

**Swiss Re Ltd**

**3rd Annual General Meeting  
Zurich, Friday 11 April 2014**

Address  
by

C. Robert Henrikson  
Chairman of the Compensation Committee

Check against delivery

Dear Shareholders,

At our 150<sup>th</sup> year anniversary Annual General Meeting, it is a privilege for me to address you and to provide you with a short update on the work of the Compensation Committee in 2013.

As a result of Swiss Re's emphasis on ensuring compliance with the Minder Ordinance, a key focus area for the Compensation Committee has been the preparation for these changes – the changes, for example, you will vote on today when we include our compensation principles in the Articles of Association.

In my update to you last year, I said that the Ordinance will strengthen your rights but at the same time increase your responsibilities. Let me give you a more detailed view on what the changes mean for you as shareholders, Swiss Re's compensation framework and the work of the Compensation Committee.

- Separately to the annual individual election of the members of the Board of Directors you are asked today to elect the members of the Compensation Committee individually for a one year term in office until the next AGM.
- Swiss Re's overarching compensation principles will be included in the Articles of Association - subject to your positive vote.
- At the Annual General Meeting in April 2015, we will introduce the separate binding shareholders' vote on the total compensation for the members of the Board of Directors and the Group Executive Committee (Group EC). The Chairman will further explain Swiss Re's say on pay regime when addressing the amendment to our Articles of Association.
- The 2013 Compensation Report has been further enhanced to enable a smooth transition to the new requirements under the Ordinance, implementing the requirements of the Minder initiative as of the reporting year 2014.

As mentioned, these changes strengthen the roles but also the responsibilities of shareholders in compensation matters. The current governance at Swiss Re is already well aligned to these developments. This includes the non-binding vote on the Compensation Report which we introduced in 2010. We shall continue to submit the Compensation Report for your consultative vote.

However, there was much more we have worked on in 2013: Swiss Re has continued the established practice of proactively engaging with investors, proxy advisors and regulators to review and discuss the compensation framework. In the past, two key issues were highlighted as being of concern relating to our long-term incentive, the Leadership Performance Plan. The Compensation Committee together with Management have carefully considered this feedback and adjustments were made to the 2014 award:

One change was to further strengthen the pay-for-performance link by raising the vesting threshold, so that vesting begins at median performance compared to peers.

The other change relates to the plan duration of the Leadership Performance Plan for our Group EC and the Group Management Board. This plan duration has now been increased to five years for this specific senior management group. The plan duration is made up of a three year vesting period and an additional two year holding period.

The full review and implementation of the revised compensation framework started in 2011 and was completed in early 2013, as planned. The main objective was again to further strengthen the link between pay and performance: A key change was that we are now rewarding our most senior employees not only on the "what" part of performance but also on the "how" part of performance. The focus in 2013 was on further embedding this approach in the Company as well as to continue the planning for rolling it out throughout Swiss Re.

As always, the Compensation Committee works continuously to gauge and improve its own effectiveness. We maintained our regular interactions with the Swiss Financial Market Supervisory Authority FINMA, as well as monitored other regulatory developments including Solvency II and Swiss corporate law.

Let me conclude by reiterating that the Compensation Report has already been put to a consultative vote for the past four years. Each year we received strong support from you, our shareholders.

Thus, I would ask you again to support our 2013 compensation approach by voting in favour of the report.

Thank you very much.

C. Robert Henrikson  
Chairman of the Compensation Committee