Swiss Re

MINUTES (translated from the German)

6th Annual General Meeting
of Swiss Re Ltd
held at 2.00 pm on Friday, 21 April 2017, in the Hallenstadion Zurich

1. Preliminaries and formalities

The Chairman of the Board of Directors, Walter B. Kielholz, opened the Annual General Meeting and, in accordance with Art 13, para 1 of the Articles of Association, took the chair. He welcomed the shareholders and all other attendees. He then introduced the persons sharing the podium with him, as well as the other Group Executive Committee members present, and greeted the remaining attending members of the Board of Directors of Swiss Re Ltd. The Chairman reminded participants that Proxy Voting Services GmbH, Zurich, had been appointed Independent Proxy at the last Annual General Meeting. Proxy Voting Services GmbH was represented at this Annual General Meeting by Dr René Schwarzenbach, Zurich. The Chairman also welcomed Andreas Bachmann, Notary Public of the Enge-Zurich Notary Office, who was present to officially authenticate the resolutions regarding the reduction of share capital and the amendments to the Articles of Association under agenda Items 7 and 9 respectively. The Chairman then stated that the Statutory Auditor, PricewaterhouseCoopers Ltd ("PwC"), Zurich, was represented by Markus Neuhaus, Chairman of the Board of Directors of PwC Switzerland, and the lead auditors Alex Finn and Bret Griffin.

The Chairman stated that the invitation to the Annual General Meeting had been published, as required by law, in the Swiss Official Gazette of Commerce *("Schweizerisches Handelsamtsblatt" "SOGC")* of 21 March 2017. The 2016 Annual Report and the statutory auditor's reports on the annual and consolidated financial statements for the financial year 2016 had been available for inspection at the Company's head office for the legally required period. The 2016 Annual Report had been available on the Internet since 16 March 2017. It had also been sent out personally to shareholders upon request, in German or English. The statements of the Chairman in this regard were not contested. The Chairman declared that the Annual General Meeting was duly convened and therefore had a quorum.

The Chairman informed the shareholders that they would be given the opportunity to express their views on the individual agenda items and that if they wished to do so, they should have their name added to the relevant list at the speakers' desk stating which agenda item and topic they would like to address.

The Chairman stated that the Annual General Meeting would be conducted in German, with simultaneous interpreting of the whole meeting available in English and French.

In accordance with Art 12, para 3 of the Articles of Association, the Chairman established the voting procedure, informing the meeting that, as in previous years, an electronic system would be used for voting and elections, for which purpose shareholders had been issued with the relevant device on entry to the meeting, and went on to explain how the device was operated. The Chairman then conducted a trial vote with shareholders to ensure that the devices were working properly.

The results of the trial vote were established and announced by the Chairman, who confirmed that the devices were functioning correctly.

The Chairman went on to explain that, in accordance with Art 13, para 2 of the Articles of Association, the tellers would be appointed by the Chairman of the Annual General Meeting. The names of those chosen appeared on the screen.

The Chairman then explained the procedure for the Annual General Meeting and informed shareholders that, as usual, the meeting would be recorded.

In accordance with Art 13, para 2 of the Articles of Association, the Chairman appointed Dr Felix Horber, the Company Secretary of Swiss Re Ltd, as recorder.

2. Speeches and film

The Chairman went on to comment on the difficult market conditions Swiss Re has been experiencing in the past business year. He spoke about the four main challenges Swiss Re is facing in the coming years; firstly, significantly higher geopolitical risk, secondly the transformation of business models in the insurance industry driven by digitalization, thirdly the turning trend in monetary policy of the most important national banks and lastly the effects of global climate change. He spoke about the "protection gap", as well as the generous distributions of CHF 13 billion to the shareholders over the past years. He explained that development and investment opportunities remain a core focus for Swiss Re. In light of this, Swiss Re launched the Swiss Re Institute on 1 March 2017, with the aim of bundling its research capabilities. He concluded with comments on the new office building Swiss Re Next, which will be completed at the headquarters at Mythenquai in the coming months.

(Speech by Walter B. Kielholz, Chairman of the Board of Directors, Attachment 1).

Subsequently the shareholders were shown a short video clip about the previously mentioned new building Swiss Re Next.

Afterwards the Group CEO, Christian Mumenthaler, presented various examples of client interactions Swiss Re had in 2016. He went on to outline the operating results for 2016.

(Speech by Christian Mumenthaler, Group CEO – Attachment 2).

Swiss Re

3. Attendance figures

The recorder, on the instruction of the Chairman, then announced the attendance figures as at 2.15 pm, which were as follows:

- Voting shares:	232 180 367
- Total shares represented:	155 877 688
- As percentage of voting shares:	67.1%

1 263 shareholders were present, representing 2 316 188 voting shares. In accordance with Art 689e para 2 of the Swiss Code of Obligations (CO), the recorder announced the following use of the proxy voting facility:

The independent proxy represented:	153 561 500 votes

With regard to the handling of the agenda items, the Chairman noted that there was again a large number of agenda items to be discussed at this Annual General Meeting. The Chairman reminded the shareholders that, as in the previous two years, they would have the opportunity again to cast separate binding votes on the compensation for the Board of Directors and the Group Executive Committee. As in previous years, the shareholders would also be able to vote in a consultative capacity on the Compensation Report. The Chairman further noted that the agenda items for this year's Annual General Meeting were organised by financial year in order to make handling of the items clearer for shareholders. The agenda items relevant to the financial year 2016 would be handled first, followed by those relevant to the financial years 2017 and 2018. With regard to the agenda items, the Chairman explained that, in accordance with Art 12, para 2 of the Articles of Association, but subject to any compelling legal exceptions, the Annual General Meeting would be making decisions based on an absolute majority of votes validly cast. The number of votes in favour had to exceed the sum of the number of votes against and the abstentions.

4. Agenda items

Item 1. Annual Report (incl. Management Report), annual and consolidated financial statements for the financial year 2016

The Chairman informed the shareholders present that one ballot (Item 1.2) would address the Board of Directors' motion for approval of the 2016 Annual Report (including the Management Report) and 2016 annual financial statements of Swiss Re Ltd, Zurich, and of the 2016 consolidated financial statements of the Swiss Re Group. Shareholders would in the second ballot be given the opportunity to express their views in a consultative ballot on the Swiss Re Compensation Report (Item 1.1). The Chairman noted that the financial year 2016 had already been explained by the Group CEO. He went on to confirm that the 2016 annual financial statements and the 2016 consolidated financial statements, for which approval must be given collectively with the Annual Report, had been audited and approved by PwC. The Board of Directors had taken note of the detailed commentaries provided by the Statutory Auditor. The Chairman thanked the auditors for the valuable work they had done over the years.

The Chairman also informed shareholders that the reports of the Group Auditor/Statutory Auditor for the Annual General Meeting were reproduced on pages 276 to 279, 295 and 296 of the English version of the printed Annual Report and did not contain any qualifications or reservations. The representatives of the Statutory Auditor had no additional comments to make.

The Chairman then invited discussion on Items 1.1 and 1.2. Five people requested the floor on these items. First to speak was Mr Fritz Peter, Member of Actares.

Mr Peter said there were a lot of good things to report about Swiss Re, which he described as an exemplary company in many aspects of corporate responsibility. He said that the Board of Directors, management and all employees deserved the acknowledgement of Actares as well as thanks for this sustainable performance. Mr Peter also noted the pleasing financial figures of the past year, but said that Actares still identified an urgent need for action in some respects. At the start of February 2017, as in previous years, Actares sent Swiss Re a letter with specific questions on various topics, to which Swiss Re provided detailed and substantive responses. He praised Swiss Re for its proper and timely reporting. The detailed and informative Corporate Responsibility Report was based on the recognised Global Reporting Initiative standard. Swiss Re was once again industry leader in the Dow Jones Sustainability Index. For many years, he said, Swiss Re had undertaken a wide range of sustainability commitments, and had maintained strong climate awareness with pertinent research, publications and laudable initiatives. Acting in a coherent and exemplary manner, Swiss Re had undersigned the Paris Pledge for Action, and committed to taking immediate, specific steps towards implementation of the Paris Climate Agreement and the 1.5°C temperature objective. Mr Peter also found it positive that various specific measures had been devised to increase the number of women in upper management positions. Actares criticised Swiss Re for the fact that the three persons proposed to the Annual General Meeting for election to the Board of Directors were all men. He said that, after the progress made in this area in recent years, this was a setback that Actares found neither comprehensible nor acceptable. Mr Peter noted that Zurich Insurance Group was far ahead of Swiss Re in this respect, with a Board of Directors consisting of five women and six men, representing virtually gender equality. For this reason, Actares recommended sending a clear signal by rejecting the candidates proposed for election to the Board of Directors. Mr Peter explained that Actares' main criticism concerned voters' loss of trust in politics and business when it came to matters of compensation. He said that nothing had changed in this area, despite all that had been said and written in past years, and that something had to be done urgently if trust were to be regained in the industry. The compensation was too high, not transparent enough, and the related systems were too complicated. Actares had developed clear and comprehensible guidelines and voting criteria for annual general meetings, and published these on the Actares website. The Actares voting recommendations were based on these criteria and were posted on the Internet around 10 days before the Annual General Meeting. The compensation paid at Swiss Re, he asserted, did not satisfy these criteria either in terms of its absolute amount or the ratio of fixed and variable components. Actares recommended that the Agenda items 1.1, 3, 6.1 and 6.2 should be rejected and that the existing members of the Compensation Committee should not be maintained in that function. A clear signal should be sent in favour of a simpler and more transparent compensation policy with future compensation amounts of a reasonable scope in absolute terms.

He said that such a signal would have a positive effect on the reputation of Swiss Re, and that the best-qualified managers could certainly be kept on, while new top talent could be found.
In conclusion, Actares had the following questions:

1. Could Swiss Re provide assurance that women would predominantly be proposed for upcoming vacancies on the Board of Directors?
2. Was there hope of having a female Chairperson of the Board of Directors in the near future?
3. Did Swiss Re recognise the cited loss of trust due to excessive compensation, and was it prepared to take one or more steps to improve the situation?
4. Would Swiss Re in future publicly advocate the energy transition in Switzerland, potentially via the Group CEO, in light of the significance of this issue?

The Chairman thanked Mr Peter for his praise. In response to the first question, the Chairman said that Swiss Re had increased the proportion of women on the Board of Directors from 9% to nearly 30% since 2012. He added that gender diversity was only one of the criteria that played a role in the selection of members of the Board of Directors, and that particular emphasis was placed, for example, on the specific expertise of candidates. Two of the persons proposed for election to the Board of Directors had explicit insurance and reinsurance expertise, which was very important for the Board of Directors. For Swiss Re, it was also key to have an industry representative on the Board of Directors. Pharma risk, he said, was a very major risk for Swiss Re, and the pharma industry was crucial for research. This was why a candidate from this field had also been proposed for election. The Chairman asserted that Swiss Re would continue to make efforts to propose female candidates for election. Regarding the second question, the Chairman said that the shareholders would be entitled in due course to elect a female Chairperson as successor to the Chairman. In response to the third question, the Chairman said that Swiss Re did recognise the cited loss of trust regarding matters of compensation. In past years, Swiss Re had gradually reduced compensation levels from CHF 13 million to 9 million for the Board of Directors. Swiss Re's compensation systems were not complicated, he said, but did have to reflect the reality of Swiss Re as a complex company.

Regarding the fourth question, the Group CEO explained that Swiss Re was convinced by the evidence of climate change, and had been one of the first companies to write about it in the 1990s. He said that Swiss Re had positioned itself as a neutral, scientific partner, which allowed it to engage with a wide range of organisations and groups. He went on to say that it could be problematic for Swiss Re to take positions on political topics. The Group Executive Committee discussed such questions and decided how to proceed on a case-by-case basis.

Ms Anette Joswig said that she was pleased by Swiss Re's presentation of itself as a well-financed company. She asked why Swiss Re had issued subordinated debt instruments totalling USD 2 billion, thus triggering fees of 4% for their provision. She asserted that if Swiss Re were to use this capital, it would result in costs of 6%. She also asked why, between 2012 and 2015, Swiss Re had taken on subordinated debt of around USD 4 billion while capital could be had for practically 0%. She further pointed out that Swiss Re had contingent capital, resulting in a 10% dilution of equity. Ms Joswig said that Swiss Re had equity of nearly USD 36 billion on its balance sheet, but on the assets side reported around USD 12 billion in goodwill and capitalised expenditures. She asked for assurance that these figures would hold up even under complex conditions.

The Chairman thanked Ms Joswig for her comments. He explained that Swiss Re's capital structure did not develop by chance, but had been deliberately designed in this way. As a rule, equity was the most expensive capital, as it had the highest costs. After that, subject to debt seniority, came preferred shares, contingent capital, etc, with the most economical capital being senior debt. He said that a company like Swiss Re could obtain such capital on very favourable terms, but it did not serve Swiss Re's purpose. Swiss Re had debt capital for emergencies. In the event of a major and severe loss event, the company would need more equity to cover clients' claims. In such situations, contingent capital and subordinated capital could be converted to equity, yielding a return many times higher. If Swiss Re were to hold this equity, this would practically only allow it to underwrite investment risks, and Swiss Re did not wish to have further investment risks on its balance sheet. Swiss Re, he said, could obtain capital and pay more for it, but this would only be necessary if Swiss Re required more liquidity. The Chairman explained that Swiss Re paid premiums for the provision of the capital, which could be drawn when needed. He noted that, in past years, Swiss Re had repaid a lot of debt, for which it had used large amounts of cash flow to ensure a more secure balance sheet structure. The Chairman explained that it was the regulatory capital, that should be considered, which was higher again than the capital in the US GAAP balance sheet. He said that Swiss Re was well-capitalised and had taken precautions to ensure that the balance sheet could be further strengthened if needed. In contrast to the industrial sector, Swiss Re did not need the capital to finance investments, but to hedge risks.

Mr Riccardo Pacifico said that the agreements forming the basis for Swiss Re's Committed Line of Credit should be publicly accessible so that shareholders and other interested parties could examine them and in particular see who the counterparties were.

The Chairman asked the Group CFO to explain the specified financial instrument. The Group CFO said that Swiss Re had highly experienced treasury specialists responsible for such instruments. The specified instrument was publicly traded and the relevant documents were available to investors. For this instrument, the capital was paid in by a large number of professional investors, meaning that Swiss Re had no so-called counterparty risk, as it were. The Group CFO went on to say that this instrument fit well into Swiss Re's capital structure and allowed Swiss Re to have access to capital if so required. The Chairman added that it was not possible to predict in Swiss Re's business area whether major loss events would occur in any given year. In the absence thereof, share buy-back programmes could be implemented so as to make good use of the capital. However, if a major loss event did occur, Swiss Re needed to have instruments that allowed it to support clients quickly and easily with extensive capacity. In such cases, the Committed Line of Credit allowed Swiss Re to obtain capital and strengthen the regulatory capital in a subsidiary, with the further advantage that this instrument was more economical than large cash holdings.

Mr Rolf Luethi spoke next, commenting that the Corporate Solutions Business Unit had reported a combined ratio of 101.1%, and thus a loss, in financial year 2016. He referred to the statement by the Group CEO that a 6% return on equity had been achieved. Mr Luethi said that this figure was not meaningful, as no capital costs were specified. He asked what Corporate Solutions would do in order to bring the combined ratio under 95% again, and also asked how high the capital costs were.

In addition, regarding the current Standard & Poor's rating of AA- for Swiss Re Ltd, Mr Luethi asked what it would mean to seek an AA rating, both in financial terms and for Swiss Re's image and market strength. He also asked how this AA- rating stood in comparison to competitors such as Munich Re.

Responding to the question about the Standard & Poor's rating, the Chairman said that Swiss Re and Munich Re had the same rating. This rating, he said, depended, amongst other things, on how Standard & Poor's and Moody's assessed the reinsurance market situation. In a difficult market situation, it was hard for a company to get a higher rating. With its AA- rating, Swiss Re had higher costs than companies with a lower rating. He added that, in light of the difficult market environment at present, clients were not prepared to pay for a higher rating. Some time ago, Swiss Re had an AAA rating, which would not be possible to achieve given the current market conditions. The Chairman said he thought that the AA- rating was currently correct for Swiss Re. He further explained that claims, commissions and in-house costs were three elements of the combined ratio, and then passed the floor to the CEO of Corporate Solutions, Mr Galvagni.

Mr Galvagni answered Mr Luethi's questions regarding Corporate Solutions. He explained that the capital costs amounted to approximately 8%, and said Mr Luethi had correctly noted that Corporate Solutions, with a return of 6%, had not generated value for the shareholders. Mr Galvagni went on to note that the reasons for this, as addressed by the Group CEO, were a large number of major claims, but most of all the difficult market environment in which Corporate Solutions operated. He said that cut-throat competition prevailed in corporate business. Under these circumstances, it was very difficult or even impossible for Corporate Solutions to meet the Group's financial objectives. To do this, Corporate Solutions would have had to achieve a return of 11%. In such situations, it was important that Corporate Solutions was able to perform at or above the market level. The combined ratio of 101% was within the range of that of its competitors. Mr Galvagni confirmed that Corporate Solutions was not satisfied with this result, and had taken various measures accordingly, including stricter discipline in risk selection. He said that quality would be prioritised over quantity, even more so than in the past. Corporate Solutions would like to be even more efficient in terms of cost controlling, and employ greater cost awareness, starting with the CEO himself. Regarding compensation, Corporate Solutions had already taken action, with the almost 3 000 employees of Corporate Solutions receiving on average the lowest bonuses for financial year 2016. Mr Galvagni gave his assurances that Corporate Solutions remained ambitious and was not satisfied with the result, and would make every effort to improve the situation.

Mr Hermann Struchen was the last person to speak on these agenda items. He made some comments regarding the Annual Report. He said he found the presentation very satisfactory, but that the report was missing a summary of specific information for shareholders in one place. Mr Struchen said it would be desirable for such a summary to include information on the share performance, potentially a five-year overview, as well as information on the corporate structure, shareholder base and shareholder structure. He further remarked that, according to the Annual Report, Swiss Re Ltd had 87 267 shareholders, and that 0.1% of the shareholders held 53.4% of the shares. The remaining shareholders, over 86 000 of them, held less than 50% of the shares.

The Chairman thanked Mr Struchen for his comments. He welcomed the suggestion of preparing an information sheet for shareholders. He confirmed Mr Struchen's assertion that 0.1% of the shareholders held over 50% of the votes. The Chairman explained that many of these shareholders were investment funds, representing numerous investors. He said that these intermediaries, a major life insurer, for example, invested the money of their numerous policyholders. These were therefore not private, but institutional investors. This meant that Swiss Re shares were globally very well-diversified, directly or indirectly.

As no other shareholders requested the floor, the vote was taken on Items 1.1 and 1.2.

Item 1.1 Consultative vote on the Compensation Report

The Chairman pointed out that the ballot on the Compensation Report was consultative in nature and that shareholders could use their vote to indicate whether or not they approved the report. In contrast to the ballot in Item 1.2, the ballot on the Compensation Report was consultative, and therefore not legally binding for the Board of Directors; however, the Board would take into account the result and use it as an indicator of the satisfaction of shareholders. He went on to note that the Compensation Report had been prepared in accordance with regulatory and corporate governance requirements and had been audited by the Statutory Auditor.

The vote was then taken. The Chairman announced that the Board of Directors' motion to accept the 2016 Compensation Report included in the Financial Report was approved by the Annual General Meeting, with 80.59% (125 496 690) voting Yes, 14.63% (22 777 409) voting No, and 4.78% (7 450 518) abstentions.

Item 1.2 Approval of the Annual Report (incl. Management Report), annual and consolidated financial statements for the financial year 2016

After the second vote, the Chairman announced that the Annual General Meeting had approved the Annual Report (including the Management Report), annual and consolidated financial statements for the financial year 2016, with 99.13% (154 369 053) voting Yes, 0.66% (1 024 037) voting No, and 0.21% (337 212) abstentions.

Item 2. Allocation of disposable profit

The Chairman reminded participants that Swiss Re Ltd, the holding company of the Swiss Re Group, had generated disposable profit of roughly CHF 3.975 billion in 2016. The Board of Directors proposed to pay a dividend of CHF 4.85 per share. This represented an increase over the previous year, in which an ordinary distribution of CHF 4.60 had been approved. The proposed dividend was to be paid from the voluntary profit reserves. The Board of Directors therefore proposed that a portion of the disposable profit of roughly CHF 3.975 billion be allocated to the voluntary profit reserves (CHF 3 971 637 199) and another portion be carried forward (CHF 3 661 112).

The Chairman then remarked that the Statutory Auditor, in its report to the shareholders, had confirmed that the Board of Directors' motion regarding the allocation of disposable profit complied with statutory regulations and the Articles of Association.

The Chairman then opened the debate. Two shareholders wish to speak to this item.

Mr Beat Steiger proposed that 1% of the dividend payout should be donated in equal halves to *Médecins Sans Frontières* and to *Swiss Aid* for water projects. He said that such a donation would make sense for Swiss Re, and urged the shareholders to agree.

The Chairman thanked Mr Steiger for his proposal and explained that this would constitute an amendment of the Board of Directors' proposal which was admissible. He said that the Chairman decided on Annual General Meeting procedures, and noted that a vote would first be taken on the motion of the Board of Directors. If it were accepted, Mr Steiger's motion would be automatically rejected. The Chairman said that he personally understood Mr Steiger's concern. However, he explained that it was not the company's task to decide on dividend distribution. Shareholders could each decide individually how they would like to use the dividend. He further mentioned that Swiss Re had in place a foundation, the *Swiss Re Foundation*, which held shares in Swiss Re Ltd and used the dividend for various projects in keeping with the aims cited by Mr Steiger. This seemed appropriate, he said, and the Foundation could work flexibly with institutions in Switzerland and abroad, while also assessing the proposals received by the Foundation.

Mr Pacifico said that, in his opinion, it would have been better for Swiss Re to keep the CHF 2 billion used for the last share buy-back programmes in a bank account instead.

The Chairman said that Swiss Re would not earn anything on the CHF 2 billion mentioned by Mr Pacifico if it simply kept the capital in a bank account, on which it would in fact have to pay negative interest. Such capital was very expensive. He said that the Committed Line of Credit was a much more favourable form of capital, which could also be obtained flexibly if needed by Swiss Re.

As no further shareholder requested the floor, a vote was taken on agenda Item 2.

The Chairman announced that the Annual General Meeting had approved the Board of Directors' motion to allocate the disposable profit and pay out an ordinary dividend of CHF 4.85, with 99.60% (155 244 687) voting Yes, 0.20% (306 852) voting No, and 0.20% (312 557) abstentions.

In conclusion, the Chairman informed those present that, starting from 27 April 2017, the approved dividend, after deduction of Swiss federal withholding tax of 35%, was to be paid free of charge to shareholders entered in the share register who were in possession of shares on 24 April 2017 or to their respective custodian banks. He added that the share would be traded ex-dividend as of 25 April 2017.

Item 3. Approval of the aggregate amount of variable short-term compensation for the members of the Group Executive Committee for the financial year 2016

The Chairman reminded that the shareholders had cast separate binding votes on the compensation for the Board of Directors and the Group Executive Committee already the past two years. The Articles of Association of Swiss Re Ltd stipulated that shareholders could vote on this compensation by casting three separate ballots each year. The first ballot concerned the aggregate amount of short-term compensation for the Group Executive Committee for the financial year prior to the Annual General Meeting. The second ballot concerned the maximum aggregate amount of compensation for the Board of Directors for the coming term of office, and the third ballot concerned the maximum aggregate amount of fixed compensation and variable long-term compensation for the Group Executive Committee for the financial year following the Annual General Meeting. He noted that detailed information on the compensation and its components could be found in the Compensation Report, on pages 136 to 161 of the 2016 Financial Report.

The Chairman went on to say that they would begin with voting on short-term compensation for the members of the Group Executive Committee for the completed financial year 2016.

The motion to approve variable short-term compensation of CHF 18 263 261 for the members of the Group Executive Committee (in comparison with CHF 20 341 420 for 2015) was based on various factors: In the financial year 2016, Swiss Re achieved good US GAAP and strong economic results. All three Business Units had contributed to the net income, with a strong contribution from investments. The proposed aggregate amount comprised the variable short-term compensation for the 12 Group Executive Committee members, who served for the full reporting year. It included the variable short-term compensation for the previous Group CEO until mid 2016 and for the new member of the Group Executive Committee who joined in 2016. The proposed aggregate amount furthermore accounts for adjustments in the compensation of existing Group Executive Committee members in respect of their promotions within the Group Executive Committee. Further details of this proposed compensation were explained on pages 7 and 8 of the invitation to the Annual General Meeting.

The Chairman then invited discussion on Item 3. Ms Annette Joswig wished to speak.

Ms Joswig commented on the development of the share price of Swiss Re Ltd. She thanked the employees of Swiss Re for their work. She said that she did not agree with the amount of compensation proposed for the Board of Directors and for the Group Executive Committee. She asked what was the role of a "key risk taker", and what risk such persons bore when they received high compensation, but did not possess many of Swiss Re Ltd shares.

The Chairman explained that "key risk taker" was a regulatory term. Swiss Re had to designate those persons, who had the authority to bind Swiss Re with significant amounts of capital. For Swiss Re, these were around 200 employees, primarily active in risk underwriting and asset management, or in other areas where they have and must have decision-making powers. He added that compensation for such persons was monitored by regulators. The risk for key risk takers was of poor performance on their part, which would be clearly evident. He explained that not every decision that led to a large loss was a wrong decision.

Swiss Re invested capital, and some decisions might be made that were not ideal at a given moment. The risk must be correct overall, but in individual cases, poor decisions might bring about a certain financial risk ex-post, and this cannot be prevented structurally. There was no guarantee that a given risk would never result in a loss, and an investment might also turn out to be negative.

As not further shareholder requested the floor, a vote was taken on Item 3.

The Chairman announced that the Annual General Meeting approved the aggregate amount of variable short-term compensation of CHF 18 263 261 for the members of the Group Executive Committee for the financial year 2016, with 88.98% (138 624 378) voting Yes, 10.45% (16 284 746) voting No, and 0.57% (883 506) abstentions.

Item 4. Discharge of the members of the Board of Directors

The Chairman informed the Annual General Meeting that the Board of Directors had requested that its members be granted a discharge in respect of their activities during the 2016 financial year. Discharge was also requested for Mr Mathis Cabiallavetta, Mr Hans Ulrich Maerki and Mr Jean-Pierre Roth, who had left the Board of Directors at the 2016 Annual General Meeting. The Chairman proposed to the Annual General Meeting that a decision on the discharge of all members of the Board of Directors be taken by a single vote. There were no objections.

The Chairman then invited discussion on Item 4. No one requested the floor.

Before the ballot, the Chairman reminded the meeting that the members of the governing bodies and their representatives were not permitted to participate in any way in the decision on their discharge, not even by abstaining. The members of the governing bodies were the members of the Board of Directors and the Group Executive Committee. The Chairman continued by saying that, as these individuals were not permitted to cast a vote, the number of votes cast and the quorum for the ballot on this item would be slightly lower.

The vote was then taken. The Chairman announced that the Annual General Meeting had discharged the Board of Directors for the 2016 financial year, with 98.09% (151 611 613) voting Yes, 1.14% (1 758 445) voting No, and 0.77% (1 197 564) abstentions.

In conclusion, the Chairman noted that the agenda items relevant to the 2016 financial year had thus been dealt with, and the meeting would proceed to address the agenda items relevant to the 2017 and 2018 financial years.

Item 5. Elections

The Chairman noted that the Articles of Association of Swiss Re Ltd stipulated that the shareholders must each year separately elect all members of the Board of Directors, the Chairman of the Board of Directors, the members of the Compensation Committee, and the Independent Proxy. Furthermore, the Statutory Auditor must be re-elected as in previous years.

Item 5.1 Board of Directors and Chairman of the Board of Directors

Swiss Re Ltd's Board of Directors proposed the re-election of ten current members and the election of three new members. One member did not stand for re-election.

The Chairman explained a few criteria, which the Board of Directors took into account for its composition: professional experience, balance, diversity of opinions, efficiency as well as ideal compositions of its committees. A further very important aspect was the availability of suitable candidates. In that year, the opportunity had arisen to win three extraordinary candidates for the Board of Directors. The Chairman was convinced that the newly comprised Board would have all requirements for the continued successful management of Swiss Re as an international group.

The Chairman bid farewell to Carlos Represas who was not standing for re-election. The Chairman thanked Mr Represas for his valuable contributions on the Board of Directors, the pleasant working relationship and for his continued support of Swiss Re as a board member for some of the US companies/subsidiaries.

The Chairman stated in alphabetical order the names of the ten people standing for re-election: Raymond K.F. Ch'ien, Renato Fassbind, Mary Francis, Rajna Gibson Brandon, C. Robert Henrikson, Trevor Manuel, Philip K. Ryan, Sir Paul Tucker and Susan L. Wagner, and the Chairman himself, Walter B. Kielholz. The Chairman then proceeded to state that the candidates had been presented in the invitation to the Annual General Meeting and that a detailed curriculum vitae of all these persons had been included in the Corporate Governance section of the 2016 Financial Report and was also available on the Swiss Re website at www.swissre.com. He said that he trusted that the shareholders would therefore agree to dispense with a detailed verbal presentation of the candidates due to time constraints. There were no objections.

The Chairman then introduced to the shareholders the three candidates who were standing for election as new members of the Board of Directors.

Jay Ralph began his career as auditor at Arthur Andersen & Company. After that, he was Investment Officer at Northwestern Mutual Life Insurance Company, President at Centre Re Bermuda Ltd and a member of the Executive Board of Zurich Re. As of 1997, he held managing positions with Allianz. He was President and Chief Executive Officer of Allianz Risk Transfer in Zurich until 2006, followed by Chief Executive Officer of Allianz Re and as of 2010 until 2016, he was a member of the Board of Management of Allianz SE. Jay Ralph is an American and Swiss citizen. He graduated in the US with an MBA in Finance and Economics and a BBA in Finance and Accounting. He has qualified as Certified Public Accountant and as a Chartered Financial Analyst.

With Jay Ralph, the Board nominated a recognised industry expert for election. Jay Ralph focused on finance in his studies and has spent nearly his entire career in the insurance sector. He understands all aspects of Swiss Re's business, in particular also the segment where Corporate Solutions is active. The Chairman was convinced, that someone with his know-how and experience would be an ideal addition to the Board of Directors.

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Joerg Reinhardt is the Chairman of the Board of Directors of Novartis. He had started his career at Sandoz Pharma Ltd and held a number of senior roles at Novartis, primarily in research and development, in the preceding years. He was Chief Operating Officer from 2008 to 2010. Before taking on the role as Chairman of the Board of Directors of Novartis in 2013, he was Chairman of the Board of Management and the Executive Committee of Bayer HealthCare. Joerg Reinhardt is a German citizen. He graduated with a doctorate in pharmaceutical sciences from Saarland University, Germany.

The Chairman was convinced that Mr Reinhardt would complement the Board of Directors in many ways. This due to his market expertise and his long-term experience as a leader, which he gained in international corporations, at board level as well as in operational roles. The Chairman added that the Board recommended Mr Reinhardt be elected not only to the Board of Directors but also as a member in the Compensation Committee. Compensation is an important issue at Swiss Re and in parts a very complex topic. The Chairman was convinced that Mr Reinhardt would also be able to contribute valuable insights in this area gained from his experience in other listed companies.

The third candidate, Jacques de Vaucleroy, is Vice-Chairman of the Board of Directors of Ahold Delhaize, a large multinational food company domiciled in the Netherlands. He is a member of the Boards of Directors of Fidelity International Limited and MyMicroInvest SA as well as of two non-profit organisations. Jacques de Vaucleroy spent 24 years at ING Group where he held various senior roles. In the end, he had been a member of the Executive Board, in charge of insurance and asset management in Europe. He subsequently changed to AXA Group, where he was a member of the Management Committee from 2010 to 2016, serving as CEO of North, Central and Eastern Europe and CEO of Global Life & Savings. Jacques de Vaucleroy is a Belgian citizen. He graduated in Belgium with a Bachelor in Law and received a Master in Law and a Master in Business Law.

Mr de Vaucleroy's curriculum vitae illustrated clearly that he was well prepared for the role of member of the Board of Directors at Swiss Re Ltd. He can look back at a long and successful career at two large international corporations in the finance industry, one of which an insurance company. In addition, he is already well acquainted with Swiss Re, as in the past months he has been a member of the boards of the parent companies of Swiss Re's three Business Units. He therefore brings with him the best prerequisites for election into the Group Board of Directors.

The Chairman then invited discussion on Item 5.1. No shareholder requested the floor. The Chairman handed the floor to the Vice Chairman, Mr Renato Fassbind, who addressed a few words to the shareholders in connection with the re-election of Walter B. Kielholz as a member of the Board of Directors and his re-election as Chairman of the Board of Directors (in the same vote).

Walter Kielholz joined Swiss Re in 1989 and was its CEO from 1997 to 2002. From 2003 to 2009, he was Vice Chairman of the Board of Directors before being appointed Chairman of the Board of Directors in the same year. Mr Fassbind went on to state that Mr Kielholz was a highly regarded and very experienced member of the Board of Directors. Through his many years spent working for the Swiss Re Group, he had amassed in-depth knowledge of the company, its business and its clients.

His knowledge of the insurance industry, and in particular reinsurance business, was first-rate. He had also successfully represented the Company's interests in trade associations and at key economic congresses. That Swiss Re today was a company in the best of health – strategically well positioned and with a sound financial basis – was due in no small part to the efforts of Mr Kielholz. Mr Fassbind went on to say that Swiss Re was very grateful to Walter Kielholz for agreeing to stand for a further term of office. On behalf of the Board of Directors, Mr Fassbind, the Vice Chairman, recommended that the shareholders re-elect Mr Kielholz with conviction to the Board of Directors and as Chairman of the Board of Directors.

The Vice Chairman then moved on to the election.

Item 5.1.1 Re-election of Walter B. Kielholz as member of the Board of Directors and re-election as Chairman of the Board of Directors in the same vote

The Vice Chairman announced that the Annual General Meeting had approved the Board of Directors' motion to re-elect Walter B. Kielholz to the Board of Directors and to re-elect him as Chairman of the Board of Directors with 93.34% (145 446 233) voting Yes, 6.00% (9 352 982) voting No, and 0.66% (1 029 863) abstentions. The Vice Chairman congratulated Walter Kielholz on his election. He then handed the floor back to the Chairman.

The Chairman thanked the shareholders for their confidence. He informed the shareholders that each re-election vote would be held separately, but all the results of re-election to the Board of Directors would be announced after the completion of all votes.

Item 5.1.2 Re-election of Raymond K.F. Ch'ien

The vote was taken on the re-election of Raymond K.F. Ch'ien. The Chairman announced (following the completion of all re-election votes) that the Annual General Meeting had approved the Board of Directors' motion to re-elect Raymond K.F. Ch'ien with 97.15% (151 413 891) voting Yes, 2.57% (4 002 086) voting No, and 0.28% (440 765) abstentions.

Item 5.1.3 Re-election of Renato Fassbind

The vote was taken on the re-election of Renato Fassbind. The Chairman announced (following the completion of all re-election votes) that the Annual General Meeting had approved the Board of Directors' motion to re-elect Renato Fassbind with 96.96% (151 107 577) voting Yes, 2.76% (4 308 320) voting No, and 0.28% (434 485) abstentions.

Item 5.1.4 Re-election of Mary Francis

The vote was taken on the re-election of Mary Francis. The Chairman announced (following the completion of all re-election votes) that the Annual General Meeting had approved the Board of Directors' motion to re-elect Mary Francis with 97.37% (151 736 695) voting Yes, 2.32% (3 613 520) voting No, and 0.31% (490 416) abstentions.

Item 5.1.5 Re-election of Rajna Gibson Brandon

The vote was taken on the re-election of Rajna Gibson Brandon. The Chairman announced (following the completion of all re-election votes) that the Annual General Meeting had approved the Board of Directors' motion to re-elect Rajna Gibson Brandon with 96.29% (150 030 457) voting Yes, 3.41% (5 320 113) voting No, and 0.30% (474 286) abstentions.

Item 5.1.6 Re-election of C. Robert Henrikson

The vote was taken on the re-election of C. Robert Henrikson. The Chairman announced (following the completion of all re-election votes) that the Annual General Meeting had approved the Board of Directors' motion to re-elect C. Robert Henrikson with 96.58% (150 521 608) voting Yes, 3.11% (4 839 180) voting No, and 0.31% (483 273) abstentions.

Item 5.1.7 Re-election of Trevor Manuel

The vote was taken on the re-election of Trevor Manuel. The Chairman announced (following the completion of all re-election votes) that the Annual General Meeting had approved the Board of Directors' motion to re-elect Trevor Manuel with 97.24% (151 547 758) voting Yes, 2.43% (3 790 415) voting No, and 0.33% (518 091) abstentions.

Item 5.1.8 Re-election of Philip K. Ryan

The vote was taken on the re-election of Philip K. Ryan. The Chairman announced (following the completion of all re-election votes) that the Annual General Meeting had approved the Board of Directors' motion to re-elect Philip K. Ryan with 97.24% (151 452 642) voting Yes, 2.42% (3 776 313) voting No, and 0.34% (527 885) abstentions.

Item 5.1.9 Re-election of Sir Paul Tucker

The vote was taken on the re-election of Sir Paul Tucker. The Chairman announced (following the completion of all re-election votes) that the Annual General Meeting had approved the Board of Directors' motion to re-elect Sir Paul Tucker with 97.37% (151 686 420) voting Yes, 2.30% (3 580 577) voting No, and 0.33% (516 500) abstentions.

Item 5.1.10 Re-election of Susan L. Wagner

The vote was taken on the re-election of Susan L. Wagner. The Chairman announced (following the completion of all re-election votes) that the Annual General Meeting had approved the Board of Directors' motion to re-elect Susan L. Wagner with 90.84% (141 522 758) voting Yes, 8.82% (13 734 417) voting No, and 0.34% (538 695) abstentions.

Item 5.1.11 Election of Jay Ralph

The vote was taken on the election of Jay Ralph. The Chairman announced (following the completion of all election votes) that the Annual General Meeting had approved the Board of Directors' motion to elect Jay Ralph as a new member to the Board of Directors with 97.21% (151 484 845) voting Yes, 2.42% (3 775 412) voting No, and 0.37% (576 050) abstentions.

Item 5.1.12 Election of Joerg Reinhardt

The vote was taken on the election of Joerg Reinhardt. The Chairman announced (following the completion of all election votes) hat the Annual General Meeting had approved the Board of Directors' motion to elect Joerg Reinhardt as a new member to the Board of Directors with 96.77% (150 803 280) voting Yes, 2.81% (4 372 140) voting No, and 0.42% (664 770) abstentions.

Item 5.1.13 Election of Jacques de Vaucleroy

The vote was taken on the election of Jacques de Vaucleroy. The Chairman announced (following the completion of all election votes) hat the Annual General Meeting had approved the Board of Directors' motion to elect Jacques de Vaucleroy as a new member to the Board of Directors with 95.75% (149 157 590) voting Yes, 3.86% (6 009 782) voting No, and 0.39% (609 847) abstentions.

The Chairman congratulated all members of the Board of Directors on their election or re-election and said he looked forward to working with them.

Item 5.2 Compensation Committee

The Chairman informed the shareholders that they would be electing the members of the Compensation Committee, and that the Board of Directors would appoint the Chairman of the Compensation Committee at its constituting meeting. The Chairman listed the members of the Board of Directors proposed for election to the Compensation Committee: Raymond K.F. Ch'ien, Renato Fassbind, C. Robert Henrikson and Joerg Reinhardt.

The Chairman explained that Raymond K.F. Ch'ien, Renato Fassbind and C. Robert Henrikson had already successfully fulfilled this role for Swiss Re in the past, and were thoroughly familiar with the Group's compensation policy and applicable principles. Carlos Represas, who during the previous year had also been a member of the Compensation Committee, was not standing for re-election to the Board of Directors. The Board of Directors proposed Joerg Reinhardt for election as a new member of the Compensation Committee. The Board of Directors expressed confidence that Mr Reinhardt's experience made him a suitable successor.

The members proposed for re-election or election respectively, had been presented in the invitation to the Annual General Meeting and a detailed curriculum vitae of all these persons had been included in the Corporate Governance section of the 2016 Financial Report and was available for current members of the Board of Directors on the Swiss Re website at www.swissre.com. To save time, the Chairman therefore refrained from any further in-depth verbal explanations.

The Board of Directors expressed confidence that it had proposed highly suitable and experienced candidates for election.

The Chairman then invited discussion on Item 5.2. As no shareholder requested the floor, the elections commenced. The Chairman noted that the elections would again be conducted separately, and that he would announce the results following the completion of all four votes.

Item 5.2.1 Re-election of Raymond K.F. Ch'ien

The vote was taken on the re-election of Raymond K.F. Ch'ien. The Chairman announced (following the completion of all four votes) that the Annual General Meeting had approved the Board of Directors' motion to re-elect Raymond K.F. Ch'ien with 95.04% (148 033 308) voting Yes, 4.62% (7 203 935) voting No, and 0.34% (529 506) abstentions.

Item 5.2.2 Re-election of Renato Fassbind

The vote was taken on the re-election of Renato Fassbind. The Chairman announced (following the completion of all four votes) that the Annual General Meeting had approved the Board of Directors' motion to re-elect Renato Fassbind with 97.60% (151 969 173) voting Yes, 2.08% (3 231 647) voting No, and 0.32% (510 037) abstentions.

Item 5.2.3 Re-election of C. Robert Henrikson

The vote was taken on the re-election of C. Robert Henrikson. The Chairman announced (following the completion of all four votes) that the Annual General Meeting had approved the Board of Directors' motion to re-elect C. Robert Henrikson with 97.20% (151 383 715) voting Yes, 2.46% (3 838 108) voting No, and 0.34% (529 852) abstentions.

Item 5.2.4 Election of Joerg Reinhardt

The vote was taken on the election of Joerg Reinhardt. The Chairman announced (following the completion of all four votes) that the Annual General Meeting had approved the Board of Directors' motion to elect Joerg Reinhardt as a new member of the Compensation Committee with 97.71% (152 259 943) voting Yes, 1.90% (2 957 284) voting No, and 0.39% (613 083) abstentions.

Item 5.3 Re-election of the Independent Proxy

The Board of Directors proposed to elect Proxy Voting Services GmbH of Zurich as the Independent Proxy. The Chairman stated that Proxy Voting Services GmbH of Zurich had already been elected as the Independent Proxy at the last Annual General Meeting, and had fulfilled this role competently.

The managing director of this company, Dr René Schwarzenbach, had already performed this role in the past to the satisfaction of Swiss Re's shareholders and was thoroughly familiar with the task and the procedures involved.

The Chairman then invited discussion on Item 5.3. As no shareholder requested the floor, the Chairman moved on to the election.

The Chairman announced that the Annual General Meeting had approved the Board of Directors' motion to re-elect Proxy Voting Services GmbH, Zurich, with 99.23% (154 594 984) voting Yes, 0.57% (894 657) voting No, and 0.20% (306 369) abstentions.

Item 5.4 Re-election of the Auditor

On behalf of the Board of Directors, the Chairman proposed that PricewaterhouseCoopers Ltd ("PwC"), Zurich, be re-elected as the Statutory Auditor for a further one-year term. The Auditor reviewed the annual financial statements and the consolidated financial statements, and acted as Auditor for the holding company, Swiss Re Ltd, and as Auditor for the Group. PwC was elected as the Group's Auditor for the first time at the Annual General Meeting of 22 November 1991; its mandate had been renewed every year since. In all those years, PwC had shown itself to be a professional, efficient auditor that met the high standards required by a global group. The Audit Committee had received renewed confirmation from PwC that it met the relevant independence requirements to carry out the audit mandate.

The Chairman then invited discussion on the motion to re-elect PwC.

As no one requested the floor, the vote was taken. The Chairman announced that the Annual General Meeting had approved the Board of Directors' motion to re-elect PwC with 90.35% (140 757 489) voting Yes, 9.42% (14 674 506) voting No, and 0.23% (361 418) abstentions.

Item 6. Approval of Compensation

The Chairman explained that, of the three votes planned on the proposal of compensation for the Board of Directors and the Group Executive Committee, one vote had already been taken under Item 3 for the variable short-term compensation of the Group Executive Committee for the 2016 financial year. Under Item 6, the Board of Directors submitted two motions on the compensation of the Board of Directors and the Group Executive Committee relating to the 2017 and 2018 financial years.

The Chairman first addressed the topic of compensation for the Board of Directors. The members of the Board of Directors received fixed compensation and no variable or performance-based compensation. Under Item 6.1, the Board of Directors requested approval of aggregate compensation of CHF 9.9 million for the members of the Board of Directors for the next term of office. The previous year, the Annual General Meeting had approved aggregate compensation of a similar amount, namely CHF 10.1 million. Of this amount, CHF 9 933 681 had been effectively paid out. The details of the compensation effectively paid to the members of the Board of Directors were to be found on page 158 of the 2016 Financial Report. The proposed aggregate compensation took account of the changes in the composition of the Board of Directors and its Committees and of the compensation for the three new members of the Board of Directors.

The Chairman then addressed the topic of compensation for the Group Executive Committee. Under Item 6.2, the Board of Directors requested the approval of a maximum aggregate amount of CHF 34 million in fixed compensation and variable long-term compensation for the 13 members of the Group Executive Committee for the 2018 financial year. The previous year, the Annual General Meeting had approved the same maximum aggregate amount for the members of the Group Executive Committee for the 2017 financial year. The proposed maximum aggregate amount included an additional reserve of 10% of the anticipated fixed compensation and variable long-term compensation for the 2018 financial year. This reserve was to be used to offset various unanticipated expenses, such as taxes that had to be paid immediately. The fixed compensation of the members of the Group Executive Committee was explained in the Compensation Report on pages 144 to 148 of the 2016 Financial Report. The social security contributions of the members of the Group Executive Committee were included in the requested maximum aggregate amount. However, it did not include an estimated amount of around CHF 2.125 million for compulsory employer contributions that were to be borne by Swiss Re. The effective amounts paid to the members of the Group Executive Committee for the 2018 financial year were indicated in the 2018 Compensation Report. The Compensation Report would be subject to a consultative vote at the Annual General Meeting 2019. Further comments on the motions of the Board of Directors relating to compensation could be found on pages 19 to 21 of the invitation to the Annual General Meeting.

The Chairman then invited discussion on Item 6. As no shareholder requested the floor, votes were taken on Items 6.1 and 6.2.

Item 6.1 Approval of the maximum aggregate amount of compensation for the members of the Board of Directors for the term of office from the Annual General Meeting 2017 until the Annual General Meeting 2018

The Chairman announced that the Annual General Meeting approved the maximum aggregate amount of compensation of CHF 9.9 million for the members of the Board of Directors, for the term of office until the Annual General Meeting 2018, with 88.48% (137 820 121) voting Yes, 10.95% (17 061 624) voting No, and 0.57% (886 767) abstentions.

Item 6.2 Approval of the maximum aggregate amount of fixed compensation and variable long-term compensation for the members of the Group Executive Committee for the 2018 financial year

The Chairman announced that the Annual General Meeting approved the maximum aggregate amount of fixed compensation and variable long-term compensation of CHF 34 million for the members of the Group Executive Committee for the financial year 2018, with 87.15% (135 674 385) voting Yes, 12.27% (19 103 374) voting No, and 0.58% (901 248) abstentions.

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Item 7. **Reduction of Share Capital**

The Chairman explained that, in the previous year, the Annual General Meeting had authorised the Board of Directors to repurchase the company's own shares for a purchase price of up to a maximum of CHF 1 billion until the time of this Annual General Meeting. The repurchase was to be carried out by way of a Share Buy-back Programme for cancellation purposes. Swiss Re launched the Programme on 4 November 2016 and concluded it on 9 February 2017. In total, Swiss Re bought back 10 620 280 of its own shares, for a total purchase value of CHF 999 999 942.06. In order to cancel the repurchased own shares, the share capital was to be reduced by CHF 1 062 028, to achieve the new amount of CHF 34 945 228.10. Art 3, para 1 of the Articles of Association was to be amended accordingly as soon as the reduction was entered into the Commercial Register. The reduction of share capital could only be carried out subject to certain requirements. First, in accordance with Art 733 of the Swiss Code of Obligations, the creditors must be informed of this decision by means of three notifications in the SOGC. A notification to this effect would be published following the Annual General Meeting 2017. Within a period of two months after the third publication of the notice, creditors could assert their claims or demand that Swiss Re provide security for their claims. Meanwhile, a special audit report was also necessary. This report was prepared by PwC and was available at the Annual General Meeting 2017. The report confirmed that the claims of Swiss Re's creditors were still fully covered following the capital reduction and that Swiss Re's liquidity remained assured.

The Chairman then invited discussion on Item 7. Mr Charles Guggenheim requested to speak.

Mr Guggenheim referred to the repurchase of 10 620 280 own shares by Swiss Re Ltd in the period from 4 November 2016 to 9 February 2017 at an average price of CHF 94.16 per share, and said that, on the day before this Annual General Meeting, the share had closed at CHF 88.60. Mr Guggenheim said that, in his opinion, a share buy-back programme only benefited those shareholders wishing to sell shares. He argued that a share buy-back programme did not make sense, and that the capital used for this should instead be paid back to the shareholders in the form of a dividend. Mr Guggenheim then made a few comments on the Swiss Re balance sheet. In conclusion, he wished to know how Swiss Re justified repurchasing shares at an average of CHF 94 per share when the share was valued at CHF 88.

The Chairman thanked Mr Guggenheim for his comments. He explained that, in recent years, Swiss Re had distributed CHF 13 billion to its shareholders. Swiss Re, he said, had a dividend policy of long-term validity that could be continuously adapted. If profit was reported due to the absence of major losses, capital was used to repurchase shares. Shares with an intrinsic value of USD 110, as indicated in the Economic Value Report, were repurchased at lower prices. He went on to explain that if the programme was triggered, the requirement was to repurchase around the same number of shares every day. Shares may not be repurchased based on the price. In both cases – if a dividend was paid out and if shares were repurchased – the money was no longer available in the company. He said that a variable dividend policy would not be satisfactory.

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As long as it was possible for Swiss Re to do so, it had made tax-exempt distributions from capital contributions reserves.

As no one else requested to speak, the Chairman moved on to the vote.

The Chairman announced that the Board of Directors' motion to accept the proposed capital reduction and the associated amendment of Art 3, para 1 of the Articles of Association was approved by the Annual General Meeting, with 98.94% (154 145 895) voting Yes, 0.79% (1 234 254) voting No, and 0.27% (420 709) abstentions.

Item 8. Approval of the Share Buy-back Programme

The Chairman explained that Swiss Re was pleased to propose a further Share Buy-back Programme to the Annual General Meeting, after such programmes had also been approved by the Annual General Meetings in the preceding two years 2015 and 2016. The Chairman explained that the Board of Directors requested approval to repurchase the company's own shares for a purchase price of up to a maximum of CHF 1 billion until the time of the Annual General Meeting 2018. The repurchase should be once again carried out by way of a public Share Buy-back Programme for cancellation purposes. As a result of the planned cancellation, the repurchased shares would not fall under the 10% limit stipulated by Art 659 of the Swiss Code of Obligations, which restricts a company's repurchase of its own shares. The Board of Directors should be empowered to determine the details of the public Share Buy-back Programme subject to the approval of the Annual General Meeting. The proposed public Share Buy-back Programme was a market-tested and efficient platform to repatriate capital that could be used flexibly over time. The Chairman explained that the Board of Directors would only execute the Programme if circumstances were permitting - as described in the invitation to the Annual General Meeting – and if the Board of Directors was convinced that sufficient excess capital had been generated in 2017.

A detailed explanation of the new proposed Programme can be found on page 23 of the invitation to the Annual General Meeting.

The Chairman then invited discussion on Item 8. Three persons requested to speak to this item.

Mr Pacifico asked at what point in time the Board of Directors decided on whether or not to implement a public Share Buy-back Programme. Regarding the Share Buy-back procedure, Mr Pacifico proposed that the Board of Directors should determine in advance the number and price of shares to be repurchased under the programme.

The Chairman explained that, from a global perspective, the natural hazards risk was unevenly distributed over the quarters of the year. Experience had shown that risk in the first quarter was quite high due to winter storms, while it was rather low in the second quarter, but very high in the third quarter due to tropical storms, particularly hurricanes in the US. In the past, the Board of Directors had waited for this hurricane season before deciding whether or not to implement a programme. The Chairman added that the procedure for implementing the Share Buy-back Programme was subject to strict legal requirements.

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Mr Rolf Lüthi was of the opinion that a public Share Buy-back Programme was not an option for private investors due to tax considerations. This was because private investors offering their shares on the second trading line had to pay income tax on the difference between the CHF 0.10 of nominal value of the shares and the sales price of around CHF 90. Mr Lüthi proposed that, if there were no major loss events in 2017, the CHF 1 billion planned for the public Share Buy-back Programme should be paid back to the shareholders as a special dividend in 2018. He recommended rejecting the motion under this agenda item. He also asked why private shareholders were disadvantaged.

The Chairman thanked Mr Lüthi for his comments. He said that Swiss Re took great care to ensure a price difference of just a few cents between the second line, where only institutional investors not subject to liquidity tax could offer their shares, and the first, liquid line. Private investors could at any time sell shares at the same price on the first line. Therefore, he said, there was no discrimination.

Mr Heinrich Hofmann was next to speak, regarding Item 8. He said that he was pleased with the good financial year despite the low interest rates, and that he shared the Chairman's critical assessment of market trends. Mr Hofmann remarked that a new Share Buy-back Programme had been proposed, and that he was pleased with the dividend increase. However, he asserted that financial analysts often gave Swiss Re poor assessments. He suggested that, for the coming year, instead of a Share Buy-back Programme, any surpluses should be invested passively in Swiss industrial shares so as to create a diversified reserve with market-oriented returns, enhance the market position of Corporate Solutions, and make sure that industrial shares remained in conscientious hands. Surpluses could also be actively invested in growing markets, such as China. Mr Hofmann further proposed that Swiss Re should co-found an insurance institute in China. He said that he viewed the co-financing of young and upcoming insurance companies as supporting commercial success. Finally, regarding the topic of market potential in developed economies, he asserted that there were also major insurance gaps in Europe, in the occupational pensions sector in Germany and long-term care insurance in Switzerland, for example. He said that the sociopolitical framework conditions must be changed.

The Chairman thanked Mr Hofmann for his suggestions. He explained that China was a very important market for Swiss Re, and that Swiss Re had successfully invested in local insurance companies and would continue its efforts to invest in new insurance companies. In conclusion, the Chairman explained that the Share Buy-back Programme resulted in dividend consolidation.

As no other shareholders requested the floor, the Chairman moved on to the vote.

The Chairman announced that the Annual General Meeting had approved the proposed public Share Buy-back Programme, with 98.16% (152 826 676) voting Yes, 1.49% (2 322 542) voting No, and 0.35% (538 487) abstentions.

Item 9. Amendments of the Articles of Association

The Chairman explained, that in the last agenda item of the Annual General Meeting 2017, the Board of Directors proposed to renew the authorised capital to 21 April 2019. The possibility to exclude shareholder's subscription rights under certain circumstances should remain.

The Board of Directors also proposed to align the reasons for excluding advance subscription rights in connection with conditional capital. The proposed change would create a shareholder-friendly narrowing of the scope under which advance subscription rights may be excluded when issuing Equity-Linked Financing Instruments. In relation to conditional capital, the Board of Directors proposed allowing conversion rights to be granted for 10 years longer, to a maximum of 30 years (previously 20 years). The proposed amendment allows Equity-Linked Financing Instruments to be structured in a flexible way. Furthermore, the existing conditions under which new registered shares can be issued pursuant to Equity-Linked Financing Instruments were to be clarified, in order to ensure such instruments can provide the desired capital management flexibility. The Board of Directors also proposed to reduce the maximum number of shares, issued from authorised capital excluding subscription rights and conditional capital without advance subscription rights of existing shareholders, from 74 000 000 to 70 000 000. The proposed amendments to the Articles of Association were explained in detail on pages 24 to 28 of the invitation to the Annual General Meeting, and were published in the SOGC of 21 March 2017. Therefore the Chairman decided not to read out the text of the Articles of the Association to be amended.

The Chairman then invited discussion on Item 9. As no one requested the floor, the Chairman moved on to the last vote of the Annual General Meeting 2017.

The Chairman announced that the Annual General Meeting had approved the proposed amendments to the Articles of Association under Item 9, with 95.64% (145 191 142) voting Yes, 4.01% (6 090 843) voting No, and 0.35% (532 029) abstentions.

5. Closing remarks

In conclusion, the Chairman noted that the Annual General Meeting of Swiss Re Ltd would be held the following year on 20 April 2018, once again in the Hallenstadion Zurich. The minutes of the Annual General Meeting would be published on the Swiss Re website and would also be available to view at the company's head office. The Chairman invited the participants to visit the exhibit "Swiss Re Next" in the rear of the hall, then stay for refreshments to conclude the Annual General Meeting. The Chairman thanked the shareholders for their participation and brought the 6th Annual General Meeting of Swiss Re Ltd to a close at 5.10 pm and wished all shareholders a pleasant evening.

Swiss Re

8002 Zurich, 12 May 2017

Swiss Re Ltd

Chairman

Walter B. Kielholz

Recorder

Felix Horber

Annex 1 - Speech by Walter B. Kielholz, Chairman of the Board of Directors
Annex 2 - Speech by Christian Mumenthaler, Group CEO