the Swiss Official Gazette of Commerce.

Agenda

The Board is responsible for setting the agenda. Shareholders with voting rights who together represent shares with a nominal value of at least CHF 10,000 may request, no later than 45 days before the day of the meeting, that specific items be included in the agenda. Such request must be made in writing, and must specify the proposals.

Registrations in the share register

To ensure an orderly process, the Board determines the date on which a shareholder needs to be registered in the share register in order to attend the shareholders' meeting. That date is published, together with the invitation to the shareholders' meeting, in the Swiss Official Gazette of Commerce.

THIS PAGE HAS INTENTIONALLY BEEN LEFT BLANK

Board of Directors

A diverse and independent Board.

Our Board is well positioned to support management in its efforts to deliver on strategic priorities. In addition, it is committed to addressing the needs of all stakeholders and has a strong focus on ESG integration.



Michel M. Liès
Chairman

Nationality: Luxembourg

Committee membership:

Governance, Nominations and Sustainability Committee (Chairman), Remuneration Committee

Other directorships within the Group:

Zurich Insurance Company Ltd

[Read more:](#)
Page 56



Christoph Franz
Vice-Chairman

Nationality: Swiss and German

Committee membership:

Remuneration Committee (Chairman), Governance, Nominations and Sustainability Committee

Other directorships within the Group:

Zurich Insurance Company Ltd

[Read more:](#)
Page 56



Joan Amble
Member of the Board of Directors

Nationality: U.S.

Committee membership:

Governance, Nominations and Sustainability Committee, Risk and Investment Committee

Other directorships within the Group:

Zurich Insurance Company Ltd

[Read more:](#)
Page 56



Catherine Bessant
Member of the Board of Directors

Nationality: U.S.

Committee membership:

Remuneration Committee, Audit Committee

Other directorships within the Group:

Zurich Insurance Company Ltd

[Read more:](#)
Page 57

Board of Directors (continued)



Dame Alison Carnwath
Member of the Board of Directors
Nationality: British
Committee membership: Audit Committee (Chairman), Risk and Investment Committee
Other directorships within the Group: Zurich Insurance Company Ltd

[Read more:](#)
Page 57



Kishore Mahbubani
Member of the Board of Directors
Nationality: Singapore
Committee membership: Remuneration Committee, Risk and Investment Committee
Other directorships within the Group: Zurich Insurance Company Ltd

[Read more:](#)
Page 58



Michael Halbherr
Member of the Board of Directors
Nationality: Swiss
Committee membership: Governance, Nominations and Sustainability Committee, Risk and Investment Committee
Other directorships within the Group: Zurich Insurance Company Ltd

[Read more:](#)
Page 57



Jasmin Staiblin
Member of the Board of Directors
Nationality: German
Committee membership: Risk and Investment Committee (Chairman), Remuneration Committee
Other directorships within the Group: Zurich Insurance Company Ltd

[Read more:](#)
Page 59



Sabine Keller-Busse
Member of the Board of Directors
Nationality: Swiss and German
Committee membership: Remuneration Committee
Other directorships within the Group: Zurich Insurance Company Ltd

[Read more:](#)
Page 58



Barry Stowe
Member of the Board of Directors
Nationality: U.S.
Committee membership: Audit Committee, Risk and Investment Committee
Other directorships within the Group: Zurich Insurance Company Ltd

[Read more:](#)
Page 59



Monica Mächler
Member of the Board of Directors
Nationality: Swiss
Committee membership: Governance, Nominations and Sustainability Committee, Audit Committee
Other directorships within the Group: Zurich Insurance Company Ltd

[Read more:](#)
Page 58

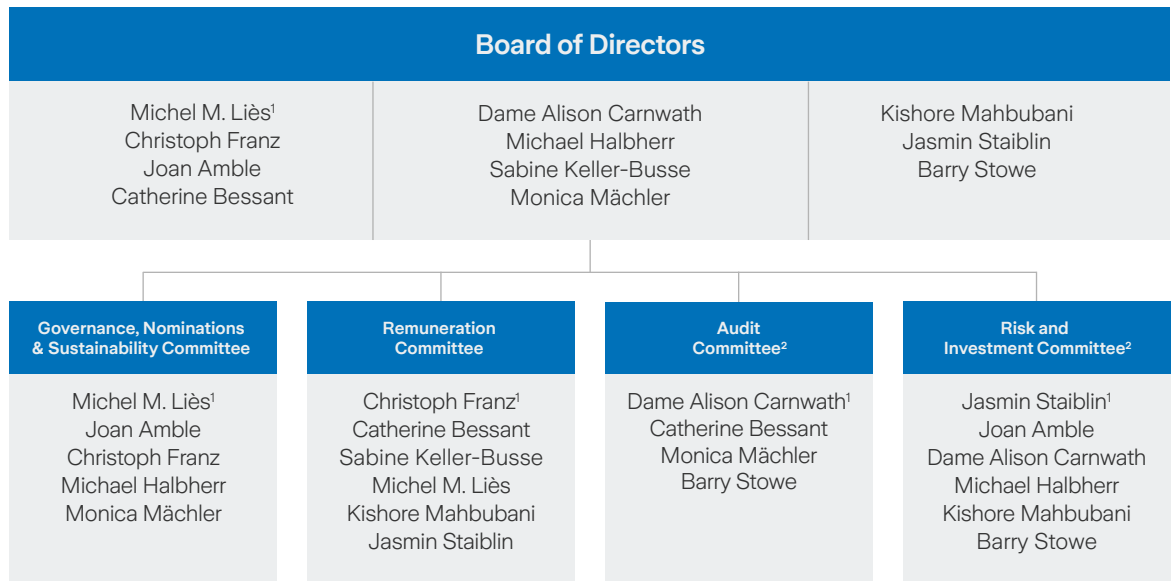
Corporate governance report (continued)

Board of Directors

The Board determines the Group's overall strategy. It holds the ultimate decision-making authority for Zurich Insurance Group Ltd (ZIG), except for decisions on matters reserved for the shareholders. The Board is chaired by the Chairman, or in his absence, by the Vice-Chairman. The Vice-Chairman and the Board's secretary are appointed by the Board.

Board of Directors and its committees

as of December 31, 2021



¹ Chairman of Board or Board committee, respectively.

² To facilitate an ongoing exchange of information between the Risk and Investment Committee and the Audit Committee, the Chairman of the Audit Committee is a member of the Risk and Investment Committee and at least one member of the Risk and Investment Committee is a member of the Audit Committee. The Chairman of the Board regularly participates in both the Audit Committee and Risk and Investment Committee meetings as a guest.

Size and elections

The Articles of Association require that the Board shall consist of at least seven but not more than thirteen members (art. 21, www.zurich.com/investor-relations/our-shares/articles-of-association). Shareholders elect Board members at the AGM on an annual basis for a term of office until completion of the next AGM. According to the Organizational Rules (art. 4.4, www.zurich.com/about-us/corporate-governance/corporate-documents), in general, the maximum tenure of Board members may not exceed 12 years, although exceptions may be made under special circumstances.

Board members are elected by an absolute majority of the votes represented (art. 17 and 21 of the Articles of Association). The Board constitutes itself in its first meeting after the AGM, except for the Chairman and the members of the Remuneration Committee, who are elected individually by the shareholders.

All Board members of Zurich Insurance Group Ltd are also Board members of Zurich Insurance Company Ltd. Mr. Liès also serves as Chairman of that board. None of the Board members have further board memberships within the Group.

Corporate governance report (continued)

Independence

Zurich considers the independence of its Board members essential for good corporate governance. Zurich's independence criteria comply with applicable laws and reflect best-practice standards such as the SIX Exchange Regulation Directive on Information relating to Corporate Governance and Swiss Code of Best Practice. The GNSC reviews Board members' independence status annually and reports its findings to the Board for final determination. The GNSC checks the independence criteria before recommending a new Board member for election and, thereafter, for re-election on an annual basis. It confirms in particular that in 2021 and the past three years:

- no Board member (other than in their capacity as Board or committee member), member of their immediate family, or any other related party, received – either directly or indirectly – any consulting, advisory or other compensatory fees;
- no Board members or any member of their immediate family, are or were employed by a member of the Group;
- no Board member is or was employed or affiliated with the external auditor;
- no Board member has had a material direct or indirect relationship with any member of the Group.

Upon recommendation of the GNSC, the Board determined that, as of February 9, 2022, all Board members were non-executive and independent from management. For further information on the independence policy, please see art. 16.6 of the Annex to the Organizational Rules (www.zurich.com/about-us/corporate-governance/corporate-documents). Board members are also subject to rules and regulations to avoid conflicts of interest and misuse of insider information.

Succession planning

It is a key consideration for the Board to ensure that it continues to act as a strategic asset enabling anticipation of risks and opportunities as well as providing oversight and control particularly by preserving and increasing the Board's diversity.

To achieve this, the Chairman, supported by the GNSC, on a yearly basis leads a structured succession planning process involving an assessment of the Group's challenges and opportunities and the evaluation of skills, knowledge and expertise needed at present and in the foreseeable future. In 2021, the GNSC held a dedicated meeting sequence to discuss all these factors and the results of these discussions informed a search process that was assisted by an executive search firm and included the following:

- final definition of required background, skills and knowledge of possible candidates;
- identification of suitable candidates;
- meetings of shortlisted candidates with the Chairman and GNSC members;
- proposal of candidates by the GNSC to the Board to nominate candidates for shareholder election.

As part of this process, when identifying and proposing candidates as new Board members, the Board particularly puts great emphasis on: skills, expertise, diversity and background, interplay of a candidate's individual personality, expertise and experience with that of incumbent Board members, high values and integrity and ability to commit adequate time (for further information, see Nomination Principles in art. 15 ff. of the Annex to the Organizational Rules under www.zurich.com/about-us/corporate-governance/corporate-documents).

Corporate governance report (continued)

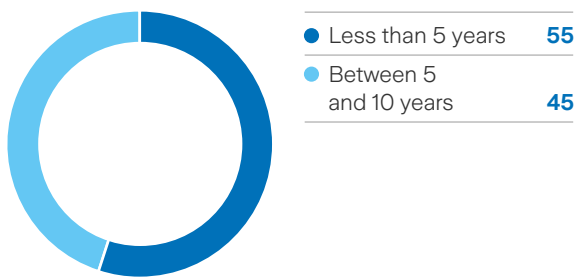
Composition

Diversity is a key factor for success in today's fast-changing global environment. Our Board consists of individuals with diverse geographic, cultural and educational backgrounds and experience, mirroring our international footprint and bringing local cultural perspective as well as regional networks. The backgrounds as shown below are measured based on key areas of the Board members' expertise and include insurance, banking and non-financial industries, CEO experience, risk management, ESG, IT, data, digital and cyber security, legal, regulatory and governance, macroeconomics, finance, accounting and audit, as well as people and culture. In addition, each Board member avails of a wide range of management experience in a variety of areas adding up to a well-balanced and diverse skill set of Zurich's Board.

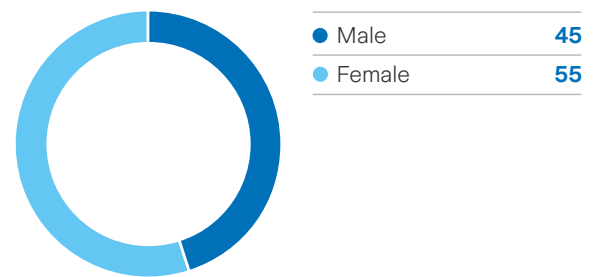
As of December 31, 2021, our Board:

- is one of the most gender diverse in Switzerland with 55 percent women;
- represents an age range from 51 to 73 years;
- comprises members of six different nationalities;
- has an average length of tenure of 5.2 years.

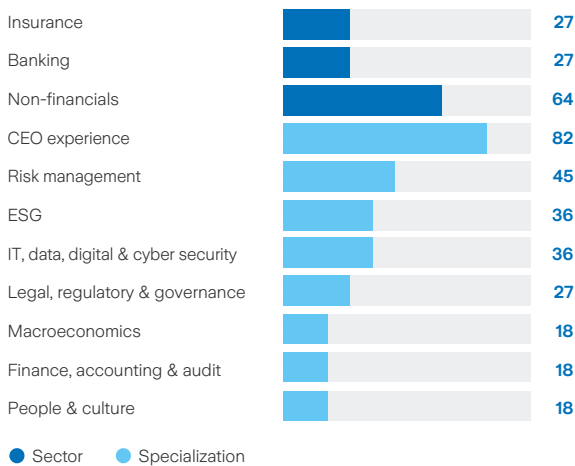
Length of tenure
%, as of December 31, 2021



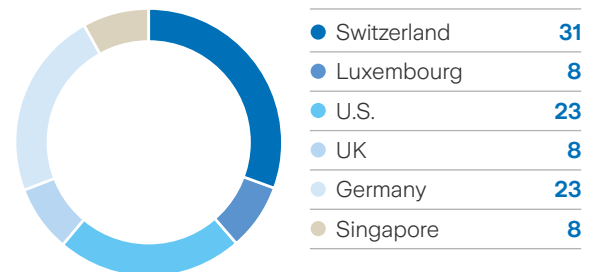
Gender
%, as of December 31, 2021



Background, experience, skills and knowledge
%, as of December 31, 2021



Nationality¹
%, as of December 31, 2021



Board members are allocated to one or more nationality, sectors and/or specialization areas based on their individual profile.

¹ Percentages may not total 100 due to rounding.

Changes to the Board in 2021

At the AGM on April 7, 2021, we welcomed Sabine Keller-Busse as a new Board member. Prior to the AGM 2021, Jeffrey Hayman had withdrawn his candidacy due to future full-time commitments (please see his biography in the Annual Report 2020, page 56, under the following link: www.zurich.com/investor-relations/results-and-reports).

THIS PAGE HAS INTENTIONALLY BEEN LEFT BLANK

Corporate governance report (continued)

Biographies

Michel M. Liès

Chairman

Born: 1954

Skills and experience

Michel M. Liès has 40 years' experience in global insurance and reinsurance, life insurance, and property and casualty insurance. He has held a number of positions in the industry, including Group CEO of Swiss Re. He began his career at the reinsurer in 1978, working first in the life market in Latin America before moving to Europe in 1983, where he held a number of senior positions within Swiss Re's life businesses. In 1994, he moved into Swiss Re's non-life sector, with responsibility for southern Europe and Latin America. From 1998 he served as Swiss Re's head of Latin America division until 2000, when he was appointed head of the Europe division of its Property & Casualty business group. In 2005, he became Swiss Re's head Client Markets with responsibility for client relationships worldwide, and was appointed a member of the reinsurer's group executive committee. From 2011 to 2012, Mr. Liès served as Swiss Re's chairman of Global Partnerships, which works with governments, international development bodies and non-governmental organizations (NGOs) to mitigate and address global risks and increase resilience. He was appointed Swiss Re's Group CEO in February 2012 and served in that role until his retirement from Swiss Re in 2016. He became Chairman of the boards of Zurich Insurance Group Ltd and Zurich Insurance Company Ltd in April 2018.

Committee membership

Governance, Nominations and Sustainability Committee (Chairman), Remuneration Committee

Other directorships within the Group
Zurich Insurance Company Ltd

External appointments

Mr. Liès is chairman of Avenir Suisse, member of the executive committee (vice chairman for insurance) of the board of the Institute of International Finance (IIF), and a trustee board member of The Swiss Institute of International Studies. He is also a member of the European Financial Services Round Table and a member of the board of trustees of the Lucerne Festival. He also serves as deputy chair of the steering committee of the Insurance Development Forum.

Educational background

Mr. Liès holds a master's degree in mathematics from the Swiss Federal Institute of Technology in Zurich (ETH). In 1991, he completed the Stanford Executive Program at Stanford University in the U.S. He completed the Senior Executive Program at Harvard University in 1996.

Christoph Franz

Vice-Chairman

Born: 1960

Skills and experience

Christoph Franz started his professional career in 1990 at Deutsche Lufthansa AG. From 1994 until 2003, he held different executive functions at Deutsche Bahn AG, including as member of the executive board and CEO of the passenger transport division. In 2004, he became CEO of Swiss International Air Lines Ltd, and in 2009 he was promoted to the role of deputy chairman of the executive board of Deutsche Lufthansa AG and CEO Passenger Airlines. From 2011 to 2014, Mr. Franz was chairman of the executive board and CEO of Deutsche Lufthansa AG. He became a member of the boards of Zurich Insurance Group Ltd and Zurich Insurance Company Ltd in April 2014. He was elected Vice-Chairman in April 2018.

Committee membership

Remuneration Committee (Chairman), Governance, Nominations and Sustainability Committee

Other directorships within the Group
Zurich Insurance Company Ltd

External appointments

Mr. Franz was elected chairman of the board of Roche Holding Ltd in March 2014. He is also a member of the board of Chugai Pharmaceuticals Ltd. (controlled by Roche Holding Ltd), and of Stadler Rail Ltd. Mr. Franz serves as a member of the board of trustees of Ernst Goehner Foundation, of Avenir Suisse, of the Swiss Study Foundation and of the Lucerne Festival and is a member of the advisory board of the University of St.Gallen (HSG). He was named as an honorary professor of business administration at the University of St.Gallen in May 2017. In September 2017, the International Committee of the Red Cross (ICRC) appointed Mr. Franz as a member of its Assembly, the organization's top governing body, and in May 2018 he was elected to the Assembly Council.

Educational background

Mr. Franz studied industrial engineering at the Technical University Darmstadt (Germany) and completed his studies with a Ph.D. in economic sciences (Dr. rer. pol.) at the same university. He also studied at the Ecole Centrale de Lyon (France) and conducted post-doctorate research at the University of California, Berkeley.

Joan Amble

Member of the Board of Directors

Born: 1953

Skills and experience

Joan Amble has substantial financial industry experience. She started her professional career as an accountant with Ernst & Ernst (currently Ernst & Young) in 1977. From 1984 to 1989, she served at the Financial Accounting Standards Board (FASB), specializing in pensions, derivatives and other financial instruments. She then spent 14 years with the General Electric Company (GE) in various leadership roles, including CFO GE Real Estate, COO and CFO GE Capital Markets, and as vice president and chief accounting officer GE Financial Services. From 2004 to May 2011, Ms. Amble served as executive vice president and principal accounting officer and, until the end of 2011, as executive vice president, finance, of the American Express Company. In December 2011, Ms. Amble completed a four-year term as a member of the Financial Accounting Standards Advisory Council (FASAC) and in December 2020 she completed the second of two three-year terms as a member of the Standing Advisory Group (SAG) for the Public Company Accounting Oversight Board (PCAOB). From 2006 to 2008, she was a member of the board and chaired the audit committee of XM Satellite Radio and, following the merger of XM Satellite Radio with Sirius Satellite Radio, she was from 2008 to 2021 a member of the board of Sirius XM Satellite Radio and chaired the audit committee. She has been a member of the boards of Zurich Insurance Group Ltd and Zurich Insurance Company Ltd since April 2015.

Committee membership

Governance, Nominations and Sustainability Committee, Risk and Investment Committee

Other directorships within the Group
Zurich Insurance Company Ltd

External appointments

Ms. Amble is a member of the board and the audit committee at Booz Allen Hamilton and is a board member, audit committee chair and member of the nomination and governance committee at BuzzFeed Inc. Since October 2016, Ms. Amble has served as an independent adviser to the control and risk committee of the executive committee of the U.S. affiliate of Société Générale S.A., a French multinational banking and financial services company. She is also involved in developing women in business, including as chair emeritus and co-founder of W.O.M.E.N. in America Inc., and through her various speaking engagements. Ms. Amble also participates in director and other forums and speaks on corporate governance and culture.

Educational background

Ms. Amble received a Bachelor of Science in accounting from The Pennsylvania State University, and later became a certified public accountant (currently inactive).

Corporate governance report (continued)

Biographies (continued)

Catherine Bessant

Member of the Board of Directors

Born: 1960

Skills and experience

Catherine Bessant is vice chair, Global Strategy at Bank of America and a member of the Bank of America's executive management team. In this role she is responsible for working with Bank of America's European boards and focused on the Bank's global integrated strategy, governance, and client and regulator engagement. Since joining Bank of America in 1982 as a corporate banker, she has held numerous senior leadership positions within that company: president of Global Product Solutions and Global Treasury Services; chief marketing officer; president of Consumer Real Estate and Community Development Banking; national Small Business Segment executive; market president of Bank of America, Florida; and president of Global Corporate Banking. Prior to being appointed to her current position, Ms. Bessant served as chief operations and technology officer. Ms. Bessant led Bank of America's Global Technology and Operations team from 2010 until September 2021. In that role she was responsible for end-to-end technology and operating services, including business continuity and information security efforts across the company, and overseeing nearly 95,000 employees and contractors in more than 35 countries. Recognized for her multi-sector leadership, Ms. Bessant was inducted into the Most Powerful Women in Banking Hall of Fame by American Banker in 2020 after ranking as the No. 1 of the '25 Most Powerful Woman in Banking' for three consecutive years. She became a member of the boards of Zurich Insurance Group Ltd and Zurich Insurance Company Ltd in March 2017.

Committee membership

Remuneration Committee, Audit Committee

Other directorships within the Group

Zurich Insurance Company Ltd

External appointments

Ms. Bessant serves as chair of the USA Field Hockey board and serves on the advisory board of the Ross School of Business at the University of Michigan. She previously served 16 years on the board of Florida Blue, formerly Blue Cross and Blue Shield of Florida, including serving as lead independent director.

Educational background

Ms. Bessant holds a Bachelor of Business Administration from the University of Michigan Ross School of Business.

Dame Alison Carnwath

Member of the Board of Directors

Born: 1953

Skills and experience

Dame Alison Carnwath has substantial financial industry experience. She began her career with Peat Marwick Mitchell, now KPMG, where she practiced as a chartered accountant from 1975 to 1980. From 1980 to 1982, she worked as a corporate financier for Lloyds Bank International. From 1982 to 1993, she was assistant director, then director, at J. Henry Schroder Wagg & Co in London and New York. From 1993 to 1997, Dame Alison was a senior partner at the financial advisory firm Phoenix Partnership. The firm was taken over by Donaldson, Lufkin & Jenrette (DLJ) in late 1997; she continued working for DLJ until 2000. Dame Alison has held several board offices. From 2000 to 2005, she was the chairman of the board of Vitex Group plc, from 2001 to 2006 a director of Welsh Water, from 2004 to 2007 of Friends Provident plc, from 2004 to 2007 of Gallaher Group and from 2007 to 2010, she was the independent chairman of MF Global Inc. She also served on the boards of Barclays from 2010 to 2012, and of Man Group plc from 2001 to 2013. From 2008 to July 2018, she was chairman of the board of Land Securities Group plc and from May 2018 to January 2021 member of the board of BP plc. She has been a member of the boards of Zurich Insurance Group Ltd and Zurich Insurance Company Ltd since March 2012.

Committee membership

Audit Committee (Chairman), Risk and Investment Committee

Other directorships within the Group

Zurich Insurance Company Ltd

External appointments

Dame Alison is a non-executive member of the boards of PACCAR Inc., Bellis Topco 2 Limited, Broadwell Capital Limited, Collier Capital Ltd. and EG Group Holdings Limited. She is also a member of the supervisory board and chairs the audit committee of BASF SE. In addition, she serves as senior advisor of Evercore Partners, chair of the strategic advisory board of Livingbridge, and as a member of the advisory council of the St. George's Society of New York.

Educational background

Dame Alison graduated in economics and German from the University of Reading. She was awarded honorary doctorates (LLB) from the University of Reading and the University of Exeter.

Michael Halbherr

Member of the Board of Directors

Born: 1964

Skills and experience

Michael Halbherr has extensive experience in the technology industry, serving as an investor, active board member and advisor for young, aspiring companies in many different areas including digital mapping, mobility technology, mobile operating systems, and industrial applications. He held leadership roles in Nokia Corporation from 2006 to 2014, including serving from 2011 to 2014 as member of Nokia's leadership team and later as CEO of HERE BV, a fully owned Nokia company and a leading company in automotive location technologies. From 2001 to 2006, he served as CEO of gate5, a Berlin-based mobile phone software startup, which Nokia acquired in 2006. From 2000 to 2001, he was a managing director at Europeatweb, an investor into gate5 and venture arm of Groupe Arnault. Prior to that he was a manager at the Boston Consulting Group (BCG) from 1994 to 2000, in the company's Zurich and Boston offices, where he was an active member of BCG's technology practice. He began his career at the Laboratory for Computer Science at Massachusetts Institute of Technology (MIT), where he worked as a visiting scientist and post-doctoral researcher from 1992 to 1994 with a focus on programming paradigms for massively parallel computers. He joined the boards of Zurich Insurance Group Ltd and Zurich Insurance Company Ltd in April 2019.

Committee membership

Governance, Nominations and Sustainability Committee, Risk and Investment Committee

Other directorships within the Group

Zurich Insurance Company Ltd

External appointments

Mr. Halbherr is a member of the board of Vontobel Holding AG in Zurich. He is also a non-executive director and chairman of German Bionic Systems GmbH in Augsburg, Trafi Ltd. in Vilnius, FATMAP Ltd. in Berlin, Nanoleq AG in Zurich, and a strategic advisor of Zeotap GmbH.

Educational background

Mr. Halbherr holds a Ph.D. in electrical engineering from the Swiss Federal Institute of Technology (ETH) in Zurich.

Corporate governance report (continued)

Biographies (continued)

Sabine Keller-Busse

Member of the Board of Directors

Born: 1965

Skills and experience

Sabine Keller-Busse has extensive financial industry experience. She is President UBS Switzerland. Since joining UBS in 2010, she has served as group chief operating officer, president Europe, Middle East and Africa, group head of Human Resources and chief operating officer UBS Switzerland. Ms. Keller-Busse became a member of the group executive board at UBS in 2016. Prior to joining UBS, she led Credit Suisse's Private Clients Region Zurich division from 2008 to 2010. From 1995 to 2008, she worked for McKinsey & Co., focusing on the financial services industry, where she was a partner since 2002. From 2012 to April 2021, Sabine Keller-Busse was a member of the board of SIX Group, since 2017 vice-chairman of the board and chairman of the nomination & compensation committee. She joined the boards of Zurich Insurance Group Ltd and Zurich Insurance Company Ltd in April 2021.

Committee membership

Remuneration Committee

Other directorships within the Group

Zurich Insurance Company Ltd

External appointments

Ms. Keller-Busse has been a member of the board of the USZ Foundation of the University Hospital Zurich since 2017. Since 2020, she has been a member of the Foundation Council of the UBS International Center of Economics in Society at the University of Zurich.

Educational background

Ms. Keller-Busse studied business administration at the University of St.Gallen (HSG) and completed her studies with a Ph.D. in economic sciences (Dr. oec.) at the same university.

Monica Mächler

Member of the Board of Directors

Born: 1956

Skills and experience

Monica Mächler has substantial legal, regulatory and governance expertise in a national and international context. She served as vice-chair of the board of the integrated Swiss Financial Market Supervisory Authority (FINMA) from 2009 to 2012, after having been the director of the Swiss Federal Office of Private Insurance from 2007 to 2008. From 2010 to 2012, Ms. Mächler chaired the Technical Committee of the International Association of Insurance Supervisors (IAIS). She assumed the roles of Group General Counsel and Head of the Board Secretariat of Zurich Insurance Group from 1999 to 2006 and was appointed a member of the Group Management Board in 2001 after joining in 1990. During the years 1985 to 1990, she was in private practice specializing in banking and business law. Ms. Mächler has been a member of several Swiss federal expert commissions on regulatory projects and regularly speaks, lectures and publishes on matters related to international business law and regulation, and their impact. From May 2012 until May 2018, she was a member of the supervisory board of Deutsche Börse AG. She has been a member of the boards of Zurich Insurance Group Ltd and Zurich Insurance Company Ltd since April 2013.

Committee membership

Governance, Nominations and Sustainability Committee, Audit Committee

Other directorships within the Group

Zurich Insurance Company Ltd

External appointments

Ms. Mächler has been a member of the board of Cembra Money Bank AG since April 2015. She also chairs the advisory board of the International Center for Insurance Regulation at the Goethe University Frankfurt am Main and serves on the boards of the Stiftung für schweizerische Rechtspflege, the Europa Institut at the University of Zurich and the Institute for International Criminal Investigations (IICI), a public benefit corporation in California, as well as of the Institute for International Criminal Investigations Foundation (IICIF), a Dutch charitable foundation based in The Hague.

Educational background

Ms. Mächler earned her J.D. at the University of Zurich's Law School and complemented her studies by attending programs on UK, U.S. and private international law. She is admitted to the bar of the Canton of Zurich.

Kishore Mahbubani

Member of the Board of Directors

Born: 1948

Skills and experience

Kishore Mahbubani began his career in 1971 as a diplomat with the Singapore Foreign Service, where he served until 2004 with postings in Cambodia, Malaysia, Washington D.C. and New York. He served two postings as Singapore's ambassador to the United Nations and as president of the UN Security Council in January 2001 and May 2002. Mr. Mahbubani was permanent secretary of the Singapore Foreign Ministry from 1993 to 1998. He served as founding dean at the Lee Kuan Yew School of Public Policy of the National University of Singapore (NUS) from 2004 until the end of 2017. In July 2019, he became a Distinguished Fellow at the Asia Research Institute (ARI) of NUS. He has spoken and published extensively on geopolitical and economic issues. In 2013, the Financial Times chose one of his books, "The Great Convergence: Asia, the West and the Logic of One World," as one of the best books of the year on economics. His latest book, "Has China Won?" published in the U.S. in April 2020, was described by Martin Wolf as "an excellent and important book." He has been a member of the boards of Zurich Insurance Group Ltd and Zurich Insurance Company Ltd since April 2015.

Committee membership

Remuneration Committee, Risk and Investment Committee

Other directorships within the Group

Zurich Insurance Company Ltd

External appointments

In February 2021, Mr. Mahbubani was appointed chairman of the NUS Medical International Council and in October 2021, Jabil Inc. appointed Mr. Mahbubani as their adviser. In September 2017, he was appointed non-executive chairman of the board of Aggregate Asset Management. Since January 2016, he has been an independent director of the board of Wilmar International Limited, Singapore. In addition, he has served on boards and councils of several institutions in Singapore, Europe and North America, and is currently a member of Yale's President's Council on International Activities (PCIA) and the World Economic Forum's Global Agenda Council on China. He was named a member of the American Academy of Arts and Sciences in April 2019.

Educational background

Mr. Mahbubani graduated with a first-class honors degree in philosophy from the University of Singapore and an M.A. in philosophy from Dalhousie University, Canada, where he was also awarded an honorary doctorate.

Corporate governance report (continued)

Biographies (continued)

Jasmin Staiblin

Member of the Board of Directors

Born: 1970

Skills and experience

Jasmin Staiblin brings to her role extensive knowledge of how business sectors transform and the growing importance of digitalization and sustainability as a competitive differentiator. She is recognized as one of Europe's top experts in the field of energy and served as CEO of Alpiq, a leading Swiss energy services provider and electricity producer in Europe, until December 31, 2018. She began her career in 1997 at the ABB Group, the Swedish-Swiss global technology company. She served in various global functions as a member of the management team for ABB's power technologies division. She held the positions of CEO of ABB Switzerland from 2006 to 2012 and CEO of Alpiq Holding Ltd from 2013 to 2018. She joined the boards of Zurich Insurance Group Ltd and Zurich Insurance Company Ltd in April 2019.

Committee membership

Risk and Investment Committee (Chairman), Remuneration Committee

Other directorships within the Group

Zurich Insurance Company Ltd

External appointments

Ms. Staiblin is a board member of NXP Semiconductors N.V., Eindhoven, and Georg Fischer Ltd., Schaffhausen. She also chairs the board of Rolls-Royce Power Systems AG and its subsidiary Rolls-Royce Solutions GmbH, both in Friedrichshafen and fully controlled by Rolls-Royce plc.

Educational background

Ms. Staiblin studied physics and electrical engineering at the Karlsruhe Institute of Technology, Germany and the Royal Institute of Technology in Stockholm, Sweden. She completed her studies with a degree in physics and has a Master of Science in electrical engineering.

Barry Stowe

Member of the Board of Directors

Born: 1957

Skills and experience

Barry Stowe has extensive business experience and knowledge gained through executive roles in the insurance industry in North America and Asia. Between 2006 and 2018, he was a member of the board and the group executive committee of Prudential plc. From 2015 to 2018, he served as chairman and CEO of Jackson Holdings Ltd, a subsidiary of Prudential plc, and from 2006 to 2015, as CEO of Prudential Corporation Asia. From 1995 to 2006, he held senior executive positions at American International Group (AIG), including serving as president of AIG Life Companies Accident & Health Worldwide based in Hong Kong from 2001 to 2006. From 1992 to 1995, he served as president of NISUS, a subsidiary of Pan-American Life Insurance Group. From 1980 to 1992 he held several positions at Willis Corroon Group plc in the U.S., an insurance and reinsurance brokerage services company. He joined the boards of Zurich Insurance Group Ltd and Zurich Insurance Company Ltd in April 2019.

Committee membership

Audit Committee, Risk and Investment Committee

Other directorships within the Group

Zurich Insurance Company Ltd

External appointments

Mr. Stowe serves as senior advisor to McKinsey & Company, and is co-chair of the Retirement Income Institute in Washington, D.C., vice chair of Cheekwood Estate & Gardens in Nashville, Tennessee, and a member of the Tennessee Business Leadership Council.

Educational background

Mr. Stowe has a Bachelor of Arts in politics and classical studies from Lipscomb University in Nashville, Tennessee.

Corporate governance report (continued)

Self-assessment

To regularly discuss and strengthen the Board's effectiveness, at least annually, the Board reviews, based on an assessment conducted by the GNSC (which includes an appraisal by an external expert at least every three years), the Board and committee performance. The review focuses on the Board's composition, availability and engagement at the meetings; co-operation and culture; processes, particularly agenda setting and meeting conduct; the Board's interaction with the Group's executive management and the Board's collective or individual training needs. The review seeks to determine whether the Board and the committees function effectively and efficiently.

In its 2021 self-assessment, the Board focused in particular on the adequacy of its composition, culture, its adaptability during the COVID-19 crisis and the prioritization of topics. Based on a report of the results, the Board has determined appropriate steps to address the matters discussed.

Meetings

During 2021, the Board held 10 meetings (of which 10 were partly attended by tele-/videoconference and seven were held over two days). Two meetings were fully dedicated to the discussion of strategy. Four meetings lasted four or more hours during the course of a day and three meetings lasted less than three hours on average.

In 2021, average attendance at Board meetings was 97.27 percent. In the fulfillment of their duties, the Board members spent additional time participating in Board committee meetings and preparing for meetings. Committee meetings lasted more than an hour and 30 minutes on average.

During 2021, in view of the challenges posed by COVID-19, Board meetings were in part held virtually. In addition, several informal exchanges between Board members, in some instances with management participation, were facilitated.

The Board approved two circular resolutions.

as of December 31, 2021

	Governance, Nominations and				Risk and Investment Committee
	Board of Directors	Sustainability Committee	Remuneration Committee	Audit Committee	
Minimum no. of meetings required	6	2	2	4	4
No. of meetings held	10	6	6	9	8
No. of members ¹	11	5	6	4	6
Meeting attendance, in %	97.27	100	100	97.22	97.92

Meeting attendance individualized

Joan Amble	10/10	4/4 ⁴	–	–	7/8
Catherine Bessant	10/10	–	6/6	8/9	–
Dame Alison Carnwath	10/10	2/2 ⁵	–	9/9	8/8
Christoph Franz	9/10	6/6	6/6	–	–
Michael Halbherr	10/10	4/4 ⁴	–	–	8/8
Jeffrey Hayman ²	2/2	2/2 ⁵	–	2/2 ⁵	1/1 ⁵
Sabine Keller-Busse ³	7/8	–	4/4 ⁴	–	–
Michel M. Liès	10/10	6/6	6/6	–	–
Monica Mächler	10/10	6/6	–	9/9	–
Kishore Mahbubani	10/10	–	6/6	–	8/8
Jasmin Staiblin	10/10	–	6/6	–	7/7 ⁴
Barry Stowe	9/10	–	–	9/9	7/7 ⁴

¹ Until April 7, 2021, the Remuneration Committee, Audit Committee and the Risk and Investment Committee had five members.

² Prior to the AGM 2021 on April 7, 2021, Jeffrey Hayman had withdrawn his candidacy due to future full-time commitments.

³ Elected at the AGM on April 7, 2021.

⁴ Joined committee on April 7, 2021.

⁵ Left committee as of April 7, 2021.

Corporate governance report (continued)

Training

The Chairman ensures, together with the GNSC, that new Board members are provided with an onboarding program and existing Board members receive appropriate ongoing training. For this purpose, the Board issued onboarding and training guidelines to underscore the importance of this topic.

Following their appointment, new Board members will be provided with an in-depth and tailor-made onboarding program that generally consists of:

- the Group's strategy, business operating model and its financial and non-financial goals;
- the Group's legal and management structure, corporate governance setup and processes, the Zurich Code of Conduct and relevant legal and regulatory frameworks;
- the Group's risk management framework and relevant compliance requirements and processes;
- training and introduction into specific topics based on regulatory requirements (e.g., regulatory capital models);
- applicable Board processes, meeting schedules and other administrative matters.

As part of the onboarding program, meetings will be scheduled with the Chairman, the chairs of the committee(s) on which the new Board member will be serving, the Group CEO, selected executive management members as well as the Company Secretary.

Furthermore, the Board's training needs are evaluated as part of the annual Board self-assessment or based on regulatory requirements and regularly reassessed throughout the year as need arises. In 2021, the Board received *inter alia* training as to reserving techniques/methodology and the use of technology in the audit practice. Individual trainings were held in the field of risk management strategy and processes, board governance and boards' challenges such as geostrategic challenges, digital transformation, ESG and communication with external stakeholders.

Role of the Board

The Board is responsible for the ultimate management of ZIG and of the Group as a whole, as well as for the supervision of management. In particular, it has responsibility for the following areas:

- **Group strategy:** The Board approves the Group strategic plan and the overall Group targets upon the recommendation of the Group CEO and receives reports by the Group CEO on the implementation of and progress toward the Group strategy.
- **Sustainability:** The Board approves the Group's sustainability strategy and objectives, including targets having a material impact on the Group. The Board also sets the Group's values and standards to ensure that the expectations of stakeholders are met.
- **Finance:** The Board approves the financial and operating plan annually and establishes guidelines for capital allocation and financial planning. Above certain thresholds, the Board approves major lending and borrowing transactions. It discusses the dividend policy and the Board's proposal for dividend. Within its authority, the Board also makes resolutions on capital increases.
- **Reporting:** The Board reviews and approves the Annual Report, the half-year financial reporting of the Group, the Group's updates for the first three and nine months of the year, as well as the financial condition report. In addition, the Board approves the Sustainability Report.
- **Structure and organization of the Group:** The Board determines and regularly reviews the basic principles of the Group's structure and major changes in the Group's management organization and to Group functions. In this respect, the Board discusses the Group's corporate governance framework, its remuneration system and adequate controls and assurance. Further, as part of its duty to convene the shareholders' meeting, it approves and submits proposals to the shareholders' meeting.
- **Business development:** Above certain thresholds, the Board regularly discusses and approves acquisitions and disposals of businesses and assets, investments, new businesses, mergers, joint ventures, cooperations and restructuring of business units or books of businesses.
- **Corporate culture:** The Board also approves and regularly reviews ethical and compliance standards of the Group, in particular the Zurich Code of Conduct.
- **Risk management:** The Board approves the Group's key risk management principles and procedures including, in particular, the Group's risk appetite and risk tolerance. It also approves the Group's Own Risk and Solvency Assessment (Group ORSA) as well as the Group Recovery Plan.

Additional information can be found in art. 5.1 to 5.13 of the Organizational Rules (www.zurich.com/about-us/corporate-governance/corporate-documents).

Corporate governance report (continued)

Activities/discussion focus topics in 2021 included:

- delivery on strategic priorities for strategic cycle 2020–2022, in particular with a view to commercial and retail business, including developments in all regions, new business models and brand;
- implementation of the sustainability strategy and its inclusion into business objectives;
- status and digital transformation of technology and operations;
- ExCo changes as proposed by the Group CEO;
- close monitoring of financial and business exposures during COVID-19, impact on strategy delivery, employees and operations;
- Board succession planning;
- risk management including risk appetite and tolerance and internal control framework, enabling integrated view of risks and assurance customer trends, structural industry changes and new technologies;
- Board recovery exercise;
- merger and acquisition and investment management;
- Board self-assessment and resulting recommendations;
- legal and regulatory environment.

Role of the Chairman

The Chairman leads the Board, calls Board meetings and sets their agenda. He has continuous contact with the Group CEO and facilitates a constructive relationship between the Board and the ExCo. In his role, he also:

- presides over the AGM;
- ensures accuracy and proper implementation of Board resolutions;
- ensures Board members receive accurate, timely and clear information;
- takes pressing decisions, subject to ratification by the Board;
- together with the GNSC, ensures the Board's onboarding and training program;
- issues further guidelines on compliance with fitness and properness of Board candidates and members;
- arranges the Board's self-assessment.

Additional information can be found in art. 9.1 to 9.4 of the Organizational Rules (www.zurich.com/about-us/corporate-governance/corporate-documents).

Role of the Vice-Chairman

The Vice-Chairman supports the Chairman with his responsibilities and assumes the role should the Chairman be unable to exercise his functions.

Role of the Board committees

The Board may establish committees for specific topics, terms of reference and rules with respect to delegated tasks, responsibilities and reporting to the Board. Except for the Remuneration Committee, the Board constitutes such committees from among its members at its own discretion.

The committees assist the Board in performing its duties. They discuss and propose matters to the Board unless they are authorized to take resolutions in specific areas on their own. All committees have the authority to retain external advice. To get an outside view, the Board and/or its committees occasionally invite external advisors (e.g., the independent executive compensation consultant of the Remuneration Committee, the external auditor) to attend a meeting and/or represent a specific topic.

The Board has the following standing committees:

Corporate governance report (continued)

Governance, Nominations and Sustainability Committee

Key tasks and responsibilities:

- assists the Board in setting an appropriate tone at the top to promote key values and behaviors, and to ensure a sound and open culture throughout the organization;
- supports the Board by establishing corporate governance best practices across the Group with a view to ensuring that the shareholders' and other important stakeholders' rights are protected;
- ensures structures and processes are in place allowing for sound corporate governance and proper documentation;
- monitors legislative and regulatory developments and reporting requirements relating to corporate governance and sustainability;
- is entrusted with Board and ExCo succession planning and makes proposals to the Board on the Board composition, the appointment of the Chairman, the Vice-Chairman, the Group CEO and members of the ExCo. Final decisions are made by the Board, subject to shareholder approval, where required;
- monitors the Group CEO's talent management and management succession planning;
- reviews and proposes to the Board for approval the Group's sustainability strategy and objectives, including targets having a material impact on the Group.

Activities/discussion focus topics in 2021 included:

- ExCo changes as proposed by the Group CEO in alignment with strategic priorities;
- driving and monitoring the implementation of the sustainability strategy and its three pillars of changing climate, confidence in a digital society and work sustainability in the business, including key initiatives such as aligning with a 1.5°C future or joining the Net-Zero Insurance Alliance;
- non-financial disclosure and best practices in the industry;
- sustainability governance structures including for reporting;
- Board and ExCo succession planning;
- review of corporate governance documents and recommendation of changes to the Board;
- developments affecting corporate governance, including changes to Swiss and international laws, regulations and trends;
- review of corporate governance report and Sustainability Report and recommendation to the Board for approval;
- ESG Roadshow.

Remuneration Committee

Key tasks and responsibilities:

- annually evaluates the Group's remuneration architecture and system, as well as Zurich's remuneration rules, and proposes amendments to the Board, which is responsible for the design, implementation and monitoring of the remuneration framework;
- annually reviews and proposes to the Board the remuneration terms of the Board members;
- reviews and proposes to the Board the employment terms and conditions of the Group CEO and reviews those of the ExCo members, as proposed by the Group CEO, including the annual review of performance targets and achievements, proposing respective amendments to the Board, as appropriate, for approval;
- reviews the achievements of the predefined performance metrics related to short-term and long-term incentive plans (STIP and LTIP), as well as conducts a qualitative assessment of the performance, before proposing to the Board the funding of the STIP pools, the LTIP vesting level and the amount of the total variable remuneration pool;
- liaises with the Group CEO on other important matters related to employment, salary and benefits;
- reviews and makes proposals to the Board on the amounts of Board and ExCo remuneration to be submitted for approval at the AGM;
- discusses the regulatory environment and risk management aspects regarding remuneration and related disclosure, and prepares the remuneration report.

Corporate governance report (continued)

Activities/discussion focus topics in 2021 included:

- performance of the Group, the countries and the ExCo, as well as the approval of the STIP awards and the LTIP vesting level for the period ending December 31, 2020;
- approval of the amount of total variable remuneration for 2020;
- regulatory environment and external developments regarding remuneration and related disclosures, as well as the implications for Zurich;
- Ordinance Against Excessive Compensation, including the proposed maximum amounts of total remuneration for the Board and the ExCo for the shareholder votes at the AGM, and the results of the votes from the AGM 2021;
- together with the Risk and Investment Committee, risk management aspects of the Group's remuneration architecture, as well as key activities with respect to identified key risk taker (KRT) positions, for example the risk-based assessment of KRTs;
- remuneration report, the information on the approval of the remuneration for the Board and ExCo in the AGM invitation and other related disclosures as appropriate;
- Zurich's remuneration rules, which were approved by the Board;
- compensation and remuneration structures of the Board and the ExCo, including share ownership in line with guidelines;
- activities of the Group Pensions Committee;
- performance and incentive architecture for 2021 and looking ahead into 2022;
- ESG Roadshow.

Further details of the Group's remuneration framework are set out in the remuneration report on [pages 84 to 117](#).

Audit Committee

Key tasks and responsibilities:

- serves as a focal point for communication and oversight regarding accounting as well as financial and non-financial reporting, internal control, actuarial practice, and financial and regulatory compliance;
- reviews the Group's auditing process (including establishing the basic principles relating to and making proposals for the audit of ZIG and the Group);
- at least annually, reviews the standards of internal control, including activities, plans, organization and quality of Group Audit and Group Compliance;
- reviews annual and half-year consolidated financial statements of the Group, the Group's updates for the first three months and first nine months and the Annual Report of the Group.

Activities/discussion focus topics in 2021 included:

- annual and half-year reporting with a strong focus on accounting and reserving matters, as well as the Group's updates for the first three months and first nine months;
- regular assessment of the financial position of the Group in view of COVID-19, its impact on financial operations and on performance versus the financial plan;
- assessment of non-financial reporting;
- strategy, scope and effectiveness of the internal control framework, including internal controls over financial reporting (ICFR);
- annual Group Audit plan, Group Audit findings and management implementation of improvement actions;
- succession of Head of Group Audit;
- Group's framework on fraud risk;
- work of the external auditors including the regular review of the Non-Audit Services Policy, the external auditors' findings on key judgments and estimates in financial statements as well as the transition to the new external auditors;
- annual Group Compliance Plan, activities to support management of compliance risks, compliance policy updates and enhancements, compliance findings, the result of the annual Zurich Code of Conduct training, as well as evolving regulatory expectations;
- finance systems and digitalization initiatives inter alia in the field of artificial intelligence and process mining of Group Finance and the Group's external auditors' developments in corporate tax regulation;
- legal and regulatory matters including changes to the SIX ad-hoc disclosure requirements.

Corporate governance report (continued)

Risk and Investment Committee

Key tasks and responsibilities:

- Risk tolerance and risk governance framework:
 - oversees the Group's risk appetite and tolerance, including agreed limits that the Board regards as acceptable for ZIG and the Group to bear, the aggregation of agreed limits across the Group, the measurement of adherence to agreed risk appetite and tolerance and the Group's risk appetite and tolerance in relation to anticipated capital levels;
 - oversees the Group's Enterprise Risk Management Framework (embracing policies, models, methodologies, reporting, systems, processes and people);
 - oversees the impact of risk on economic and regulatory capital requirements;
- Risk reporting:
 - receives periodic reports from the risk management function and assessing whether all 'significant' risk matters (as defined in the Zurich Risk Policy (ZRP)) are being appropriately and timely addressed by ExCo members;
 - reviews and proposes to the Board for approval the Group ORSA report as well as the Group Recovery Plan;
- Investments:
 - oversees the investment process;
 - reviews and recommends for approval to the Board investments above pre-defined threshold;
 - monitors developments in the macroeconomic environment;
 - receives updates on the Group's annual strategic asset allocation, the market risk consumption relative to allocated market risk capital and limit and major market risk drivers;
 - receives updates on the accounting investment result, the economic investment return relative to liabilities, and the performance of asset managers.

Activities/discussion focus topics in 2021 included:

- update on enterprise risk management, including quarterly risk reports, strategic risk assessment (Group Total Risk Profile), Enterprise Risk Management Framework, and regular scenario analysis discussions;
- Group Risk Appetite and Tolerance Statement 2022;
- Group ORSA, including self-assessment of the effectiveness of the risk management system;
- Group Recovery Plan 2021;
- regular discussion of macroeconomic developments and impact on investment performance;
- investment management deep dive on approach to private debt and update on infrastructure allocation and illiquidity premium within private debt;
- updates from economic and regulatory capital perspectives, including disclosure;
- model validation results 2020 and the plan for 2021;
- update on credit and country risk and semi-annual derivative report;
- update on own insurance;
- updates on accumulation, commercial insurance underwriting and operational risk;
- developments in insurance exposure to mental health;
- updates on measures and controls to protect customer data and customer-facing conduct;
- Group Risk Management strategy update as well as regional risk updates;
- update on reinsurance strategy and country performance;
- remuneration architecture and update on KRTs.

For further information on risk governance, see the risk review on [pages 183 to 214](#).

For further information on the Board committees in general, see the Annex to the Organizational Rules (under www.zurich.com/about-us/corporate-governance/corporate-documents).

Executive Committee

An Executive Committee focused on delivering results.

Our ExCo is well equipped to steer Zurich toward its 2022 goals and beyond to ensure the Group remains agile and ready for the future.



Mario Greco
Group Chief Executive Officer
Nationality: Italian

 **Read more:**
Page 70



Ericson Chan
Group Chief Information and Digital Officer
Nationality: Chinese (Hong Kong SAR)

 **Read more:**
Page 70



Jeff Dailey
CEO of Farmers Group, Inc.
Nationality: U.S.

 **Read more:**
Page 70



Peter Giger
Group Chief Risk Officer and Group Chief Investment Officer ad interim
Nationality: Swiss

 **Read more:**
Page 71

Executive Committee (continued)



Jack Howell

CEO Zurich
Global Ventures

Nationality: U.S.

 [Read more:](#)
Page 71



George Quinn

Group Chief Financial Officer

Nationality: British

 [Read more:](#)
Page 72



Alison Martin

CEO EMEA (Europe,
Middle East & Africa)
and Bank Distribution

Nationality: British

 [Read more:](#)
Page 71



Sierra Signorelli

CEO Commercial Insurance

Nationality: U.S.

 [Read more:](#)
Page 73



Laurence Maurice

CEO Latin America

Nationality: French

 [Read more:](#)
Page 72



Kristof Terryn

CEO North America

Nationality: Swiss and Belgian

 [Read more:](#)
Page 73



Tulsi Naidu

CEO Asia Pacific

Nationality: British

 [Read more:](#)
Page 72

Corporate governance report (continued)

Executive Committee

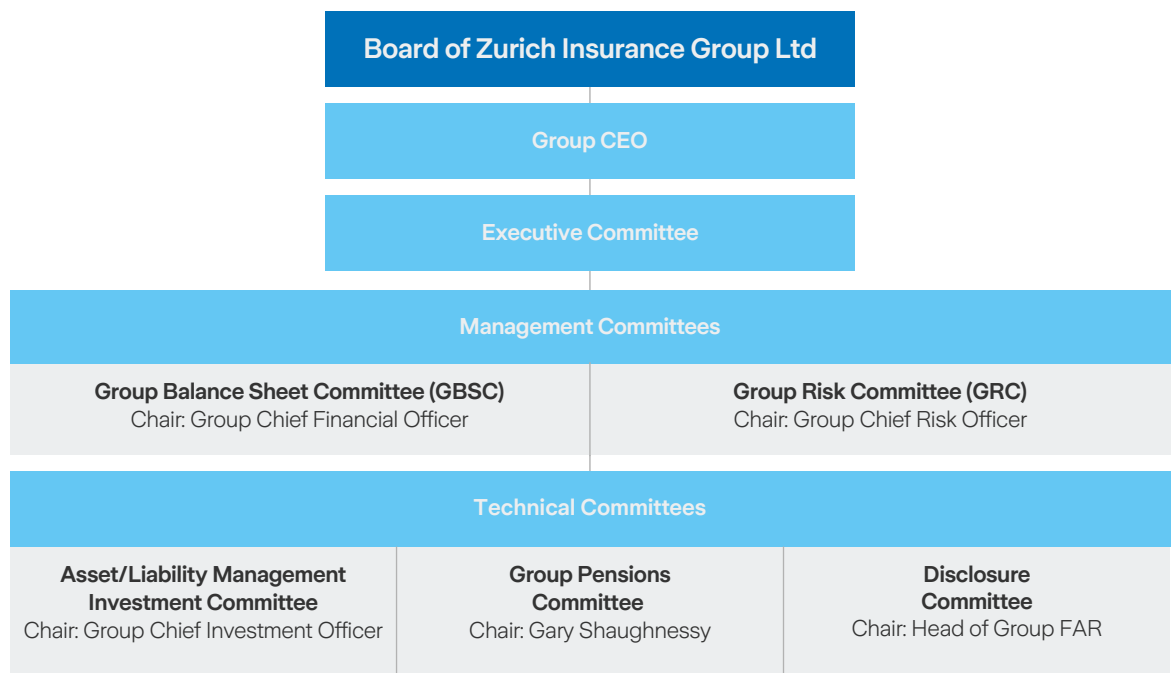
Subject to the powers reserved for the Board (see [page 61](#)), the Board has delegated management of the Group to the Group CEO and, under the Group CEO's supervision, to the ExCo and its members. The ExCo serves the Group CEO as the core management team in matters of Group-wide strategic, financial and business-policy relevance. The Group CEO is responsible for:

- the Group's management and performance;
- representation of the overall interests of the Group toward third parties to the extent such interests are not represented by the Board;
- development and implementation of the strategic and financial plans approved by the Board;
- management, supervision and coordination of the activities of the ExCo members and of other direct reports;
- specific powers and duties pertaining to strategic, financial and organizational matters.

Zurich Insurance Group Ltd has not transferred key parts of management by contract to other companies (or individuals) not belonging to (or employed by) the Group.

Additional information can be found in art. 14 to 17 of the Organizational Rules (www.zurich.com/about-us/corporate-governance/corporate-documents).

Group Management as of December 31, 2021



Corporate governance report (continued)

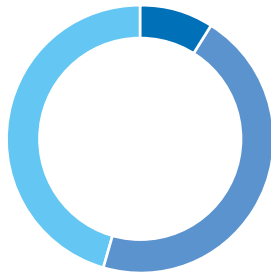
Composition

As of December 31, 2021, the ExCo included members of seven nationalities. ExCo members' business experience covers a broad range of jurisdictions, giving the ExCo profound collective knowledge of international business practices.

The average length of tenure was 4.6 years:

Length of tenure¹

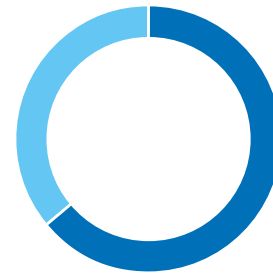
%, as of December 31, 2021



● Less than 1 year	9
● Between 1 and 5 years	45
● More than 5 years	45

Gender

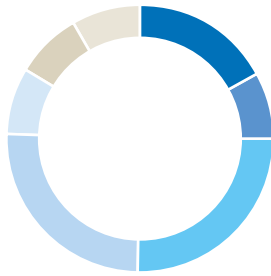
%, as of December 31, 2021



● Male	64
● Female	36

Nationality¹

%, as of December 31, 2021



● Switzerland	17
● Italy	8
● U.S.	25
● UK	25
● Belgium	8
● France	8
● China (Hong Kong SAR)	8

ExCo members are allocated to one or more nationality.

¹ Percentages may not total 100 due to rounding.

Changes to the ExCo in 2021

On July 13, 2021, Urban Angehrn, Group CIO since July 2015 and ExCo member, tendered his resignation. This followed his appointment as CEO of FINMA. As a result, Peter Giger, Group CRO and ExCo member, has taken on the additional responsibilities as Group CIO ad interim. Stephan van Vliet was appointed Group CIO and ExCo member effective from May 1, 2022.

Sierra Signorelli, former Group Chief Underwriting Officer, became CEO Commercial Insurance and ExCo member as of March 4, 2021. She succeeded James Shea, who decided to leave Zurich to pursue opportunities outside the company.

Tulsi Naidu, former CEO UK, was appointed CEO Asia Pacific and became ExCo member as of January 1, 2021, succeeding Jack Howell who took over the role of CEO Zurich Global Ventures (formerly CEO Global Business Platforms) as of January 1, 2021, remaining a ExCo member in this capacity.

Kristof Terryn, former Group Chief Operating Officer, was appointed CEO North America as of January 1, 2021, succeeding Kathleen Savio who stepped down from the ExCo to move into the newly created role of Group Chief Transformation Officer as of the same date.

The biography of Urban Angehrn can be found on page 72 and the biographies of James Shea and Kathleen Savio on page 75 of the 2020 Annual Report (www.zurich.com/investor-relations/results-and-reports).

Corporate governance report (continued)

Biographies

Mario Greco

Group Chief Executive Officer

Born: 1959

Skills and experience

Mario Greco joined Zurich in March 2016 as Group Chief Executive Officer and member of the Executive Committee. Mr. Greco started his professional career in management consulting, working in McKinsey & Company's Milan office from 1986 until 1994, where he became a partner in 1992 and subsequently a partner leader in the insurance segment. In 1995, he joined RAS (Allianz Group) in Milan as head of the claims division. He became general manager in charge of the insurance business the following year. In 1998, he was appointed managing director and in 2000, he became the company's CEO. At the end of 2004, Mr. Greco joined Allianz AG's executive board, with responsibility for France, Italy, Spain, Portugal, Greece and Turkey. In April 2005, he joined the Sanpaolo IMI Group in Milan as CEO of EurizonVita and in October 2005, he was appointed CEO of Eurizon Financial Group. From 2007 to 2012, he served at Zurich, first as CEO Global Life and from 2010, as CEO General Insurance. In 2012, he was appointed CEO of Generali.

External appointments

Mr. Greco is chairman of the Pan-European Insurance Forum and a member of the board of the Swiss-American Chamber of Commerce. He is also a member of the international advisory council of Bocconi University, a member of the Executive Faculty and the EMBA X advisory board at the University of St.Gallen (HSG) and an advisory board member of the Department of Economics at the University of Zurich.

Educational background

Mr. Greco holds a bachelor's degree in economics from the University of Rome and a master's degree in international economics and monetary theory from Rochester University.

Ericson Chan

Group Chief Information and Digital Officer

Born: 1966

Skills and experience

Ericson Chan has an extensive background in technology leadership prior to joining Zurich as Group Chief Information and Digital Officer and as member of the Executive Committee in October 2020. From 2016 to 2020, he was CEO of Ping An Technology where he helped to transform Ping An Group's business model and online ecosystems through digital services including a range of Fintech products and online platforms. Between 1998 and 2016, he held several technology and operations leadership roles at Standard Chartered Bank in Hong Kong, Shanghai and Singapore, including chief information officer for North Asia, head of Corporate & Investment Banking Operations in China and global head of Consumer Banking Technology. He also has six years of HealthTech experience in the U.S.

External appointments

Mr. Chan is a member of the Hong Kong Monetary Authority Financial Infrastructure Advisory Committee and a member of the board of the Centre for Finance, Technology and Entrepreneurship in London. He is the chairman of the board of the Jane Goodall Institute in Hong Kong and is an advisory board member at the University of Wisconsin School of Business.

Educational background

Mr. Chan graduated from the University of Wisconsin-Madison with a bachelor of science degree in computer science and has an MBA from Edgewood College in Madison, Wisconsin.

Jeff Dailey

CEO of Farmers Group, Inc.

Born: 1957

Skills and experience

Jeff Dailey began his career in 1980 with Mutual Service Insurance Company. He also worked for Progressive Insurance Company. He went on to form Reliant Insurance Company, an auto insurance startup owned by Reliance Group Holdings, which was sold to Bristol West Holdings, Inc. in 2001. From 2001 until 2003, Mr. Dailey was chief operating officer of Bristol West Holdings, Inc. In 2003, he was named president and chief operating officer of Bristol West Holdings, Inc., in conjunction with the firm's initial public offering on the New York Stock Exchange. In 2006, he became CEO of Bristol West Holdings, Inc. Mr. Dailey joined Farmers Group, Inc. in 2007 as Vice President when Farmers acquired Bristol West Holdings, Inc., and he was promoted in 2008 to Executive Vice President of Personal Lines. In January 2011, he was promoted to the position of President and COO of Farmers Group, Inc. He became a member of the Board of Farmers Group, Inc. in February 2011 and has been its Chairman since October 2015. Mr. Dailey was appointed to his current role of CEO of Farmers Group, Inc. and became a member of the Executive Committee in January 2012.

External appointments

Mr. Dailey is a member of The Institutes board of trustees and serves on the advisory board of Team Rubicon, a disaster relief organization that brings together military veterans, first responders, medical professionals and technology experts.

Educational background

Mr. Dailey graduated from the University of Wisconsin-Madison with a bachelor's degree in economics and has an MBA from the University of Wisconsin-Milwaukee.

Corporate governance report (continued)

Biographies (continued)

Peter Giger

Group Chief Risk Officer and Group Chief Investment Officer ad interim

Born: 1964

Skills and experience

Peter Giger has extensive experience in insurance and reinsurance, including in areas of finance, risk, strategy, underwriting and regulatory management. He was appointed Zurich's Group Chief Risk Officer and member of the Executive Committee in October 2019 and took on the additional responsibilities as Group Chief Investment Officer on an interim basis in July 2021. Prior to that, he served for four years from 2014 to 2018 as the head of the Swiss Financial Market Supervisory Authority FINMA's insurance division. During that time he also served as FINMA's deputy CEO and a member of its executive team. While at FINMA he represented Switzerland in international organizations, instituted standard operating procedures and guidelines, and was instrumental in consolidating Swiss Solvency Test modeling. From 2002 to 2014, he held executive leadership roles at Zurich, including CFO General Insurance from 2010 to 2014. Prior to that he headed Structured Finance at Swiss Re from 1999 to 2002. Mr. Giger began his career at Zurich, holding a series of management positions between 1992 and 1999.

External appointments

Peter Giger became a member of the Swiss Federal Institute of Technology (ETH) Risk Center's advisory board in February 2020. He has been a member of the CRO Forum since October 2019 and was elected vice chair in October 2020.

Educational background

Mr. Giger has a doctorate in business administration from the University of Zurich, and a master's degree in business administration, specializing in IT, from the University of St.Gallen (HSG).

Jack Howell

CEO Zurich Global Ventures

Born: 1970

Skills and experience

Jack Howell has more than 25 years' experience in the financial services sector, of which more than 15 have been in various senior leadership positions for insurance companies in Asia. Prior to his appointment at Zurich, Mr. Howell was the regional officer for Asia for Assicurazioni Generali based in Hong Kong. He joined Generali from Prudential plc Group, where he briefly served as CEO and president director for PT Prudential Life Assurance, Indonesia, and for almost six years as CEO of Prudential Vietnam Assurance. Before Prudential, he held various positions with AIG in the Philippines, Hong Kong and New York, co-founded a boutique investment bank called TwentyTen, and spent several years as a consultant with organizations including The Boston Consulting Group. Mr. Howell joined Zurich in September 2016 as CEO for Asia Pacific and became a member of the Executive Committee in October 2016. He was named CEO Global Business Platforms effective January 1, 2021. Global Business Platforms has since been renamed to Zurich Global Ventures.

External appointments

None.

Educational background

Mr. Howell holds an MBA from the University of Chicago and a Bachelor of Science in quantitative economics from Tufts University in Massachusetts.

Alison Martin

CEO EMEA (Europe, Middle East & Africa) and Bank Distribution

Born: 1974

Skills and experience

Alison Martin has extensive management, financial and commercial experience within the insurance sector. She was appointed Chief Executive Officer Europe, Middle East & Africa (EMEA) and Bank Distribution in July 2019 and is responsible for Sustainability at Zurich Insurance Group. Prior to that, she served as Group Chief Risk Officer from January 2018 to September 2019. A qualified accountant, Ms. Martin began her career at PwC, where from 1995 to 2003 she worked with insurance clients in audit and advisory roles. She then served in leading executive positions at Swiss Re, starting in 2003 as finance director, Life & Health. Starting in January 2011 she served as group managing director of Swiss Re's Life & Health Products Division. She was appointed Swiss Re's head of Life & Health Business Management in 2013, a position she held until joining Zurich as Group Chief Risk Officer-designate and a member of the Executive Committee in October 2017.

External appointments

In June 2019 Alison Martin became a councillor of the British-Swiss Chamber of Commerce.

Educational background

Ms. Martin earned a bachelor's degree in law, with honors, from the University of Birmingham in 1995. In 1998, she qualified with the Institute of Chartered Accountants in England and Wales as an associate member, and in 2010 she completed the Chartered Financial Analyst investment management certificate.

Corporate governance report (continued)

Biographies (continued)

Laurence Maurice

CEO Latin America

Born: 1965

Skills and experience

Laurence Maurice has extensive experience in the insurance industry and in organizational transformation. Before joining as CEO Latin America and as member of the Executive Committee in October 2020, she served for five years as Allianz Partners' CEO of Spain and head of Southern Europe. During that time, she revamped strategy while supporting her company's global transformation. Before this, she spent seven years as global CFO at Allianz Global Assistance and seven years as Brazil and then Latam regional CFO for Allianz Seguros. After beginning her career at PWC, she held positions as head of business division and head of International Internal Audit at Allianz France.

External appointments

None.

Educational background

Ms. Maurice holds an engineering degree from SupAgro Montpellier and a master's degree in audit from ESCP Europe.

Tulsi Naidu

CEO Asia Pacific

Born: 1973

Skills and experience

Tulsi Naidu was appointed CEO Asia Pacific and became a member of the Executive Committee effective January 1, 2021. Ms. Naidu has more than 25 years of financial services experience in Europe and Asia including both life and general insurance, most recently as CEO of Zurich's UK business since November 2016. Prior to joining Zurich in September 2016 as Head of Business Development for Europe, Middle East & Africa, Ms. Naidu spent 14 years at Prudential in a variety of executive positions in their UK & Europe business. Earlier in her career she worked at Credit Suisse First Boston, ICICI and Arthur Andersen in locations that included Mumbai, Hong Kong and Singapore. Ms. Naidu is a past chair of the UK Financial Conduct Authority's Practitioner Panel.

External appointments

Tulsi Naidu is a member of the board of Wipro Ltd.

Educational background

Ms. Naidu earned a bachelor's degree in mathematics, economics and statistics from Nizam College in Hyderabad and a postgraduate degree in management from the Indian Institute of Management in Ahmedabad.

George Quinn

Group Chief Financial Officer

Born: 1966

Skills and experience

George Quinn started his career at KPMG 1988 in London, where he held several positions working with the insurance and reinsurance industry. He joined Swiss Re in 1999 as group chief accounting officer based in Zurich and later served as CFO for Swiss Re Group's financial services. Mr. Quinn became the regional CFO for Swiss Re Americas based in New York in 2005. In March 2007, he became Swiss Re Group's CFO. Mr. Quinn joined Zurich in May 2014 as Group CFO and is a member of the Executive Committee.

External appointments

Mr. Quinn is a member of the finance chapter of the Swiss-American Chamber of Commerce.

Educational background

Mr. Quinn holds a degree in engineering from the University of Strathclyde. He is also a member of the Institute of Chartered Accountants in England and Wales.

Corporate governance report (continued)

Biographies (continued)

Sierra Signorelli

CEO Commercial Insurance

Born: 1975

Skills and experience

Sierra Signorelli was appointed CEO Commercial Insurance and became a member of the Executive Committee in March 2021. She has extensive experience in the insurance industry, serving as Zurich's Group Chief Underwriting Officer from September 2020 and as Chief Underwriting Officer for Commercial Insurance after joining the company in 2017. Her prior experience includes 17 years with American International Group where she held a number of senior leadership roles in the insurer's Global Specialties division, including global chief underwriting officer, specialty lines and specialty executive in Asia/Pacific and global head of Network Partner Practice.

External appointments

None.

Educational background

Ms. Signorelli holds a Bachelor of Science degree in environmental science from the University of California, Santa Barbara. She completed the Stanford Executive Program at Stanford University School of Business.

Kristof Terryn

CEO North America

Born: 1967

Skills and experience

Kristof Terryn began his career in 1993 in the banking industry, where he worked in capital markets. In 1997, he joined McKinsey & Company where he held various positions within the financial services practice in Brussels and Chicago. He joined Zurich in 2004 in the Finance department. In 2007, he became Chief Operating Officer (COO) for the Global Corporate business division and in January 2009 was named COO for General Insurance. Mr. Terryn became a member of the Executive Committee in 2010 upon his appointment as Group Head Operations. In September 2013, he was appointed CEO Global Life, and after becoming CEO General Insurance in October 2015, continued to serve as CEO Global Life on an ad interim basis until the end of December 2015. He was appointed Group Chief Operating Officer effective July 2016. Mr. Terryn was named CEO North America effective January 1, 2021.

External appointments

Mr. Terryn is a board member of the American Property Casualty Insurance Association (APCIA) and a board member of St. John's School of Risk Management.

Educational background

Mr. Terryn holds a law degree and a degree in economics from the University of Leuven, Belgium, as well as an MBA from the University of Michigan.

Corporate governance report (continued)

Management committees

The following cross-functional committees have been established for key areas to facilitate the coordination and alignment of recommendations to the Group CEO for approval on specific subjects.

Group Balance Sheet Committee (GBSC)

Members: Group CFO (Chairman), Group CEO, Group CRO, Group CIO. The Group General Counsel attends the meetings ex officio but is not a voting member.

Key tasks and responsibilities: The GBSC acts as a cross-functional advisory body for matters that could materially affect the financial position of the Group as a whole. The committee issues recommendations to the Group CEO.

The GBSC has oversight of all of the main levers of the balance sheet, including but not limited to transactions, capital management, reinsurance, asset and liability management, dividend and share buyback programs, liquidity, leverage, rating agencies and other balance sheet-related matters and topics as measured by the Internal Economic Capital Model, including Zurich Economic Capital Model (Z-ECM), Risk-Based Capital (RBC) and related models, such as the SST and Solvency II.

Oversight is exercised through regular review of plans, policies and specific transactions related to these areas and recommending appropriate actions to the Group CEO and, where appropriate, to the relevant decision-making bodies and management committees of the Group.

Core topics are:

- capital management on capital allocations and lending and borrowing decisions;
- rating management strategy and target ratings management;
- balance sheet planning on liquidity, solvency, investment and asset/liability management strategies and associated capital allocation, including changes to investment strategy;
- business development matters on corporate transactions with third parties, internal restructuring, investments, including real estate, and entry into new types of business and markets;
- material Group reinsurance strategy and reinsurance programs;
- other topics with material impact on the balance sheet of the Group as determined by the Chairman of the GBSC.

The Group Risk Committee (GRC)

Members: Group CRO (Chairman), Group CFO, Group CIO, CEO EMEA and Bank Distribution¹, CEO Commercial Insurance², Group General Counsel. The Head of Group Audit and the Group Chief Compliance Officer are invited ex officio to attend the meetings, but are not voting members.

Key tasks and responsibilities: The GRC's main function is to review and provide recommendations to the Group CEO on activities related to the Group's overall risk profile, including but not limited to insurance, financial markets, credit, operational, strategic, and reputational risks.

The GRC reviews and recommends on topics such as:

- the Group's overall risk appetite, tolerance and limits, and aggregated risk profile and exposures compared to the Group's expressed risk tolerance and limits;
- requests to enter new lines of insurance business or types of insurance coverage with significant impact on the Group's risk profile;
- changes to key risk management principles and procedures, the ZRP, and exceptions to limits as required by the ZRP;
- key elements of regulatory filings (in particular SST, Group ORSA and Group Recovery Plan);
- the Group's overall internal control framework and internal operating controls;
- prospective changes to capital models and methodologies with significant impact on economic solvency ratios;
- the Group's model validation policy, and validation findings related to capital models and significant valuation models, including remedial actions;
- significant deviations from established target solvency levels by subsidiaries, including remedial actions if needed.

¹ The CEO EMEA and Bank Distribution is member of the GRC by virtue of her responsibility for Life Business Management (incl. underwriting and claims for life insurance).
² The CEO Commercial Insurance is member of the GRC by virtue of her additional responsibility for underwriting and claims for property & casualty insurance.

Corporate governance report (continued)

Technical committees

In addition to management committees, the Group's governance structure provides for committees of a more technical nature to support further aspects of Zurich's business activities. These include:

The Asset/Liability Management Investment Committee, chaired by the Group CIO, acts as a cross-divisional body and has primary responsibility for monitoring and reviewing the Group's asset/liability management and the strategic asset allocation of Zurich's invested assets.

The Group Pensions Committee, chaired by Gary Shaughnessy, is responsible for developing, reviewing and advising on the Group governance framework in matters related to pension and post-employment benefit arrangements. It provides oversight and guidance in the areas of market, demographic and reputational risk. It reports to and makes recommendations to the GBSC on material, pension-related matters, and reports regularly to the Remuneration Committee.

The Disclosure Committee, chaired by the Head of Group Financial Accounting and Reporting (FAR), is responsible for reviewing all external communications and disclosures that contain information material to the financial and capital position and/or performance of the Group. In particular, it reviews half-year and year-end IFRS financial results as well as the updates for the first three and nine months of the Group and related documents, e.g., related news releases and analysts' information. It reviews other external communications that contain information or guidance regarding earnings in respect of either current or future reporting periods as well as external documentation required under applicable laws and regulations in relation to public financing transactions or publicly announced share buy-back programs as well as non-financial reports and the Sustainability Report. It also reviews controls and procedures regarding the effectiveness of the Group's internal controls over financial reporting. It makes recommendations to the Group CFO.

Corporate governance report (continued)

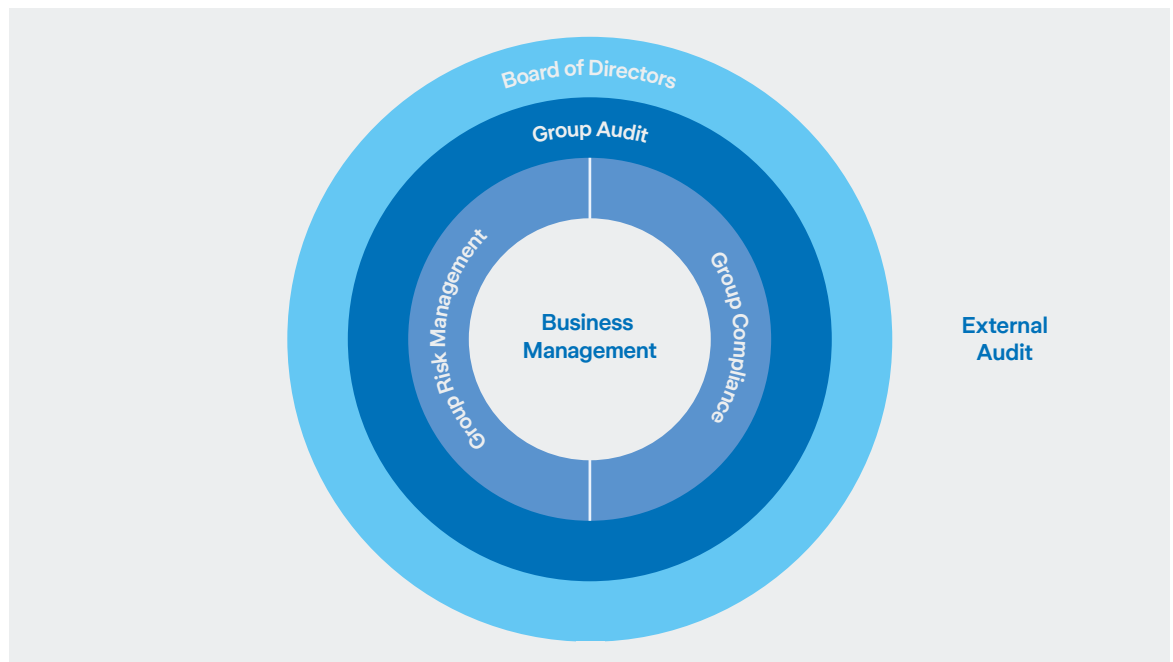
Governance and control functions

At Zurich, we are committed to complying with all applicable laws, regulations and internal requirements, professional and industry standards, and our corporate values. Various governance and control functions help to ensure that risks are identified and appropriately managed, and internal controls are in place and operating effectively. The Board is ultimately responsible for the supervision of these activities. The Board supervises management and monitors its performance through reporting and controlling processes. It receives regular and timely information on developments relevant to the Group as further described in this section.

Although each governance and control function maintains its distinct mandate, the functions are closely aligned and cooperate with each other through a regular exchange of information, planning and other activities. This approach supports management in its responsibilities and provides confidence that risks are appropriately addressed.

Zurich uses the three-lines-of-defense model in its approach to enterprise risk management. This model runs through Zurich's governance structure, so that risks are clearly identified, assessed, owned, managed and monitored.

Three lines of defense at Zurich Insurance Group as of December 31, 2021



First Line: Business Management

The first line of defense consists of business management and all functions except Group Risk Management, Group Compliance and Group Audit. The first line takes risks and is responsible for day-to-day risk management (i.e., risks are identified and monitored, mitigation actions are implemented and internal controls are in place and operating effectively).

The Group CEO and other executives inform the Board through regular reports, including on key performance indicators and other Group-relevant financial data, existing and emerging risks, important market developments, industry peers and other significant events. The Group CEO attends Board meetings ex officio. ExCo members are regularly invited to Board or Board committee meetings, while other executives attend these meetings from time to time. Most Board and Board committee meetings include private sessions without management participation.

During 2021, the Chairman regularly met with the Group CEO. The Chairman meets from time to time with other ExCo members and management outside regular Board meetings. The other Board members do so as well, including meetings with the Group CFO and the Group CRO, in particular.

The Group has an information and financial reporting system. The annual plan for the Group, which includes a summary of financial and operational metrics, is reviewed by the ExCo in detail and approved by the Board. Full-year forecasts are revised, if necessary, to reflect changes in sensitivities and risks that may affect the results of the Group. Action is taken, where appropriate, when variances arise. This information is reviewed regularly by the ExCo and the Board.

Corporate governance report (continued)

Second Line: Group Risk Management and Group Compliance

The second line of defense consists of the two control functions, Group Risk Management and Group Compliance.

Group Risk Management

Group Risk Management is responsible for Zurich's Enterprise Risk Management Framework. The Group CRO regularly reports risk matters to senior management committees, the Group CEO and the Risk and Investment Committee (e.g. in the form of quarterly risk reports and updates). For information regarding the Group's Enterprise Risk Management and Internal Control Framework, see the risk review on [pages 183 to 214](#). The Group no longer separately describes this information in this corporate governance report.

Group Compliance

Group Compliance provides assurance to management that compliance risks within its mandate are appropriately identified and managed. Group Compliance is responsible for:

- enabling the business to manage its compliance risks;
- being a trusted advisor;
- providing independent challenge, monitoring and assurance;
- assisting management to promote compliance culture and ethics.

Group Compliance is vertically integrated to support a global framework and led by the Group Chief Compliance Officer who reports directly into the Group CEO while maintaining functional independence as a second line of defense function. The Group Chief Compliance Officer has direct access to the Chairman of the Audit Committee and appropriate access to the Chairman of the Board.

Group Compliance provides an independent view on the key compliance risks to the business and performs independent risk-based monitoring and assurance activities, challenging the business. Group Compliance performs its activities according to the Global Annual Compliance Plan. Each Annual Compliance Plan (global, regional, local) is a risk-based plan and must be prepared on the basis of an independent forward-looking compliance risk assessment, considering both internal and external key risk drivers.

Group Compliance also provides compliance risk insight through relevant and targeted reporting. It provides the ExCo and the Audit Committee with insights into key compliance trends, issues and risks as well as on progress against the Global Annual Compliance Plan through quarterly reporting to enable the members of the respective bodies to take informed business decisions. The equivalent regional and local governance bodies receive insights into relevant compliance topics, including progress against the respective risk-based plans. These reporting flows ensure that the organization at all levels embeds the findings and activities of Group Compliance to safeguard against regulatory and business risk exposure.

The Group Chief Compliance Officer defines and issues compliance policies relevant to the Group and establishes appropriate processes and guidance. Group Compliance supports a strong compliance culture across the Group via training and awareness initiatives and maintains the global concerns reporting mechanism. Zurich encourages its employees to speak up and report improper conduct that they believe is illegal, unethical, or violates Zurich's Code of Conduct or our Group's policies. Employees are free to report their concerns to management, Human Resources, the Group's Legal department, the Compliance function, or through the Zurich Ethics Line (or similar service provided locally), a phone and web-based service run by an independent external provider. Zurich does not tolerate retaliation against any employee who reports concerns in good faith.

Third Line: Group Audit

The role of Group Audit is to provide independent and objective assurance on the adequacy and effectiveness of the Group's risk management, internal control and governance processes to the Board, the Audit Committee, the Group CEO and management, and to the boards and audit committees of subsidiary companies.

The Head of Group Audit reports functionally to the Chairman of the Audit Committee and administratively to the Group CEO. Group Audit has no operational responsibilities for the areas it reviews and, to ensure independence, all Group Audit staff report (via audit managers) to the Head of Group Audit. In some instances, country audit managers also have a reporting line to the local CEO to comply with regulatory requirements.

Group Audit develops a risk-based plan and continuously updates it as the risks faced by the business change. The plan is based on the full spectrum of business risks including issues raised by the Audit Committee, management and other stakeholders. The Audit Committee approves the plan annually and any changes to the plan are reviewed and approved quarterly. The audit plan for 2021 comprised 472 audits, addressing key risks and regulatory requirements, across the Group.

Corporate governance report (continued)

Group Audit is authorized to review all areas of the Group and has unrestricted access to all Group activities, accounts, records, property and personnel necessary to fulfill its duties. Group Audit takes into consideration the work of other assurance functions. In particular, Group Audit coordinates its activities with the external auditors, sharing risk assessments, work plans, audit reports and updates on audit actions. Group Audit and the external auditors meet regularly at all levels of the organization to optimize assurance provision and efficiency.

Group Audit executes its plan in accordance with defined operating standards, which incorporate and comply with the International Standards for the Professional Practice of Internal Auditing, issued by the Institute of Internal Auditors (IIA). Group Audit ensures that issues identified by Group Audit, that could have an impact on the Group's operations, are brought to the attention of appropriate levels of management and that timely follow-up action occurs. The Head of Group Audit meets monthly with the Group CEO. The Audit Committee and audit committees of subsidiary companies are informed at least quarterly of important audit findings, including adverse opinions and status of mitigation actions by management. This is supported by the Head of Group Audit's attendance at each Audit Committee meeting and monthly meetings between the Head of Group Audit and the Chairman of the Audit Committee.

The Audit Committee assesses the independence of Group Audit and reviews its activities, plans, organization, work quality and its cooperation with the external auditors. As required by IIA Standards, the internal audit function's quality is reviewed at least every five years by an independent qualified assessor. This review was conducted most recently in the second half of 2021 and reported to the Audit Committee in February 2022. The results confirmed that Group Audit's practices are generally conforming to the Institute of Internal Auditors Code of Ethics and International Standards, and Guidance prepared by the European Confederation of Institutes of Internal Auditing.

Corporate governance report (continued)

External auditor

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

Ernst & Young Ltd (EY), Maagplatz 1, in 8005 Zurich, were appointed as the Group's external auditor for the financial year 2021, following the shareholders' approval of the Board's proposal to elect EY, at the AGM on April 7, 2021.

EY replaced PricewaterhouseCoopers AG (PwC), which together with its predecessor organizations had served as external auditor since 1983. This rotation is in accordance with the Group's updated policy on the rotation of the external audit mandate which adopts best practices from the European Union and requires a tender of the mandate every ten years going forward.

EY assumes all auditing functions which are required by law and the Articles of Association (www.zurich.com/investor-relations/our-shares/articles-of-association). EY is responsible for auditing the Group's financial statements and for auditing Zurich's compliance with specific regulatory requirements.

Isabelle Santenac of EY is the global relationship partner and lead auditor. Thomas Fiepke, audit engagement partner, co-signs the auditors' report for 2021. Christian Fleig is the auditor in charge for the regulatory audit work. All of these partners took up office in 2021. The Group together with EY ensures that they are rotated at least every five years.

The shareholders elect the external auditor annually. The Board proposes to re-elect EY at the AGM on April 6, 2022 as external auditor for the financial year 2022. EY fulfills all necessary requirements under the Swiss Federal Act on the Admission and Oversight of Auditors and is admitted as a registered auditing company by the Federal Audit Oversight Authority.

Audit fees

Total audit fees (including expenses and value added taxes) charged by EY in the year 2021 amounted to USD 39.3 million.

Audit fees are approved annually by the Audit Committee. Prior to the Audit Committee's approval, management reviews and validates EY's proposal, which is mainly based on an analysis of existing reporting units and expected changes to the legal and operational structure during the year.

Once the fees are agreed, they are further allocated to the countries and reporting units via a global allocation process with the allocations communicated to local CFOs and FAR Controllers. As the year comes to a close, actual fees charged are reviewed and agreed with the local CFOs. At all levels – Group and local – there is a clear understanding of the basis for the current year fee including the impacts of changes in scope or other factors. Unplanned overruns are reviewed and agreed with the business (responsible CFO or audit contact).

Non-audit fees

Total fees (including expenses and value added taxes) in the year 2021 for non-audit services, such as tax advice, audit-related services (primarily for Service Organization Control reports, non-audit assurance engagements and actuarial regulatory reviews) and other services were USD 16.8 million.

The Audit Committee has approved a comprehensive policy for non-audit services, which defines allowable and non-allowable non-audit services as well as approval limits for non-audit service mandates at the local and Group level. Allowable non-audit services may include tax advice, comfort and consent letters as well as certifications and attestations, to the extent that such work complies with applicable legal and regulatory requirements and does not compromise the independence or objectivity of EY. To avoid conflicts of interest, all allowable non-audit services need pre-approval from the Audit Committee (Chairman), the Group CFO, the Head of Group FAR or the local CFO, depending on the expected fee. The policy further requires, among other things, an engagement letter specifying the services to be provided.

EY also tracks non-audit services and reports quarterly to the Head of Group FAR and the Audit Committee the extent of non-audit services provided worldwide.

The audit and non-audit fees of EY (for 2021) respectively of PwC (for 2020) were as follows:

Audit and non-audit fees	in USD millions, as of December 31		
	2021	2020	
Total audit fees	39.3	44.3	
Total non-audit fees	16.8	12.9	
– Tax advice	1.6	0.7	
– Audit-related services	12.9	5.9	
– Other services	2.2	6.3	

Corporate governance report (continued)

Supervision and control over the external audit process

The Audit Committee regularly meets with the external auditors. During 2021, the Audit Committee met with EY eight times (including two times before EY's election at the AGM 2021). The external auditors regularly have private sessions with the Audit Committee without management present. Based on written reports, the Audit Committee and the external auditors discuss the quality of the Group's financial and accounting function and any recommendations that they may have. Topics considered during such discussions include strengthening of internal financial controls, applicable accounting principles and management reporting systems. In connection with the audit, the Audit Committee obtains from the external auditors a timely report relating to the audited financial statements of the Group.

The Audit Committee oversees external auditor's work. It reviews, at least annually, the external auditors' qualification, performance and independence and reviews any matters that may impair their objectivity and independence. The review is based on a written report by EY describing the firm's internal quality control procedures, any material issues raised and all relationships between EY and the Group and/or its employees that could be considered to bear on their independence. The Audit Committee evaluates the external auditors' performance during their audit examination. It elicits the comments of management regarding the auditors' performance (based on criteria such as their understanding of Zurich's business, technical knowledge and expertise, etc.) and the quality of the working relationship (responsiveness to the needs of Zurich Insurance Group Ltd and the Group and the clarity of communication). The Audit Committee reviews, prior to the commencement of the annual audit, the scope and general extent of the external audit and suggests areas requiring special emphasis.

The Audit Committee proposes the external auditor to the Board for election by the shareholders and is responsible for approving the audit fees (see [page 79](#) for further information).

Corporate governance report (continued)

Additional information

Clauses on changes of control

The employment agreements with ExCo members are subject to a maximum notice period of 12 months. The regulations for the Group's share-based long-term incentive plan, which apply to all of the plan's participants including ExCo members and a defined group of senior managers, provide that in case of a change of control, the plan administrator may at its discretion either roll over existing share obligations into new share rights or provide for consideration in lieu of share obligations, or provide for accelerated vesting and removal of sales-restrictions.

There are no further change-of-control clauses that would benefit Board members, ExCo members, or other members of senior management.

Close periods

Under Zurich's Group Policy on Dealing in Securities (the Policy), persons qualifying as "Group Insiders" are prohibited from dealing in "Zurich Securities" during periods Zurich has designated as "Close Periods". "Close Periods" are those periods (of a minimum of 30 days) leading up to and including the trading day of the announcement of the Group's quarterly, half-year and annual results. In practice, Close Periods last approximately 40 days with a longer time span over year-end.

In addition, dealing restrictions during "Prohibited Periods" apply to insiders who are involved in (potentially) price-sensitive projects. Outside of Close and Prohibited Periods, Group Insiders may deal in Zurich Securities with prior clearance from Group Compliance.

Persons in scope

Senior executives (such as e.g. ExCo members, head of certain Group functions) and the members of the Board of Zurich Insurance Group Ltd (ZIG) and certain significant subsidiaries are deemed Group Insiders by reason of their positions.

Additional persons can be designated as Group Insiders based on the persons' exposure to potentially price-sensitive information regarding Zurich Securities. Zurich keeps a list of these individuals.

Furthermore, Group Insiders must ensure that "Connected Persons" (such as spouse, life or civil partner, minor child, financial advisor, affiliated company, etc.) do not deal in Zurich Securities during Close and Prohibited Periods.

Securities in scope

"Zurich Securities" are "Securities" of ZIG or of its subsidiaries and affiliates worldwide. The term "Securities" includes:

- Securities admitted to trading on a stock exchange or an institution similar to a stock exchange in and outside Switzerland;
- Securities traded on the primary (e.g., Initial Public Offering/IPO) and secondary market;
- Over-the-counter (OTC) financial instruments (e.g., ADRs, derivatives);
- Financial instruments deriving from Securities whose price is materially dependent (i.e., Zurich Securities weigh more than 20 percent) on the underlying Security, including debt instruments.

Exceptions

During a Close or Prohibited Period, clearance to sell may be granted to the Group Insider if the Group Insider is not in possession of inside information about Zurich and there is an exceptional circumstance (such as a personal or family emergency involving a health matter or legal or financial emergency) in which selling Zurich Securities is the only reasonably available course of action for the Group Insider. The determination whether circumstances are deemed exceptional is made by the Group Chief Compliance Officer and the Chairman.

Furthermore, provided the requirements of the Policy are met, periodic investments based on a pre-defined trading plan do not require clearance and may continue during Close and Prohibited Periods.

Corporate governance report (continued)

Limits on external mandates

Art. 33 para. 1 of the Articles of Association (www.zurich.com/investor-relations/our-shares/articles-of-association) sets forth the following, generally applicable, maximum limits for Board and ExCo members:

	Board	ExCo
Additional mandates for listed and non-listed companies (maximum in total)	8 maximum	4 maximum
Maximum of mandates for listed companies (included in total maximum)	3 maximum	1 maximum

Exempted from this general limit are the following categories of mandates (art. 33 para. 2 of the Articles of Association):

	Board	ExCo
Mandates for Group subsidiaries	No limit	
Mandates on behalf of the Group	5 maximum	5 maximum
Mandates for associations, charitable organizations, foundations or pension funds	5 maximum	5 maximum

Multiple mandates for different companies under unified control are counted as a single mandate. The maximum limits set forth in the Articles of Association do not discharge the Board and ExCo members from their duties to act with due care and protect Group interests. Additional mandates may be assumed only where, upon assuming such mandates, time and resources remain available to perform the office held in the Group.

Information policy

Please find below an overview of the different ways Zurich uses to communicate with shareholders as well as relevant sources of information:

Topic	Links
Shareholders' meeting invitation	is published in the Swiss Official Gazette of Commerce and on our website: www.zurich.com/agm It is also sent by mail to registered shareholders.
Group's updates for the first three months and first nine months	www.zurich.com/investor-relations/results-and-reports
Letters to shareholders	provide an overview of the Group's activities as the year progresses and outline its financial performance based on the half-year and annual results. www.zurich.com/investor-relations/shareholder-area/letter-to-shareholders
Annual Report and half-year reports	www.zurich.com/investor-relations/results-and-reports
Sustainability Report	describes progress the Group has made toward delivering our ambition to be one of the most responsible and impactful businesses in the world. www.zurich.com/sustainability/reporting-and-news/reports-publications
Media releases	www.zurich.com/media
Free news subscription service	www.zurich.com/services/news-releases
Financial calendar	www.zurich.com/investor-relations/calendar
ESG Roadshow	to engage with our investors on an annual basis. This year's roadshow took place in November and December 2021. It focused on ESG strategy and execution. www.zurich.com/investor-relations/presentations
Registered office, contact/e-mail addresses, phone numbers	see page 373 of this Annual Report.
Investor Relations	www.zurich.com/investor-relations

THIS PAGE HAS INTENTIONALLY BEEN LEFT BLANK

Message from our Chairman of the Remuneration Committee

Rewarding positive contributions.

“

The balanced and effectively managed remuneration system is part of the overall employment offering supporting employees to make a positive contribution to the Group's success.

Christoph Franz
Chairman of the Remuneration Committee

Dear Shareholder

Zurich's employees are helping to shape this organization for the future. Every day, their agility, open mindset and commitment to personal growth bring Zurich's purpose and values to life for customers, partners, communities and our planet. The Group's remuneration philosophy is an integral part of the overall offering to employees. It supports them in contributing toward Zurich's aspiration of becoming one of the most responsible and impactful businesses in the world.

Zurich's remuneration approach ensures an appropriate balance between pay linked to demonstrable performance and pay that's competitive enough to attract the talent needed to drive positive impact. A strong risk framework plays a core part in aligning risk considerations with resulting pay decisions.



Message from our Chairman of the Remuneration Committee (continued)

The awards for the short-term incentive plan (STIP) and the long-term incentive plan (LTIP) reflect positive performance against predefined metrics under each plan. These metrics remained unchanged even as uncertainty related to COVID-19 persisted into 2021.

Business operating profit (BOP) of USD 5.7 billion, along with an increase of 4.1 points in the overall net promoter system (NPS) score measuring customer satisfaction, led to an achievement level of 105 percent of the target amount for the STIP pool relevant for the Executive Committee (ExCo). The overall STIP awarded across all the pools is 114 percent of the target amount for all STIP participants.

The Remuneration Committee continues to ensure that stakeholders' interests are reflected in remuneration decisions.

The target card framework of the ExCo and the wider leadership team, used to assess the individual performance component of the STIP awards, once again included both financial, as well as non-financial targets. These support the strategy and include non-financial targets related to customers, employees and strategic projects and accountabilities such as those with an ESG focus.

For the LTIP, no discretion was applied when determining the calculated vesting level of 200 percent of target, based on the performance during the period 2019–2021, as detailed in this report.

We value your input and in particular, your engagement on remuneration-related topics throughout the past year. You will see we have further enhanced our disclosures in this report, focusing on clearer communication of the metrics used to determine variable pay for the ExCo.

We welcome an ongoing open and transparent dialogue with you. Details on the upcoming remuneration votes can be found in the invitation to the Annual General Meeting 2022 (www.zurich.com/investor-relations/shareholder-area/annual-general-meeting). You can find information on the remuneration amounts previously approved for the Board and ExCo in the relevant sections of this report.

Thanks again for your support and engagement.

Christoph Franz
Chairman of the Remuneration Committee

Our remuneration framework considers the interests of all our stakeholders

Zurich's remuneration framework is regularly reviewed to ensure it complies with regulatory requirements, supports our strategic objectives and incentivizes the right behaviors.

Short-term incentive plan (STIP)

105%

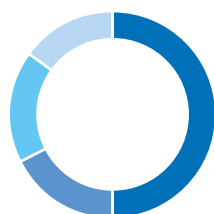
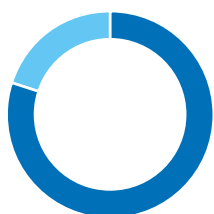
achievement level as a percentage of the target amount for the STIP pool relevant for the ExCo. This takes into account the Group's BOP and the overall customer NPS for 2021 (2020: 90%).¹

Read more:
Page 89

STIP metrics for the ExCo

Business performance

Individual performance



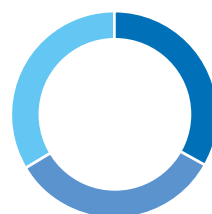
Long-term incentive plan (LTIP)

200%

vesting in 2022 of the 2019 LTIP target shares based on the actual achievements of the predefined metrics for the performance period 2019 to 2021 (2021: 189%).

Read more:
Page 90

Performance metrics for the LTIP



Total variable remuneration

CHF 746m

The aggregate amount of variable remuneration for 2021 across the Group considering Zurich's long-term economic performance (USD: 814m) (2020: CHF 650m/USD 719m)

Read more:
Page 88

Remuneration safeguards

- Emphasis on longer-term, deferred remuneration for the most senior positions and Group key risk takers.
- Risk-based performance assessment for ExCo, leadership team and Group key risk takers.
- Ability to apply risk adjustments and exercise malus (all participants) and clawback (ExCo and some additional participants) for variable remuneration.
- Minimum share ownership requirements for the Board, Group CEO and other members of the ExCo.

¹ These amounts differ from the overall amount awarded across all STIP pools which can now be found in the section detailing remuneration for all employees on [page 114](#).

Remuneration report

Contents

Remuneration summary 2021	87
Remuneration framework	92
Philosophy	92
Elements of remuneration	92
Remuneration governance	99
Legal and regulatory requirements	100
Remuneration and risk	100
Share ownership guidelines	101
Share dilution	101
Remuneration and shareholdings 2021	102
Board of Directors	102
Executive Committee	106
All employees	114
Outlook 2022	116
Report of the statutory auditor on the remuneration report	117

Remuneration report (continued)

Remuneration summary 2021

This summary provides an overview of the 2021 remuneration of Zurich Insurance Group Ltd and its subsidiaries (the Group or Zurich), including the link between business performance and variable pay decisions for 2021.

Zurich's remuneration

Zurich operates a remuneration system which aims to provide competitive total remuneration opportunities and variable remuneration awards based on results achieved and positive outcomes for all stakeholders. The remuneration system is embedded in the Group's Enterprise Risk Management Framework and is designed to not encourage or reward inappropriate risk-taking.

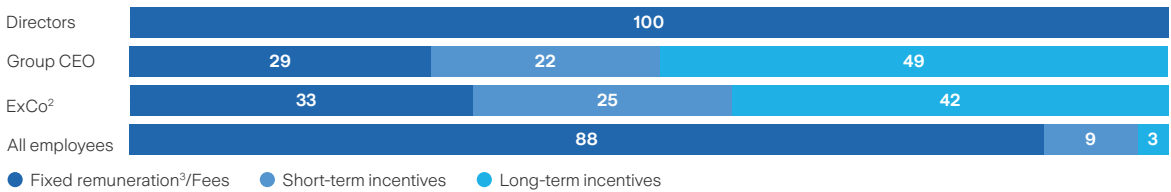
Board members receive fixed remuneration as an annual fee, of which the basic fee is paid half in cash and half in five-year sales-restricted shares which are not subject to the achievement of any specific performance conditions. Total remuneration for employees, including members of the Executive Committee (ExCo), comprises as applicable, fixed remuneration consisting of base salaries, pension benefits and other remuneration including employee benefits, as well as variable remuneration consisting of short- and long-term incentive awards. The Group's short-term incentive plan (STIP) and long-term incentive plan (LTIP) aim to align the remuneration architecture with the achievement of the Group's key financial and strategic targets, the Enterprise Risk Management Framework and operational plans, while considering the interests of key stakeholders.

[Read more:](#)
Pages 92-98

The illustration below shows a greater emphasis on variable remuneration elements, with a higher weighting on average toward the long term, for our most senior employees.

2021 remuneration structure¹

%



1 At target, as a percentage of total remuneration.
 2 Considering all members of the ExCo that were active for the full year, including the Group CEO.
 3 Fixed remuneration includes base salaries, pension benefits and other remuneration.

Remuneration report (continued)

2021 remuneration in light of the business results

Expenditure on remuneration is considered in the context of Zurich's overall revenues, capital base and profitability. The key financial figures for 2021 compared with 2020 are shown in the following table.

Key financial figures	in USD millions, for the years ended December 31	
	2021	2020
Gross written premiums and fees ¹	60,042	54,258
Business operating profit (BOP)	5,742	4,241
Net income attributable to shareholders (NIAS)	5,202	3,834
Shareholders' equity	37,881	38,278
Return on common shareholders' equity (ROE)	16.4%	13.0%
Dividends paid to shareholders ²	3,199	3,080
Total variable remuneration for all employees gross before tax ³	814	719
– as a percentage of gross written premiums and fees	1%	1%
– as a percentage of shareholders' equity	2%	2%
– as a percentage of dividends paid to shareholders	25%	23%

¹ Consists of USD 55,777 million gross written premiums and policy fees, as well as USD 4,265 million Farmers management fees and other related revenues in 2021. Farmers Group, Inc., a wholly owned subsidiary of Zurich Insurance Group, provides certain non-claims services and ancillary services to the Farmers Exchanges as attorney-in-fact and receives fees for its services. The Farmers Exchanges are owned by their policyholders.

² Dividend at transaction day exchange rate in 2021 and 2020, respectively.

³ The corresponding amount of total variable remuneration in Swiss francs is CHF 746m for 2021 and CHF 650m for 2020.

As can be seen from the metrics in the table, relative to Zurich's overall revenue and shareholders' equity, expenditure on variable remuneration remains relatively small.

The total variable remuneration for 50,292 employees across the Group in 2021, amounting to CHF 746 million, includes the following elements:

- The total expenditure on cash incentives to be paid for the performance year comprising the amount of the aggregated funding pools under the STIP, and the amounts to be paid under local short-term incentive plans.
- The one-off special COVID-19 payment communicated in the remuneration report for 2020, but made in 2021, equal to one-week of base salary, for approximately 30 percent of employees in the lowest career levels across the Group.
- The value of the target share allocations made in 2021 on the assumption that the LTIP allocations will vest at 100 percent of the target level in 2024 for performance over the three years 2021, 2022 and 2023.
- The total amount of sign-on payments¹ committed in 2021, regardless of when the payments are due, for people taking up their employment in 2021.
- The total amount of severance payments² committed in 2021, regardless of when the payments are due.

Commission payments made to employed sales agents are not included in the total variable remuneration amount.

In determining the amount of total variable remuneration, the Board considers the long-term economic performance of the Group as well as other relevant factors. The average economic profit is calculated by subtracting the required return on economic capital, based on the weighted average cost of capital, from the adjusted BOP (the amount before interest and variable remuneration) after tax. In this respect, the Group has continued to generate economic profit over the long term which exceeds the actual expenditure on variable pay.

¹ Zurich defines sign-on payments as payments (whether paid immediately or over time) that are agreed on the execution of an employment contract. Sign-on payments may include compensation made prior to a person joining the company and providing any services (payments in advance) or compensation for benefits foregone with a previous employer (replacement payments). Payments in advance are not paid to members of the Board or the ExCo.

² Zurich defines severance payments as payments that are provided in connection with the termination of an employment relationship. Zurich does not include under the term severance payments, garden leave or similar payments for employees in jurisdictions where such payments are required by applicable law, or where they are based on contractual notice periods which conform with recognized market practice, or where they are non-contractual, but in line with recognized market practice. Zurich does include garden leave or similar payments however, that go beyond recognized market practice, irrespective of whether these are provided pursuant to an agreement or are ex gratia. Severance payments are not paid to members of the Board or the ExCo.

Remuneration report (continued)

Variable remuneration outcomes

Short-term incentive plan

Participants are allocated to one of several STIP pools for the countries, Investment Management, the joint ventures, Farmers or the Group pools which include ExCo members and the wider leadership team, employees in control functions, and those in Group or regional roles. The primary measures used to determine the STIP pool achievement level and the respective funding for each pool are:

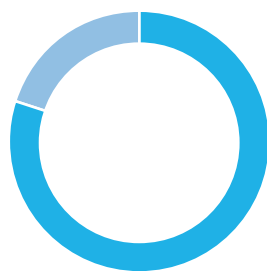
- the relevant BOP or other profitability metric achievements, and
- the relevant customer satisfaction achievements using the net promoter system (NPS) score where applicable, against the plan for 2021, including a qualitative assessment of the results.

The STIP award for an individual is then determined based on the achievement level of the STIP pool an individual has been allocated to and performance of the individual assessed against personal goals, including behaviors in line with Zurich’s values and the Group’s Code of Conduct.

Read more:
Pages 94–95

The achievement level for the STIP pools funded by the overall Group results, relevant for the ExCo, is outlined below.

Performance metrics for the STIP pool relevant for the ExCo



	Weight
● Group BOP	80%
● Overall customer NPS	20%

STIP pool achievement level 2021

STIP pool achievement level 2020

STIP Pool Achievement			
Minimum 0%	Target 100%	Maximum 175%	
			105%
			100%
			105%
			90%

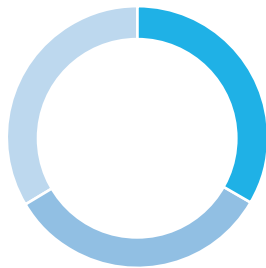
Remuneration report (continued)

Long-term incentive plan

Each of the three LTIP performance criteria driving the LTIP vesting level in 2022, has an equal weighting and is assessed over the three-year performance period. No discretionary adjustment was made to the vesting level, which was calculated based on the achievements of the predefined performance criteria over the period 2019–2021.

[Read more:](#)
Pages 96–98

Performance metrics for the LTIP



	Weight	Vesting grid for the performance period 2019-2021					
		0% vesting 18 th – 13 th	50% vesting 12 th – 10 th	100% vesting 9 th – 7 th	150% vesting 6 th – 4 th	200% vesting 3 rd – 1 st	
● Relative TSR position	1/3						200%
● Average NIAS ROE	1/3						200%
● Cumulative cash remittance	1/3						200%
LTIP vesting level 2022							200%
LTIP vesting level 2021 ¹							189%

¹ Vesting grid for 2018 – 2020 applies.

For 2021, the remuneration amounts were as follows:

Remuneration amounts	in CHF millions, for the years ended December 31	Fixed remuneration/ Fees ¹	Variable remuneration		Total remuneration 2021 ⁴	Total remuneration 2020 ⁴
			Short-term incentives ²	Long-term incentives ³		
Directors		5.5	–	–	5.5	5.4
ExCo		14.8	15.8	17.1	47.7	48.2
All employees ⁵		5,091	601	145	5,837	5,662

¹ For the ExCo and all employees, fixed remuneration includes base salaries, pension benefits and other remuneration including employee benefits. For Directors, the amount includes payments in cash and in sales-restricted shares.

² The cash incentives earned for the year for all employees comprise the amounts under the STIP and other local short-term incentive plans which are subject to approval by the applicable local boards. For all employees, payments such as sign-on and severance payments in cash are also included.

³ Represents the value of target share allocations made in 2021, which assumes vesting in 2024 at 100 percent of target, and for all employees, also includes any other share allocations such as sign-on payments in shares.

⁴ Actual, gross and for cash amounts based on the accrual principle.

⁵ Includes the remuneration of ExCo members.

Remuneration report (continued)

Outlook summary for 2022

- **Annual review of remuneration architecture:** The remuneration metrics will be reviewed in line with the strategic targets to be defined for the next strategic cycle from 2023–2025 to ensure the remuneration framework continues to support the execution of the strategy.

 [Read more:](#)
Page 116

- **Exploring embedding additional ESG metrics in variable remuneration:** STIP currently incorporates non-financial metrics for both the funding of the awards and in the personal goals of employees used for the individual performance assessment. In 2022, further ESG metric options will be assessed that may be suited in incentive plans ahead of the next strategic cycle.

 [Read more:](#)
Page 116

- **Board:** No changes to Board fees are proposed for 2022.

 [Read more:](#)
Pages 102–106

- **ExCo:** No changes are proposed to the overall structure of remuneration for the ExCo in 2022. Relevant individual performance targets for 2022 are set to support the execution of the strategy, also considering risk and behavior aspects.

 [Read more:](#)
Pages 106–113

Remuneration report (continued)

Remuneration framework

Philosophy

Zurich's employees are helping shape the organization for the future. An organization that delivers a unique employee and customer experience, improves social conditions and creates a brighter future together with our stakeholders. Our remuneration philosophy is an integral part of the overall employment offering, supporting employees to make a positive contribution to the company's success. Based on established remuneration principles, the Group operates a balanced and effectively managed remuneration system providing competitive total remuneration opportunities to attract, retain, motivate and reward employees. The remuneration system and practices are embedded in the Group's Enterprise Risk Management Framework and consider legal and regulatory requirements, as well as market developments.

Guiding principles of the remuneration philosophy

The guiding principles of the remuneration philosophy, aligned to Zurich's Remuneration Rules, are as follows:

- The remuneration architecture is simple, transparent, can be put into practice and considers the interests of key stakeholders such as customers, shareholders and employees.
- Reward decisions are made on the basis of merit – performance, skills, experience, qualifications and potential – and are free from discrimination toward or against particular diverse backgrounds. The remuneration system and practices ensure all employees have equal opportunities.
- The structure and level of total remuneration are aligned with the Group's risk policies and risk-taking capacity.
- The elements of remuneration for each individual reflect appropriate internal and external factors and are tied to long-term results for individuals who have a material impact on the Group's risk profile.
- A clearly defined performance and development approach guides employees throughout the year to achieve personal goals and exhibit behaviors in line with the Group's Code of Conduct, purpose and values, and this can be used to support remuneration decisions.
- Variable remuneration awards are linked to key performance factors which can include performance of the Group, countries, business units, functions, as well as individual achievements.
- The Group's STIP and LTIP, used for variable remuneration, are linked to appropriate performance criteria that are selected to support the execution of the Group's strategy. The overall expenditure on variable pay is considered in connection with the Group's long-term economic performance.
- The design of the LTIP links remuneration with the future development of performance and risk by including features for deferred remuneration, thereby encouraging participants to operate the business in a sustainable manner.
- Employees are provided with a range of benefits based on local market practices.

Elements of remuneration

Total remuneration

Total remuneration for an individual employee and its composition may be influenced by factors such as the scope and complexity of the role, level of responsibility, risk exposure, business performance and affordability, individual performance, professional experience, internal relativities, external competitiveness, geographic location and legal requirements. Remuneration is benchmarked toward median levels in clearly defined markets which can be local, regional or global, and reflects practices in either insurance, financial services or general industry, depending on the role.

Remuneration report (continued)

Remuneration elements

	Fixed remuneration		Variable remuneration	
	Base salary	Pensions and employee benefits	Short-term incentives	Long-term incentives
Description	Fixed pay for the role performed to attract and retain employees that is reviewed annually.	Employee benefits are provided to attract and retain employees, are in line with market practices and targeted toward the market median.	Discretionary incentive awards to reward achievement of key business and individual goals during the year.	Annual target share allocations, subject to vesting in accordance with predefined performance criteria. Designed to support Zurich's longer-term goals, encourage participants to operate the business in a sustainable manner and align the Group's long-term interests with those of shareholders.
Drivers and/or performance metrics	Scope and complexity of the role, level of responsibility, professional experience and geographic location.	Market practice	Award is driven by: <ul style="list-style-type: none"> – The relevant business profitability achievements, as well as customer experience where applicable. – Individual performance against personal goals, including behaviors in line with Zurich's values. 	Vesting is determined based on <ul style="list-style-type: none"> (i) the position of the TSR compared with an international peer group of insurance companies derived from the Dow Jones Insurance Titans 30 Index, (ii) the NIAS ROE and (iii) cash remittance.
Duration	n.a.	n.a.	1 year	3–6 years (target shares subject to 3-year cliff vesting and for the ExCo half of the vested shares are sales-restricted for an additional 3 years)
Range of opportunity	Generally paid within an 80–120 percent range around the relevant market median.	n.a.	Award of 0–200 percent of an individual's target amount.	Vesting level of 0–200 percent of an individual's target shares.
Eligibility	All employees	Location specific	Location specific (around 40,500 plan participants in 2021)	ExCo members and a defined group of the most senior positions, including key risk takers (1,228 plan participants in 2021).
Delivery	Fixed cash	Location-specific fixed benefits	Performance-based cash	Performance-based shares
Clawback, malus and hedging	n.a.	n.a.	Variable remuneration is subject to clawback provisions for ExCo members and also for additional participants in some jurisdictions as required by local laws and regulations, to allow for forfeiture or recovery of awards. Malus conditions to reduce or eliminate awards are applicable to all STIP and LTIP participants. Individual hedging of share-based remuneration is prohibited.	

Remuneration report (continued)

Fixed remuneration

Fixed remuneration encompasses base salaries, pension benefits and other remuneration including employee benefits.

Regarding pensions, the Group provides a range of pension benefits to employees, which are designed to reflect local market practices. Benefit levels are targeted toward the relevant market median. The Group Pensions Committee provides oversight and a point of focus and coordination at Group level in relation to the long-term financial and operational risk and governance relating to the Group's pension arrangements. In recent years, there has been a significant shift away from final salary defined benefit pension arrangements such that almost all new employees are now enrolled in defined contribution and/or cash balance type arrangements.

The Group also provides a range of other relevant employee benefits in line with the local market, for example life insurance, medical coverage and flexible benefits, and may also include distinctive Zurich components. Further, the Group operates several mobility-related policies to facilitate the movement of people across the organization.

Variable remuneration

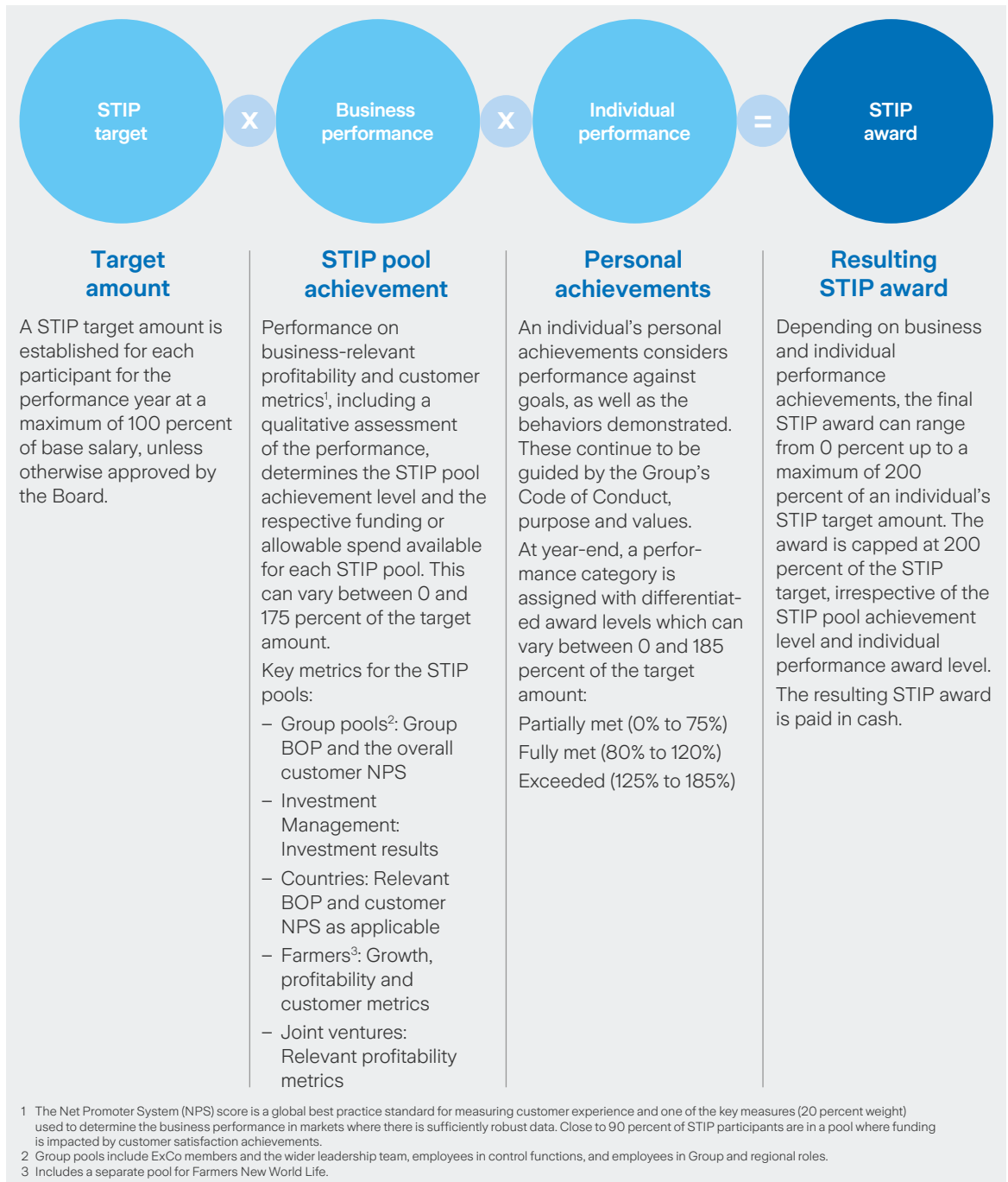
Incentive plans are designed to provide a range of award opportunities linked to levels of performance. Business and individual performance may result in remuneration levels above target for superior performance, and reduced levels that are below target for performance below expectations. Variable remuneration opportunities are provided to motivate employees to achieve key short-term and long-term business goals that support the execution of the Group's strategy. Further information on the Group's STIP and LTIP is set out below.

Short-term incentives

Short-term (one-year) incentives are performance-driven based on the following design for 2021:

Short-term cash incentives support employees to focus their performance on the achievement of key financial, customer and individual goals set at the beginning of the year. They are delivered primarily through the Group's STIP, which is utilized across the organization and in many countries covers all employees. In some countries, based on market practice in that location, only the most senior individuals participate. Determination of the final individual STIP award for the year ending December 31, 2021, is based on an individual's STIP target amount, the performance of the business in line with the pool an individual has been allocated to, and an individual's personal achievements in terms of goals and behaviors as set out in the overview on the next page. For employees below a certain job level, markets also have the option to base the award solely on an individual's STIP target amount and the achievement level of the relevant pool, provided a minimum standard of individual performance and expected behaviors has been demonstrated.

Remuneration report (continued)



Remuneration report (continued)

Long-term incentives

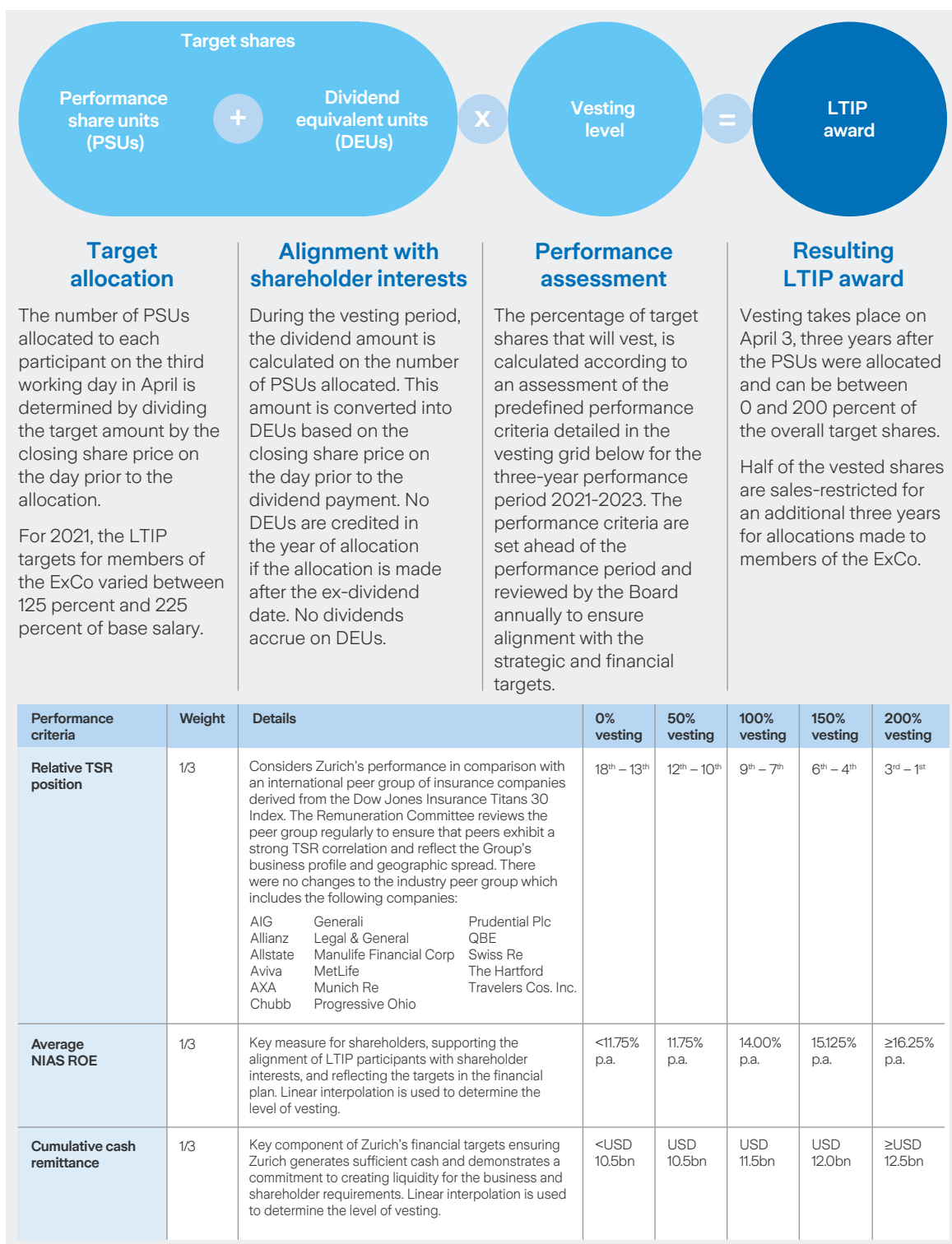
Long-term (three- to six-year) incentives are performance-driven based on the following design for the performance period 2021 to 2023:

To support the achievement of the Group's longer-term financial goals, long-term incentives are utilized for a defined group of the most senior positions in the Group, those that have a significant influence on the risk profile of the Group, as well as individuals considered suitable for participation, for example, due to market competitiveness given their skills and areas of expertise. This group generally includes the individuals with the highest levels of total remuneration. The LTIP aligns the incentives and behaviors of participants with the long-term interests of the Group and its shareholders. To further support this purpose, the individual hedging of any shares of Zurich Insurance Group Ltd is prohibited.

In alignment with the Group's risk profile and business strategy, and considering best practice principles among insurance companies, as well as views from proxy advisers and shareholders, long-term incentives are provided with a deferral element that takes into account material risks and their time horizon. Such deferred remuneration is structured to promote the risk awareness of participants and to encourage participants to operate the business in a sustainable manner. An overview of the LTIP for the performance period 2021–2023 is set out on the following page.

Details of the LTIP relevant for the 2022 vesting decision following the performance period from 2019–2021, can be found in the remuneration report for 2019 (www.zurich.com/en/investor-relations/results-and-reports), and the performance outcomes are detailed in the remuneration summary of this report on [page 90](#).

Remuneration report (continued)



Remuneration report (continued)

Exceptional adjustments

The Board may exercise discretion when determining the overall vesting level to prevent unreasonable outcomes, or to reflect the financial impact of decisions taken to implement the strategy, or to deal with exceptional circumstances.

An adjustment of +/-25 percent to the calculated vesting level may be applied and this can be positive or negative. No discretionary adjustment was made to the calculated vesting level for 2022 following the 2019–2021 performance period.

The right to modify awards to reflect individual circumstances is reserved for the Group CEO, except for modifications regarding members of the ExCo where this right is reserved for the Board based on recommendation by the Remuneration Committee. An adjustment of +/-25 percent to the calculated final vesting level may be applied on an individual level prior to vesting. However, if performance under exceptional or unusual circumstances warrants it, exceptions to the +/-25 percent adjustment may be made. In this respect, Zurich reserves the right to adjust and even set the vesting level to 0 percent for an individual to reflect specific circumstances (e.g., in connection with a breach of internal or external rules) during the period prior to vesting. Any such adjustment is reserved exclusively for the Board based on recommendation by the Remuneration Committee.

Clawback and malus conditions

Variable remuneration is subject to clawback provisions for members of the ExCo and also for additional participants in some jurisdictions as required by local laws and regulations, to allow for the recovery or forfeiture of awards. Malus conditions to reduce or eliminate awards are applicable to all STIP and LTIP participants. Clawback or malus conditions may apply for example, in cases of misconduct, violation of the Group's Code of Conduct or applicable laws, or where there has been a material financial restatement.

Remuneration report (continued)

Remuneration governance

The Board is responsible for the design, implementation and monitoring of Zurich's Remuneration Rules¹, which include the overall remuneration philosophy, principles, system and practices. The Remuneration Committee supports the Board in performing these duties. On an annual basis, the Remuneration Committee evaluates Zurich's Remuneration Rules and the remuneration architecture, including the incentive plans which are discretionary and can be terminated or modified at any time. The Remuneration Committee proposes any amendments to the Board as required.

 [Read more on the Remuneration Committee's activities and responsibilities:](#)
Pages 63–64


The Remuneration Committee and the Board receive independent advice from the executive compensation practices at Alvarez & Marsal. Alvarez & Marsal do not provide any other services to the Group. The Remuneration Committee reviews their mandates and fees and evaluates ongoing performance.

At Remuneration Committee and Board meetings where decisions are made on the individual remuneration of either the Chairman, the Group CEO or other members of the ExCo, those individuals are not present.

The remuneration approval framework is set out as follows:

A strong governance framework ensuring alignment of interest with shareholders

Remuneration governance

Topic	Recommended by	Board approval	Shareholders' approval
Remuneration architecture	Board Remuneration Committee and Board Risk & Investment Committee ¹		
Relevant chapters within the Organizational Rules	Board Remuneration Committee		
Zurich Remuneration Rules	Board Remuneration Committee		
Remuneration report	Board Remuneration Committee		Consultative vote
Board of Directors remuneration	Board Remuneration Committee		Binding vote
Group CEO remuneration	Board Remuneration Committee		Binding vote ²
ExCo remuneration	Group CEO		Binding vote ²
Total variable remuneration	Board Remuneration Committee		
STIP pool funding	Board Remuneration Committee ³		
LTIP vesting level	Board Remuneration Committee ³		

¹ Based on recommendation by the Group CEO and evaluation by Group Risk Management.

² The Group CEO remuneration is approved in aggregate with the ExCo remuneration.

³ Based on the performance achievements of the predefined metrics, an overall qualitative assessment and a risk assessment by Group Risk Management.

¹ The remuneration policy of the Group, which serves as a framework for the governance, design, implementation and monitoring of the Group's remuneration architecture, is designed to support the Group's business strategy, Enterprise Risk Management Framework and operational and financial plans, and takes into account legal and regulatory requirements.

Remuneration report (continued)

Legal and regulatory requirements

This remuneration report provides all the information required by the following regulations with which Zurich complies:

- Chapter 5 of the Directive on Information Relating to Corporate Governance of the SIX Exchange Regulation.
- Swiss Code of Best Practice for Corporate Governance.
- Art. 14–16 of the Ordinance Against Excessive Compensation (Ordinance AEC).
- Art. 663c para. 3 of the Swiss Code of Obligations.
- Circular 2010/1 on minimum standards for remuneration schemes of financial institutions issued by the Swiss Financial Market Supervisory Authority, FINMA.

Shareholders vote on and approve the maximum total amount of remuneration for the Board for the next one-year period from AGM to AGM and the maximum total amount of remuneration for the ExCo for the subsequent financial year (art. 18 para. 1 Articles of Association: www.zurich.com/en/investor-relations/our-shares/articles-of-association). Details on the votes can be found in the AGM invitation 2022 (www.zurich.com/en/investor-relations/shareholder-area/annual-general-meeting) and in the respective sections of the remuneration report for the Board ([page 105](#)) and for the ExCo ([page 111](#)). Art. 18, 28, 32 and 34 of the Articles of Association outline the approach regarding the votes on pay, supplementary amounts for any new members of the ExCo during a period for which the remuneration for the ExCo has already been approved, performance-related remuneration for the ExCo, allocation of shares, contracts with Board and ExCo members, and loans and credits.

Remuneration and risk

The Remuneration and the Risk and Investment Committees meet jointly once a year to discuss a risk review of the remuneration architecture and the remuneration governance framework. The assessment of risk in making reward decisions, and the ability to apply risk adjustments and exercise malus and clawback, if required, are features of Zurich's remuneration framework. Group Risk Management evaluated the remuneration architecture in 2021 and reported that the remuneration architecture does not encourage inappropriate risk-taking that exceeds the Group's level of tolerated risk.

To help align remuneration with the Group's risk-taking capacity, Group Risk Management consults with other control, governance and assurance functions to provide the Group CEO with a review of risk factors to consider when assessing overall performance for the annual funding of incentive awards. The Group Chief Risk Officer is available to discuss these findings with the Remuneration Committee and the Board. The Group CEO considers Group Risk Management's assessment, amongst other factors, when proposing the STIP awards to the Remuneration Committee, which in turn makes its recommendation to the Board for final approval.

All leadership team roles are considered key risk-taker positions. The remuneration for key risk-taker positions includes STIP and LTIP, with a greater emphasis toward long-term incentives and therefore, deferred remuneration. Group Risk Management, together with other control and assurance functions, provide risk, compliance, and audit information about each key risk taker as part of the annual individual performance assessment and for the target cards of the leadership team, including the ExCo. This is considered when assessing performance and making reward decisions.

The variable remuneration of employees in control and assurance functions is structured to avoid conflicts of interest by linking to Group profitability metrics rather than the profitability of the business controlled by such functions.

Group Audit periodically assesses the operational implementation of Zurich's Remuneration Rules to verify that the remuneration architecture is adhered to across the Group.

Remuneration report (continued)

Share ownership guidelines

To align the interests of the Board and the ExCo with those of shareholders, Directors and ExCo members are required to meet the following levels of share ownership:

- Members of the Board: one time the basic annual fee.
- Group CEO: five times base salary.
- Other members of the ExCo: two-and-a-half times base salary.

Directors achieve this requirement by obtaining part of their fee in five-year sales-restricted shares and market purchases. ExCo members achieve this through their participation in the LTIP and market purchases. Directors, the Group CEO and other ExCo members have a period of five years to meet their ownership requirements and the Remuneration Committee monitors compliance with these guidelines annually.

At the end of 2021, all Directors and all ExCo members who have served at least five years on the Board or the ExCo, respectively, met the required share ownership level.

Share dilution

In 2018, Zurich began purchasing its own shares on the market to fulfill share obligations for share-based compensation awards. Zurich further took additional measures to offset the impact of historic dilution from previously vested long-term share plans with the completion of its public share buyback program for cancellation purposes in 2018. On April 3, 2019, the AGM approved the cancellation of the 1,740,000 own shares of Zurich Insurance Group Ltd with a nominal value of CHF 0.10 repurchased under the public share buy-back program. In March 2020, Zurich issued 852,140 new shares to fund the vesting of LTIP. The share capital of Zurich Insurance Group Ltd increased to 150,460,167 from 149,608,027 fully paid registered shares with a nominal value of CHF 0.10 each. In 2021, Zurich did not issue any new shares from contingent capital to fund share-based compensation awards.

		2021	2020
Share dilution as of December 31	Share dilution		
	Shares issued during the year ¹	–	852,140
	Registered shares as of December 31	150,460,167	150,460,167
LTIP	Total number of unvested target shares ²	1,651,886	1,716,001
	– as a percentage of the registered shares	1.10%	1.14%

¹ New shares were issued from contingent capital in 2020 to fund the LTIP. During 2021, share-based compensation awards were funded with own shares repurchased on the market.

² Given the vesting level of 200% percent of target for the share allocations vesting in 2022 and assuming 100 percent vesting in 2023 and 2024. For 2020 the number of shares has increased from what was previously reported in line with the restated amount on [page 114](#) for the unvested target shares under the LTIP, and represents vesting of 189 percent in 2021 with assumed vesting of 100 percent for 2022 and 2023.

Remuneration report (continued)

Audited

The information provided according to art. 14–16 of the Ordinance AEC contained in the remuneration report needs to be externally audited following the audit requirements of the Ordinance AEC. In addition, the information according to art. 663c of the Swiss Code of Obligations is being audited and disclosed as such in the remuneration report. All audited sections have been highlighted accordingly.

Remuneration and shareholdings 2021

The following section sets out the remuneration and shareholdings of members of the Board of Directors and members of the ExCo, as well as the remuneration of all employees.

Board of Directors

Directors' fees

As a global insurance provider, the Directors' fees need to be established at a level which enables the Group to attract and retain individuals with a long-term interest in Zurich's success and reflecting the diversity of the Group's employee and customer base. To assist in determining Board remuneration, an independent adviser carries out benchmarking studies on a regular basis. Zurich aims to set the remuneration of its Directors at the relevant median levels using the Swiss Market Index (SMI) as a basis. Adjustments to the Chairman and Vice-Chairman fees, and to the committee membership and chair fees, were proposed to shareholders and subsequently approved as of the AGM 2020. There was no change to the basic fee for the other Board members and half of this fee continues to be provided in five-year sales-restricted shares. Based on the role and the fee structure, fee levels are established for each member of the Board. The fees paid to Directors (including the portion provided in sales-restricted shares) are not subject to the achievement of any specific performance conditions.

The following table sets out the current fee structure. All Board members of Zurich Insurance Group Ltd are also Board members of Zurich Insurance Company Ltd, and the fees cover duties and responsibilities under both boards.

Fee structure for Board members¹

	Fee elements			Total fees 2021 (CHF 000)	Total fees 2020 (CHF 000)
	Fee elements in cash (CHF 000)	in sales- restricted shares (CHF 000)	Total fees		
			2021		
Basic fee for the Chairman of the Board ²	1,000	1,000	2,000	2,000	
Basic fee for the Vice-Chairman of the Board ²	225	225	450	450	
Basic fee for a member of the Board	120	120	240	240	
Committee fee ³	80	–	80	80	
Chair fee for the Audit Committee	100	–	100	100	
Chair fee for the Remuneration Committee ⁴	80	–	80	80	
Chair fee for the Risk and Investment Committee	80	–	80	80	
Chair fee for the Governance, Nominations and Sustainability Committee ⁴	80	–	80	80	

¹ These amounts are for the period from AGM to AGM. The table excludes other fees for board memberships of Zurich subsidiaries.

² Neither the Chairman nor the Vice-Chairman receive any additional fees for their committee work on the Boards of Zurich Insurance Group Ltd and Zurich Insurance Company Ltd.

³ Amount remains the same irrespective of the number of committees on which a Board member serves.

⁴ For 2021 and 2020 no Chair fee has been paid for the Governance, Nominations and Sustainability Committee or the Remuneration Committee, as the Chairman and Vice-Chairman of the Board respectively, have been chairing these committees.

Remuneration report (continued)

The committees on which the Directors serve are set out in the corporate governance report on [page 52](#). In 2021, the Board consisted entirely of non-executive Directors independent from management.

Where a Director is also a member of one or more subsidiary boards of Zurich, the Director is entitled to an additional fee of CHF 50,000 per annum plus CHF 10,000 per annum if he or she also chairs an audit committee of such a board. The fee structure for subsidiary boards can be modified if certain circumstances, for example, the additional time commitment to discharge the duties of a board member, warrant it.

The following tables set out the actual fees paid to the Directors for 2021 and 2020 in Swiss francs. In 2021, ten members served for the full year and two members served for part of the year. In 2020, eleven members served for the full year. The total aggregate fees for the calendar year 2021 amounted to CHF 5,510,000, which is higher compared with the corresponding amount of CHF 5,386,250 for 2020, due to the fee adjustments effective as of the AGM on April 1, 2020.

Audited

Directors' fees 2021

	in CHF		2021 ¹			
	Fee elements in cash			Total cash	Basic fee in sales-restricted shares ^{4,5}	Total fees
	Basic fee	Committee fee ²	Chair fee ³			
M. Liès, Chairman ⁶	1,000,000	n.a.	n.a.	1,000,000	1,000,000	2,000,000
C. Franz, Vice-Chairman ⁶	225,000	n.a.	n.a.	225,000	225,000	450,000
J. Amble, Member	120,000	80,000	–	200,000	120,000	320,000
C. Bessant, Member	120,000	80,000	–	200,000	120,000	320,000
A. Carnwath, Member	120,000	80,000	100,000	300,000	120,000	420,000
M. Halbherr, Member	120,000	80,000	–	200,000	120,000	320,000
J. Hayman, Member ⁷	30,000	20,000	20,000	70,000	–	70,000
S. Keller-Busse, Member ⁷	90,000	60,000	–	150,000	120,000	270,000
M. Mächler, Member	120,000	80,000	–	200,000	120,000	320,000
K. Mahbubani, Member	120,000	80,000	–	200,000	120,000	320,000
J. Staiblin, Member	120,000	80,000	60,000	260,000	120,000	380,000
B. Stowe, Member	120,000	80,000	–	200,000	120,000	320,000
Total in CHF⁸	2,305,000	720,000	180,000	3,205,000	2,305,000	5,510,000

Remuneration report (continued)

Audited

Directors' fees
2020

	in CHF		2020 ¹			
	Fee elements in cash			Total cash	Basic fee in sales-restricted shares ^{4,9}	Total fees
	Basic fee	Committee fee ²	Chair fee ³			
M. Liès, Chairman ⁶	937,500	n.a.	n.a.	937,500	1,000,000	1,937,500
C. Franz, Vice-Chairman ⁶	218,750	n.a.	n.a.	218,750	225,000	443,750
J. Amble, Member	120,000	75,000	–	195,000	120,000	315,000
C. Bessant, Member	120,000	75,000	–	195,000	120,000	315,000
A. Carnwath, Member	120,000	75,000	95,000	290,000	120,000	410,000
M. Halbherr, Member	120,000	75,000	–	195,000	120,000	315,000
J. Hayman, Member	120,000	75,000	75,000	270,000	120,000	390,000
M. Mächler, Member	120,000	75,000	–	195,000	120,000	315,000
K. Mahbubani, Member	120,000	75,000	–	195,000	120,000	315,000
J. Staiblin, Member	120,000	75,000	–	195,000	120,000	315,000
B. Stowe, Member	120,000	75,000	–	195,000	120,000	315,000
Total in CHF⁸	2,236,250	675,000	170,000	3,081,250	2,305,000	5,386,250

1 The remuneration shown in the tables is gross, based on the accrual principle and does not include any business-related expenses incurred in the performance of the Directors' services.

2 Members of a committee receive a cash fee of CHF 80,000 as of the AGM 2020 (CHF 60,000 prior to this) for all committees on which they serve, irrespective of the number. The committees on which the Directors serve are set out in the corporate governance report.

3 Committee chairs receive an annual fee of CHF 80,000 as of the AGM 2020 (CHF 60,000 prior to this) and the chair of the Audit Committee receives an additional CHF 20,000. The committees on which the Directors serve and the chairs are set out in the corporate governance report.

4 The shares allocated to the Directors are not dependent on the achievement of performance criteria and are sales-restricted for five years.

5 As of June 16, 2021, Michel Liès was allocated 2,673 shares, Christoph Franz was allocated 601 shares, and the other Board members were allocated 320 shares. The closing share price on June 15, 2021 (CHF 374.00) was adopted to calculate the number of shares on half the basic fee amount. Where the value of shares allocated did not equal exactly half the member's basic fee, the difference was paid in cash.

6 Neither the Chairman nor the Vice-Chairman received any additional fees for their committee work on the Boards of Zurich Insurance Group Ltd and Zurich Insurance Company Ltd.

7 At the AGM on April 7, 2021, Sabine Keller-Busse was elected as a new member of the Board and Jeffrey Hayman decided not to stand for re-election.

8 Zurich also paid the company-related portion of contributions to social security and pension systems in line with applicable laws, which amounted to CHF 228,957 in 2021.

The amount in 2020 was CHF 224,752. In addition, an adjustment payment for social security contributions was made in 2020 related to prior years for a former member of the Board which amounted to CHF 48,803. Any personal contributions of the Directors to social security and pension systems are included in the amounts shown in the table above. Swiss-based Directors are eligible for selected employee benefits.

9 As of June 16, 2020, Michel Liès was allocated 3,032 shares, Christoph Franz was allocated 682 shares, and the other Board members were allocated 363 shares. The closing share price on June 15, 2020 (CHF 329.80) was adopted to calculate the number of shares on half the basic fee amount. Where the value of the allocated shares did not equal exactly half the basic fee, the difference was paid in cash.

Remuneration report (continued)

Audited

Special payments and termination arrangements, additional honoraria and remuneration and personal loans for Directors
There was one new member of the Board elected at the AGM on April 7, 2021 and one member of the Board decided not to stand for re-election. No replacement payments, termination payments (golden parachutes), nor any other benefits such as additional contributions to occupational pension schemes were provided.

None of the Directors received any additional honoraria, remuneration or benefits-in-kind from the Group or from any of the Group's companies other than what is set out earlier. In addition, none of the Directors had any outstanding loans, advances or credits as of December 31, 2021 and 2020.

Remuneration and personal loans for former Directors

No benefits (or waiver of claims), have been provided to former Directors during 2021 at conditions which are different to market conditions, nor were any provided during 2020. As of December 31, 2021 and 2020, no former member of the Board had any outstanding loans, advances or credits that have been provided on terms that are different to market conditions.

Related parties to current or former Directors

No benefits (or waiver of claims) outside of market practice have been provided in 2021 or 2020 to related parties of current or former Directors. No party related to current or former Directors had any outstanding loans, advances or credits that have been provided on terms that are different to market conditions, as of December 31, 2021 and 2020 respectively.

Board remuneration voting at the AGM

A summary of the actual amounts of remuneration paid to the Board for a one-year period from AGM to AGM, along with the respective maximum amounts of total remuneration approved by shareholders for the past two periods, is outlined in the table below. The amounts provided earlier in this report relate to a calendar year.

Summary of fees paid to the Board over the last two periods

Period AGM to AGM	Number of members	Fees			Maximum amount approved at the AGM (CHF 000)	Percent of votes in favor
		in cash (CHF 000)	in shares (CHF 000)	Total (CHF 000)		
2021–2022 ¹	11	3,205	2,305	5,510	5,910 ²	97.1%
2020–2021	11	3,205	2,305	5,510	5,670	87.2%

¹ Assumes the amount to be paid for the first quarter in 2022 remains unchanged. Zurich also pays the company-related portion of contributions to social security and pension systems in line with applicable law. These contributions are not included here, however as a reference, Zurich paid an amount of CHF 228,957 for the calendar year 2021.
² This amount was based on 12 members of the Board.

Information on the proposed maximum total amount of remuneration for the Board for the one-year period from the AGM 2022 to the AGM 2023 can be found in the AGM invitation 2022 (www.zurich.com/en/investor-relations/shareholder-area/annual-general-meeting).

Remuneration report (continued)

Audited

Shareholdings of Directors

The shareholdings of the Directors who held office in 2021, in shares of Zurich Insurance Group Ltd are shown in the following table. All interests shown include the portion of shares allocated to the Directors as part of their fees, shares acquired in the market by the Directors and shares held by parties related to the Directors.

Directors' shareholdings¹

Number of Zurich Insurance Group Ltd shares as of December 31	Ownership of shares	
	2021	2020
M. Liès, Chairman	10,451	7,778
C. Franz, Vice-Chairman	7,183	6,582
J. Amble, Member	2,816	2,496
C. Bessant, Member	1,861	1,541
A. Carnwath, Member	3,741	3,421
M. Halbherr, Member	1,038	718
J. Hayman, former Member ²	n.a.	2,079
S. Keller-Busse, Member ³	320	n.a.
M. Mächler, Member	3,364	3,044
K. Mahubani, Member	2,816	2,496
J. Staiblin, Member	1,908	1,588
B. Stowe, Member	1,038	718
Total	36,536	32,461

1 None of the Directors, including parties related to them, held more than 0.5 percent of the voting rights of Zurich Insurance Group Ltd shares as of December 31, 2021 or 2020, respectively.

2 Jeffrey Hayman decided not to stand for re-election at the AGM 2021.

3 Sabine Keller-Busse was elected as a new member of the Board at the AGM 2021.

Executive Committee

ExCo remuneration

The total remuneration for ExCo members for 2021 comprises the value of base salaries, pension benefits, other remuneration including employee benefits, short-term cash incentives and the target share allocations made under the LTIP in 2021. To assist with decisions regarding the remuneration structure and the mix of the individual remuneration elements for ExCo members, the Board conducts benchmarking studies on a regular basis, taking into account relevant market practices within peer groups, as well as internal relativities.

The remuneration structures and practices of a core peer group, consisting of the following insurance and reinsurance firms in the Dow Jones Insurance Titans 30 Index, are analyzed:

AIG, Allianz, Allstate, Aviva, AXA, Chubb, Generali, Legal & General, Manulife Financial Corp., MetLife, Munich Re, Progressive Ohio, Prudential Plc, QBE, Swiss Re, The Hartford and Travelers Cos. Inc.

The core peer group is regularly reviewed by the Remuneration Committee. Further, the analysis is supplemented by additional benchmarking studies as appropriate, for example, reviewing practices of large SMI companies in Switzerland or companies of a similar size in other countries.

The distribution of the individual elements making up the total remuneration of the ExCo in 2021 is set out in the following chart and is based on the target values for performance-related remuneration. It shows an appropriate balance of remuneration elements, with a significant emphasis on performance-related remuneration (STIP and LTIP), particularly long-term, deferred remuneration.

2021 remuneration structure¹

%



● Base salaries ● Pension benefits ● Other remuneration ● Short-term incentives ● Long-term incentives

1 At target, as a percentage of total remuneration.

2 Considering all members of the ExCo that were active for the full year, including the Group CEO.

Remuneration report (continued)

Amounts of remuneration for the ExCo

The following table shows the total remuneration in 2021 and 2020 for the highest-paid individual, which was Mario Greco, Group CEO, along with the total remuneration for all members of the ExCo (including the amounts for the Group CEO). The values of any one-off remuneration awards, such as replacement payments, and the amounts of contractually agreed remuneration after stepping down from the ExCo and during the notice period, are shown below the total amounts. Total remuneration for the ExCo in 2021 remained similar compared with the prior year. There were no changes to the overall remuneration structure for the ExCo in 2021. An increase in the amount of short-term incentives compared with the prior year reflects performance outcomes against targets for 2021.

in CHF millions, for the years ended December 31		Highest-paid			
		Group CEO		ExCo	
		2021 ¹	2020 ¹	2021 ^{1,2}	2020 ^{1,3}
Fixed remuneration	Base salaries	1.7	1.7	11.0	10.9
	Pension benefits ⁴	0.4	0.5	3.4	3.0
	Other remuneration ⁵	0.1	0.1	0.4	1.2
Variable remuneration	Short-term incentives	3.2	2.7	15.8	13.5
	Long-term incentives	3.8	3.8	17.1	19.6
Total in CHF⁶		9.2	8.8	47.7	48.2
Total in USD^{6,7}		10.1	9.4	51.8	51.5
in CHF million, for the years ended December 31		2021 ⁸	2020 ⁸	2021 ^{8,2}	2020 ^{8,3}
Other payments and share allocations ⁹		–	–	–	1.2
Contractual remuneration after stepping down until termination ¹⁰		–	–	2.8	1.0

1 The remuneration shown is gross, based on the accrual principle, for the time employees are members of the ExCo during the year and does not include any business-related expenses incurred in the performance of the members' services.

2 On the basis of 14 members and former members of the ExCo, of whom 10 served in the ExCo during the full year in 2021.

3 On the basis of 13 members and former members of the ExCo, of whom 10 served in the ExCo during the full year in 2020.

4 The total value of pension benefits accruing to ExCo members during the year calculated on the basis of company contributions and service costs for the company as assessed under IAS 19 accounting principles.

5 ExCo members receive other remuneration in relation to employee benefits, expatriate allowances, perquisites, benefits-in-kind and any other payments due under each member's employment contract. Benefits-in-kind have been valued using market rates.

6 Zurich also paid the company-related portion of contributions to social security systems for members and former members of the ExCo in line with applicable laws where the executives are employed, which amounted to CHF 3.8 million in 2021 and CHF 3.4 million in 2020. Since the contributions are based on full earnings, whereas benefits are capped, there is no direct correlation between the costs paid to social security systems and the benefits received by the executives.

7 The amounts have been translated from CHF to USD at the relevant exchange rates throughout the year and the cash incentive to be paid in 2022 has been translated at the year-end rate in 2021.

8 The remuneration shown is gross, based on the accrual principle and does not include any business-related expenses incurred in the performance of the members' or former members' services.

9 These are extraordinary and include payments and share allocations to compensate incentive plan forfeitures with previous employers.

10 Relates to contractually agreed remuneration for the period of employment in 2021 or 2020 as applicable, after stepping down from the ExCo and during the notice period for leavers. Such remuneration may include base salaries, cash incentives, LTIP target allocations, pension costs and other remuneration including employee benefits, on a pro rata basis. Severance payments are not paid to ExCo members.

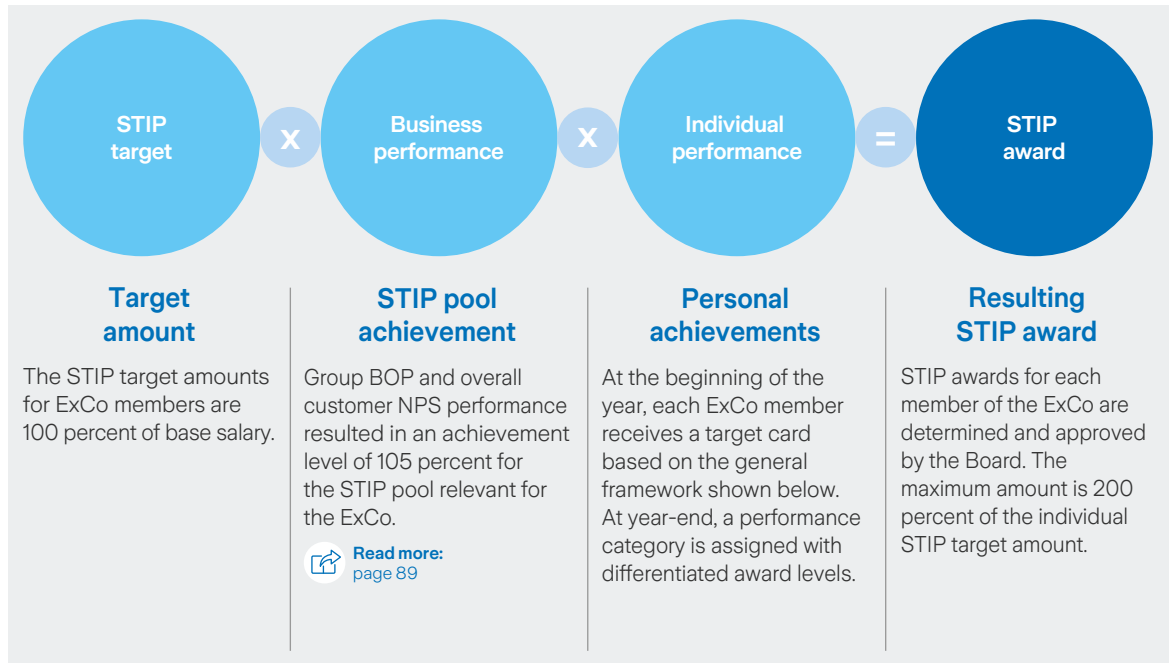
Remuneration report (continued)

Based on these figures, total ExCo remuneration consists of 31 percent in fixed remuneration, comprising base salaries, pension benefits and other remuneration including employee benefits, as well as 69 percent in performance-related remuneration, comprising short-term and long-term incentives (also 31 percent and 69 percent respectively, in 2020).

Variable remuneration of the ExCo

- Short-term incentives

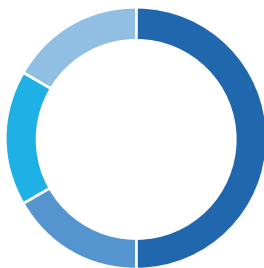
The amount shown in the table relates to the total cash incentives earned under the Group's STIP. The individual STIP awards for members of the ExCo are determined in a similar way as for all employees, taking into account:



To assess individual performance, each member first conducts a self-assessment of their performance. Group Risk Management, together with other control and assurance functions, provide risk, compliance and audit information on each member. A discussion is then held between each member of the ExCo and the Group CEO. In a rigorous process, the Group CEO and the Remuneration Committee review the individual performance achievements, including risk and behavior aspects.

The Group CEO's performance is assessed by the Remuneration Committee and includes a review of the targets set at the beginning of the year, as well as progress on delivering the strategic plan, with risk and sustainability aspects as key considerations. The Group CEO is not present during these discussions.

ExCo target card framework



- Financial measures supporting strategy execution
- Customers
- Employees
- Strategic projects and accountabilities including ESG

Weight	Read more
~50%	Financial review
15-20%	Integrated sustainability disclosure – Customers
15-20%	Integrated sustainability disclosure – Employees
10-20%	Group overview

Remuneration report (continued)

– Long-term incentives

The total number of PSUs allocated under the Group's LTIP to ExCo members in 2021 for the three-year performance period 2021–2023, was 42,116. The PSUs are valued using the closing share price of CHF 406.20 on the day prior to the allocation (second working day in April), assuming a vesting level of 100 percent in 2024. DEUs that may accrue during the performance period are not included.

The LTIP targets for the allocation in 2021 varied between 125 percent and 225 percent of base salary for ExCo members and the maximum vesting level, to be assessed in 2024, is 200 percent of the aggregate number of target shares (PSUs and DEUs).

The LTIP vesting level in 2022 for target shares allocated in 2019 is 200 percent. No discretionary adjustment was made to the calculated vesting level as outlined on [page 90](#).

Replacement payments

In extraordinary circumstances where payments are made to new hires to replace forfeitures under the incentive plans of the previous employer, the payments tend to mirror the type and timing of the forfeited payments and can include cash payments and/or awards of restricted share units (RSUs) or PSUs. Where payments are made in cash, there is typically a clawback period if the employee leaves the company voluntarily during the first two years of employment. RSUs typically vest over three to five years following the date of allocation and are also credited with DEUs during the vesting period to compensate for any dividend paid. RSUs and associated DEUs are typically forfeited if the holder of such allocations leaves the company before the vesting date and the employment relationship terminates.

No replacement payments were made in 2021. In 2020, replacement payments made to the new members of the ExCo who took up employment with the Group during 2020, comprised of cash payments made in 2021 and RSUs vesting between 2021–2026.

Remuneration report (continued)

Audited

Special payments and termination arrangements, additional honoraria and remuneration, and personal loans for ExCo members

During 2021, there were two new members appointed to the ExCo as internal hires, and two members relinquished their responsibilities as members of the ExCo.

There were no termination payments (golden parachutes) or payments in advance, nor were any other benefits provided, such as agreements concerning special notice periods or longer-term employment contracts (exceeding 12 months in duration), or additional contributions to occupational pension schemes.

None of the members of the ExCo received any remuneration from the Group or from any of the Group's companies in 2021 or 2020 other than as set out in the tables above.

As of December 31, 2021 and 2020, there were no loans, advances or credits outstanding for ExCo members.

Remuneration and personal loans for former ExCo members

Former members of the ExCo are eligible to continue their mortgage loans following retirement on similar terms to those when they were employed. As of December 31, 2021 and 2020, no former ExCo member had any outstanding loans, advances or credits that have been provided on terms that are different to market conditions.

No former member of the ExCo received remuneration in 2021 or 2020 for their time as an ExCo member other than disclosed in the remuneration report 2021.

Related parties to current or former members of the ExCo

No benefits (or waiver of claims) outside market practice have been provided in 2021 or 2020 to related parties of current or former members of the ExCo. No party related to current or former members of the ExCo had any outstanding loans, advances or credits that have been provided on terms that are different to market conditions, as of December 31, 2021 and 2020, respectively.

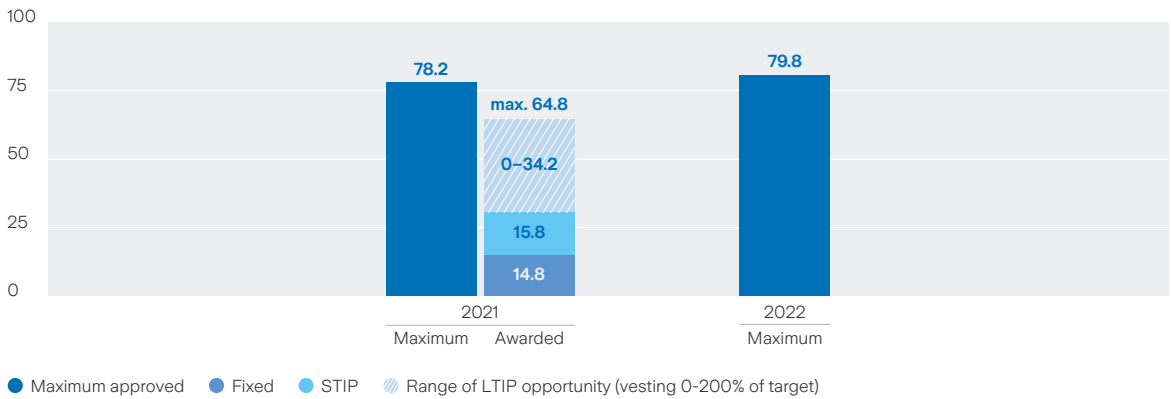
Remuneration report (continued)

ExCo remuneration voting at the AGM

The following chart provides an overview of the maximum total amounts of remuneration for the ExCo approved by shareholders at the last two AGMs, along with the maximum awarded remuneration for 2021 considering:

- Actual fixed remuneration including base salary, pension benefits and other remuneration, as disclosed in this remuneration report.
- STIP awards as disclosed in this remuneration report.
- The range of LTIP opportunity considering possible vesting between 0 and 200 percent of the value of the PSU allocation disclosed in this remuneration report. The final amount will depend on the vesting level calculated in 2024 upon completion of the three-year performance period.

Maximum total amounts of remuneration approved and the awarded amount for 2021^{1,2} in CHF millions



1 In addition to the awarded fixed remuneration, STIP and LTIP, other one-off payments and share allocations may be made. These could include extraordinary amounts for new ExCo hires to compensate incentive plan forfeitures with previous employers. There were no one-off payments in 2021. LTIP amounts do not consider shareholder returns including dividend equivalents from the date of the target share allocation until the date of vesting, as well as the impact of share price and foreign exchange rate fluctuations. The company-related portion of contributions to social security systems, in line with applicable laws, are not included in these amounts.

2 Based on art. 18 para. 4 of the Articles of Association (www.zurich.com/en/investor-relations/our-shares/articles-of-association), Zurich is authorized to make payments to any member who joins the ExCo during a period for which the AGM has already approved the remuneration of the ExCo, of a supplementary amount for the period(s) in question, where the total amount already approved for such remuneration is not sufficient. The sum of all supplementary amounts may not exceed, during any one remuneration period, 30 percent of the respective total amount of approved maximum total remuneration for the ExCo.

Information on the proposed maximum total amount of remuneration for the ExCo for 2023 can be found in the AGM invitation 2022 (www.zurich.com/en/investor-relations/shareholder-area/annual-general-meeting).

Remuneration report (continued)

Unvested share allocations of the ExCo

As of December 31, 2021, the total number of unvested target shares under the LTIP was 146,079 (170,887 as of December 31, 2020) and the number of unvested RSUs was 3,554 (2,128 as of December 31, 2020).

Within the context of the regular LTIP allocations made each year, the PSUs will be considered for vesting three years after the allocation, along with any DEUs that have accrued during the vesting period. For allocations made to ExCo members, half of the resulting vested shares are sales-restricted for an additional three-year period. The actual level of vesting is determined in accordance with the remuneration principles and vesting criteria set out in the remuneration report for the year of allocation.

Additional share allocations, for example to compensate incentive plan forfeitures with previous employers, can be made in the form of RSUs.

A summary of the unvested share allocations as of December 31, 2021, is set out in the following table:

Summary of unvested share allocations of the ExCo as of December 31 ¹	Year of allocation	Year of vesting					Total
		2022	2023	2024	2025	2026	
Target shares under the LTIP ²	2019	48,513	–	–	–	–	48,513
	2020	–	53,114	–	–	–	53,114
	2021	–	–	44,452	–	–	44,452
RSUs ³	2019	1,304	–	–	–	–	1,304
	2020	220	267	136	–	1,455	2,078
	2021	75	14	7	–	76	172

¹ DEUs are credited during the vesting period and included in these amounts where they have already accrued. No further dividend equivalent shares will accrue on the DEUs.

² At the vesting date, the original number of PSUs allocated, plus the DEUs, will be assessed for vesting in aggregate based on the performance achievements against the predefined vesting grid.

³ No performance conditions are applicable for vesting.

Remuneration report (continued)

Audited

Shareholdings of the members of the ExCo

The actual shareholdings of ExCo members in 2021, are shown in the following table for the past two years.

In addition to any shares acquired in the market, the numbers also include vested shares, whether sales-restricted or not, received under the LTIP. The table does not, however, include the share interests of the members of the ExCo that are currently unvested. All interests include shares held by related parties to members of the ExCo.

Shareholdings of ExCo members¹

Number of shares, as of December 31	Shares	
	2021	2020
M. Greco, Group CEO	92,158	79,501
U. Angehrn, former Group Chief Investment Officer ²	n.a.	24,139
E. Chan, Group Chief Information and Digital Officer	85	–
J. Dailey, CEO of Farmers Group, Inc.	26,488	23,846
P. Giger, Group Chief Risk Officer and Group Chief Investment Officer ad interim	–	–
J. Howell, CEO Zurich Global Ventures	15,891	11,540
A. Martin, CEO EMEA and Bank Distribution	13,977	8,864
L. Maurice, CEO Latin America	–	–
T. Naidu, CEO Asia Pacific ³	5,369	n.a.
G. Quinn, Group Chief Financial Officer	57,780	46,479
K. Savio, former CEO North America ²	n.a.	8,019
J. Shea, former CEO Commercial Insurance ²	n.a.	9,526
S. Signorelli, CEO Commercial Insurance ³	5,107	n.a.
K. Terryn, CEO North America	23,050	19,429
Total	239,905	231,343

¹ None of the members of the ExCo, together with parties related to them, held more than 0.5 percent of the voting rights as of December 31, 2021 or 2020.

² Urban Angehrn stepped down from the ExCo as of July 13, 2021, James Shea stepped down from the ExCo as of March 4, 2021 and Kathleen Savio stepped down from the ExCo to move into the newly created role of Group Chief Transformation Officer as of January 1, 2021.

³ Tulsi Naidu was appointed as CEO Asia Pacific as an internal appointment effective January 1, 2021 and Sierra Signorelli was appointed as CEO Commercial Insurance as an internal appointment effective March 4, 2021.

Trading plans

ExCo members may sell shares under predefined trading plans which require prior approval from the Chairman of the Board. The terms and conditions of the transactions under the trading plans must be defined and cannot be changed. Trading plans are reported to the SIX Swiss Exchange according to the rules on disclosure of management transactions. As of December 31, 2021, there were no trading plans in place. Further, no trading plans were entered into in 2021 or 2020.

Remuneration report (continued)

All employees

Remuneration of all employees

Please refer to the remuneration framework section on [pages 92–98](#) for the key elements of remuneration and the benchmarking approach for all employees. The benchmarking analysis is mainly carried out and approved at a local level. The Group had 54,914 full-time equivalent employees as of December 31, 2021 (52,930 in 2020).

The following section includes information regarding the total remuneration earned by employees for 2021 and 2020 across the Group, including remuneration for ExCo members. The amount for cash incentive awards includes, amongst others, the awards across all of the pools in the Group's short-term incentive plan. The performance achievements against the predefined metrics resulted in an overall funding level of 114 percent of the target amount for 2021. This compares to 97 percent for 2020. The value of share allocations includes the target shares allocated under the LTIP, which assumes vesting in 2024 at 100 percent of target, as well as any other share allocations.

Total remuneration for all employees	in CHF millions, for the years ended December 31		2021	2020
	Fixed remuneration	Base salaries, pension benefits and other remuneration ¹		5,091
Variable remuneration	Cash incentive awards earned for the year ²		601	505
	Value of share allocations made in the year ³		145	145
Total remuneration			5,837	5,662

1 Service costs for pension benefits represent the present value of the defined benefits from pension and post-retirement benefit plans, plus employers' contributions to defined contribution plans, arising from employee service over the accounting period. The amount included in this figure for defined benefit plans is calculated using actuarial factors and can vary year-on-year as economic conditions change. These numbers are explained in greater detail in note 20 of the consolidated financial statements. Other remuneration includes amounts for employee benefits and any other payments due under employment contracts.

2 Includes the amounts under the Group's STIP, as well as other cash incentive awards such as those from local plans which are subject to local Board approval, and any sign-on and severance payments in cash.

3 Includes the value of target shares from the LTIP and any other share allocations such as sign-on payments in shares.

Value of outstanding deferred remuneration

The Group's remuneration system includes instruments for the deferral of remuneration. The following table provides an overview of the overall value of outstanding deferred remuneration as of December 31, 2021 and 2020.

Value of outstanding deferred remuneration for all employees	in CHF millions, for the years ended December 31		2021	2020
	Unvested target shares under the LTIP ^{1,2}			433
Unvested RSUs ^{1,3}			12	11
Vested but sales-restricted shares			373	285
Value of overall outstanding deferred remuneration			818	723

1 DEUs are credited during the vesting period and included in these amounts where they have already accrued. No further dividend equivalent shares will accrue on the DEUs.

2 Amount for 2020 has been restated from CHF 387m as reported previously. This is also reflected in the updated total number of unvested target shares on [page 101](#).

3 Amount for 2020 has been restated to include an additional CHF 1.3m from some local plans omitted in the 2020 remuneration report.

The value of the deferred and unvested remuneration has been determined by multiplying the number of outstanding shares by the relevant share price at the original date of allocation and reflects the assumption of a future vesting level of 100 percent. The value of the vested, but sales-restricted shares considers the taxable value at the time of vesting.

Remuneration report (continued)

Impact on net income in 2021 and 2020 from remuneration made in prior years

The LTIP vesting level determines the actual number of shares to be awarded to participants relative to the target shares initially allocated. Differences in value between the initial estimated amount expensed in the income statement for the LTIP and the actual shares vesting in 2022, along with adjustments to the estimated value of shares vesting in 2023, depending on performance to date, are reflected in the 2021 consolidated income statement in line with accounting principles. For the 2019 and 2020 plans with shares vesting in 2022 and 2023 respectively, there was an increase of USD 81 million in the expense recognized in the 2021 income statement to reflect actual performance to date compared with original estimates. In 2020, there was an increase of USD 9 million to the expense recognized in the income statement to reflect adjustments due to actual performance.

Sign-on and severance payments for key risk takers

The following definition and principles for sign-on and severance payments apply:

- **Sign-on payments** are payments that are agreed on the execution of an employment contract (whether paid immediately or over time). Sign-on payments may include compensation made prior to a person joining the company and providing any services (payments in advance) or compensation for benefits foregone with a previous employer (replacement payments). Payments in advance are not paid to members of the Board or the ExCo. Any replacement payments for members of the ExCo, including the Group CEO, must be approved by the Board based on a proposal by the Remuneration Committee.
- **Severance payments** are provided in connection with the termination of an employment relationship. Zurich does not include under the term severance payments, garden leave or similar payments for employees in jurisdictions where such payments are required by applicable law, or where they are based on contractual notice periods which conform with recognized market practice, or where they are non-contractual, but in line with recognized market practice. Zurich does include garden leave or similar payments, however, that go beyond recognized market practice, irrespective of whether these are provided pursuant to an agreement or are ex gratia. Severance payments are not paid to members of the Board or the ExCo.

The Group as a principle does not make any sign-on or severance payments, however, if circumstances which in the Group's interest warrant such payments, these can be approved through a clear governance process. Any such payment with a value of CHF 1 million or more is approved by the Chairman of the Remuneration Committee prior to the time the employment offer is made or prior to the time the severance payment is committed to.

The following table discloses sign-on and severance payments committed to key risk takers. Key risk takers are incumbents of Zurich's most senior positions, as well as positions that have a significant influence on the risk profile of Zurich. For key risk-taker roles where the incumbent is a member of the ExCo, no payments in advance and/or severance payments have been made. Replacement payments for the ExCo in 2021 and 2020 are included where such payments were made.

Sign-on and severance payments for key risk takers

in CHF millions, for the years ended December 31

	2021		2020	
	Amount (CHF m)	Number of beneficiaries	Amount (CHF m)	Number of beneficiaries
Sign-on payments/number of beneficiaries	2.0	5	3.1	8
Severance payments/number of beneficiaries	–	–	–	–

Remuneration report (continued)

Outlook 2022

The Remuneration Committee reviews the Group's remuneration framework, system and practices annually. In 2022, there will be a particular focus on aligning the metrics and approach with the targets to be defined for the next strategic cycle from 2023–2025. Legal, regulatory and market developments, along with risk considerations and a strong governance framework, will remain an important part of the review process.

Alongside this, we will continue to explore additional ESG metrics within variable remuneration. The Group's STIP currently incorporates a non-financial customer metric to determine STIP funding for the majority of participants. Personal goals may also incorporate relevant ESG topics, supporting the Group's commitment to sustainability, to assess individual performance when determining STIP awards. Potential options to embed additional ESG metrics will be assessed ahead of the next strategic cycle. Considerations for this include the strategic relevance and materiality of any possible metrics for Zurich and its stakeholders.

The Remuneration Committee welcomed the engaging dialogue with investors and proxy advisers in the past year and looks forward to having the opportunity again in 2022. Shareholders are also invited to express their opinion on the remuneration report 2021, through an advisory vote at the AGM 2022. In addition they will have the opportunity to approve the maximum total amount of remuneration for the Board for the one-year period from the AGM 2022–AGM 2023 and for the ExCo for the financial year 2023, in the binding votes. More information on these votes can be found in the AGM invitation 2022 (www.zurich.com/investor-relations/shareholder-area/annual-general-meeting) and in the relevant sections of this report.

Report of the statutory auditor



Ernst & Young Ltd
Maagplatz 1
P.O. Box
CH-8010 Zurich

Phone: +41 58 286 31 11
Fax: +41 58 286 30 04
www.ey.com/ch

To the General Meeting of
Zurich Insurance Group Ltd, Zurich

Zurich, February 9, 2022

Report of the statutory auditor on the remuneration report

We have audited the accompanying remuneration report of Zurich Insurance Group Ltd for the year ended December 31, 2021. The audit was limited to the information according to articles 14-16 of the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance) contained in the tables labeled "audited" on pages 103 to 107 and pages 110 and 113 of the remuneration report.



Board of Directors' responsibility

The Board of Directors is responsible for the preparation and overall fair presentation of the remuneration report in accordance with Swiss law and the Ordinance. The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.



Auditor's responsibility

Our responsibility is to express an opinion on the accompanying remuneration 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 remuneration 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 remuneration 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 remuneration report, whether due to fraud or error. This audit also includes evaluating the reasonableness of the methods applied to value components of remuneration, as well as assessing the overall presentation of the remuneration 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 remuneration report for the year ended December 31, 2021 of Zurich Insurance Group Ltd complies with Swiss law and articles 14-16 of the Ordinance.

Ernst & Young Ltd

Isabelle Santenac
Licensed audit expert
(Auditor in charge)

Thomas Fiepke