

Ensuring good governance

Swiss Re's corporate governance aims at safeguarding the sustainable interests of the company.

Swiss Re considers good corporate governance indispensable to maintaining long-lasting, valuable relationships with its stakeholders. We recognise that transparent disclosure of our governance structure fosters assessment of the quality of our organisation and business conduct.

Swiss Re's corporate governance adheres to the SIX Swiss Exchange's Directive on Information Relating to Corporate Governance, including its annex. It is also in line with the principles of the revised Swiss Code of Best Practice for Corporate Governance (Swiss Code) of September 2014, issued by *economiesuisse*, the Swiss business federation. Swiss Re, moreover, conforms to the Swiss Financial Market Supervisory Authority (FINMA) provisions on corporate governance, risk management and internal control systems, which came into effect on 1 January 2009. Swiss Re's corporate governance also complies with applicable local rules and regulations in all jurisdictions where it conducts business.

The "Ordinance Against Excessive Compensation at Public Corporations" (Ordinance) entered into effect on 1 January 2014. Swiss Re has undertaken the steps necessary to ensure timely compliance with the Ordinance's requirements. The requirement to instruct the Independent Proxy electronically had already been introduced at the Annual General Meeting 2013.

 For more information see swissre.com/about_us/corporate_governance/

In our Corporate Responsibility Report, we highlight key elements of Swiss Re's corporate governance concerning the structure and independence of the Board of Directors, shareholder rights and the Group Code of Conduct. Comprehensive information following the structure of the SIX Directive is available in the 2014 Financial Report, pages 72–107.

Swiss Re's corporate governance framework

Swiss Re has a dual board structure: the Board of Directors is responsible for oversight, while the Group Executive Committee is responsible for managing operations. This structure maintains effective mutual checks and balances between the top corporate bodies.

Independence of the Board of Directors

Swiss Re's Group Bylaws stipulate that the Board of Directors consists of at least a majority of independent members. To be considered independent, a director may not be employed as an executive officer of the Group, or have been employed in such a function for the previous three years. Moreover, he or she must not have a material relationship with any part of the Group, directly or as a partner, director or shareholder of an organisation that has a material relationship with the Group. Furthermore, in line with the Group's independent criteria, a full-time

Chairman is not considered independent. All members of the Board of Directors, with the exception of the full-time Chairman, meet our independence criteria.

The members of the Board of Directors are also subject to procedures to avoid any conflict of interest.

The organisation of the Board of Directors is set forth in the Group Bylaws, which define the responsibilities of the Board of Directors, its committees and the Group Executive Committee, as well as the respective reporting procedures.

The Board has delegated certain responsibilities, including the preparation and execution of its resolutions, to five committees: the Chairman's and Governance Committee, the Audit Committee, the Compensation Committee, the Finance and Risk Committee, and the Investment Committee.

Audit Committee

The central task of the Audit Committee is to assist the Board of Directors in fulfilling its oversight responsibilities as they relate to the integrity of Swiss Re's and the Group's financial statements, the Swiss Re Group's compliance with legal and regulatory requirements, the external auditor's qualifications and independence, and the performance of GlA and the Group's external auditor.

All members of the Audit Committee are non-executive and independent. In addition to the independence criteria applicable to Board members in general, additional independence criteria apply for members of the Audit Committee.

They are required to possess such additional attributes as the Board may, from time to time, specify. Each member of the Audit Committee has to be financially literate. At least one member must possess the attributes to qualify as an Audit Committee financial expert, as determined appropriate by the Board of Directors.

Shareholders' participation rights

Shares

All shares issued by Swiss Re Ltd are fully paid-in registered shares, each with a par value of CHF 0.10. Each share carries one vote. There are no categories of shares with a higher or limited voting power, privileged dividend entitlement or any other preferential rights, nor are there any other securities representing a part of the company's share capital. The company cannot exercise the voting rights of treasury shares.

Voting right restrictions, statutory group clauses and exception rules

There are no voting right restrictions and no statutory group clauses. Therefore, there are no procedures or conditions for cancelling restrictions and no rules on making exceptions to them. Accordingly, no such exceptions were made in 2014.

Statutory rules on participating in the General Meeting of shareholders

The share whose owner, usufructuary or nominee is entered in the share register as having voting rights on a specific qualifying day determined by the Board of Directors entitles its holder to one vote at the General Meeting of shareholders.

Swiss Re's Articles of Association allow any shareholder with voting rights to have his or her shares represented at any General Meeting of shareholders by another person authorised in writing or by the Independent Proxy. Such representatives need not be shareholders.

Business firms, partnerships and corporate bodies may be represented by legal or authorised representatives or other proxies, married persons by their spouses, minors and wards by their guardians, even though such representatives are not shareholders.

Defence measures

Swiss Re has not put in place any specific measures to defend against potential unfriendly takeover attempts. The Board of Directors believes that the company's best protection is a fair valuation of its shares, and that the efficiency of a free market is preferable to artificial obstacles, which can have a negative impact on the share price in the long term.

Group Code of Conduct

The Group Code of Conduct (Code) is one in a series of documents governing the organisation and management of the company. It sets the framework and defines the basic legal and ethical compliance principles and policies we apply globally.

The Code also offers practical guidance and examples for deciding the appropriate course of action and solving ethical dilemmas. It further sets out how all employees should react when they observe a possible breach of the principles in the Code. All employees are obligated to uphold both the letter and spirit of the Code and the Group's corporate governance principles in their daily business activities, and to respect and obey applicable laws and regulations in all jurisdictions where we do business.

We regularly review and update the Code to reflect changes in regulations and principles.

Swiss Re's commitment to sustainability

Our commitment to sustainability is fully integrated in the Code's section on business ethics. It provides a guiding principle for our efforts to act as a responsible company.

Bribery and corruption

The Code's section on moral behaviour contains, among other things, our position on bribery and corruption. This clearly states that "Swiss Re pursues a 'zero tolerance' policy with respect to bribery and corruption" and that "bribing governmental agents, regulators or other officials is a crime".

We rolled out our Group Anti-Bribery and Corruption Policy, and delivered Group-wide training on it in 2012.

Employee training on the Group Code of Conduct

All new permanent and temporary employees joining Swiss Re must undergo mandatory training on the Group Code of Conduct. Completion of the training is tracked and instances of non-completion are escalated until resolution.

All employees are required to complete a Code of Conduct Acknowledgement every two years. The next Acknowledgement will take place in 2015.