

# Corporate Governance

The Swiss Life Group continually adapts its corporate governance practices to current developments. In doing so, it observes the regulatory requirements in terms of best practice. At the Group's Annual General Meeting of 7 May 2009, the shareholders were given the opportunity of holding a consultative vote on the compensation report.

In the interests of its shareholders, policyholders and staff, Swiss Life attaches great importance to corporate governance and the requirements it entails in terms of the management and organisation of the Swiss Life Group. The corporate governance of Swiss Life Holding Ltd (Swiss Life Holding) is based on the Directive on Information Relating to Corporate Governance issued by the SIX Swiss Exchange and the circular of the Swiss Financial Market Supervisory Authority FINMA on corporate governance, risk management and internal control systems for insurance companies. It is also modelled on leading national and international corporate governance standards, in particular the Swiss Code of Best Practice for Corporate Governance issued by the Swiss Business Federation, *economiesuisse*, as well as the Organization for Economic Cooperation and Development's (OECD) principles on corporate governance.

In view of the new composition of members in the Board of Directors following the Annual General Meeting of 7 May 2009, Swiss Life discontinued the office of Delegate of the Board of Directors and split the Chairman's Committee into two separate committees: In order to optimise the corporate governance environment, a Chairman's and Corporate Governance Committee and an independent Nomination and Compensation Committee have been formed. As part of this new organisational structure, the office of Second Vice Chairman has been created. The Second Vice Chairman chairs the Nomination and Compensation Committee.

In line with the latest developments as regards corporate governance and the disclosure of the compensation report, Swiss Life decided in the year under review to submit the compensation report to the Annual General Meeting for approval for the first time.

The measures and mechanisms introduced by Swiss Life to ensure good corporate governance work well in practice; however, specific adjustments are examined on an ongoing basis in order to adapt the organisational structure to current circumstances and to implement improvements.

This report describes the essential features of corporate governance within the Swiss Life Group. The structure below largely follows the Directive on Information Relating to Corporate Governance issued by the SIX Swiss Exchange, which came into force on 1 July 2002, and were revised on 1 January 2007 and 1 July 2009, and also takes into consideration the new regulations on transparency stipulated in the Swiss Code of Obligations with regard to the compensation of members of the Board of Directors and the Corporate Executive Board. Further information on the Code of Compliance and the values of the Swiss Life Group can be found in the section "Responsible Corporate Conduct" (page 33) in the Business Review.

## Group structure and shareholders

**GROUP STRUCTURE** – The public limited company Swiss Life Holding was established in 2002 and is incorporated under Swiss law. Its registered office is located in Zurich and it has been listed on the SIX Swiss Exchange since 19 November 2002. Swiss Life Holding brings together all the Swiss Life Group companies and activities under a single holding company. The holding company structure makes it easier to effect investments, enter into partnerships or cooperation agreements and execute capital market transactions. Transparency is also improved by separating the interests of shareholders from those of policyholders.

The most important companies falling within the Group's scope of consolidation are presented in the Consolidated Financial Statements (Note 38). Information on the listing on the SIX Swiss Exchange and market capitalisation can be found on page 70 in the Business Review. The organisational structure of the Group is geared to the main functions of its business. The resulting operational responsibilities are reflected in the allocation of responsibilities among the Corporate Executive Board. With regard to insurance operations, one person with responsibility for the market and results is assigned to each specific area.

The operational management structure as at 31 December 2009 is shown on page 18.

**SHAREHOLDERS** – Barclays Plc, 1 Churchill Place, London E14 5HP, England, informed in the publication of 12 February 2008 that at that time it held, directly or indirectly, 1 474 185 registered shares of Swiss Life Holding, corresponding to 4.22% of the voting rights. These shares were held by the following subsidiaries of Barclays Plc: Barclays Global Fund Advisors, 45 Fremont Street, San Francisco, California 94105-2204; Barclays Global Investors Ltd, 1 Churchill Place, London E14 5HP; Barclays Bank Plc, 1 Churchill Place, London E14 5HP; Barclays Global Investors NA, 45 Fremont Street, San Francisco, California 94105-2204; Barclays Global Investors Japan Ltd, Ebisu Prime Square Tower, 1-1-39 Hiroo, Shibuya-KU, Tokyo 150 8402; Barclays Global Investors (Deutschland) AG, Apianstrasse 6, 85774 Unterföhring; Barclays Global Investors Canada Ltd, BCE Place, 161 Bay Street, Suite 2500, Box 614, Toronto, Ontario M5J 2S1;

Barclays Bank (Schweiz) AG, Rue d'Italie 8-10, 1211 Geneva; Barclays Life Assurance Co Ltd, 1 Churchill Place, London E14 5HP.

Dodge & Cox, 555 California Street, 40th Floor, San Francisco, CA 94104, USA, informed in the publication of 6 March 2008 that it held through the Dodge & Cox International Stock Fund 1 645 000 registered shares or 4.71% of the voting rights of Swiss Life Holding.

Carsten Maschmeyer, Hanebuthwinkel 17, 30655 Hanover, Germany, reported in the publication of 23 October 2008, that he and his two sons, Marcel Jo Maschmeyer and Maurice Jean Maschmeyer, held a total of 1 216 211.60 purchase positions of Swiss Life Holding, which was equivalent to 3.48% of the voting rights (1 051 045 registered shares, corresponding to 3.01% of the voting rights). The same group disclosed in a publication of 24 November 2008 that it had since accumulated a total of 1 833 547 purchase positions, corresponding to a 5.24% share in the voting rights (1 603 547 of which were registered shares, corresponding to 4.59% of the voting rights). In the publication of 17 December 2008 the group disclosed that it held 2 114 616 purchase positions, corresponding to 6.05% of the voting rights (1 884 616 of which were registered shares of Swiss Life Holding, corresponding to 5.39% of the voting rights). In a publication released on 23 December 2008, Carsten Maschmeyer reported that the group had been extended to include the asset management firms CM Vermögensverwaltung GmbH & Co. KG and CM Vermögensverwaltungs-Geschäftsführungs GmbH. At that time the extended group held 2 174 616 purchase positions, corresponding to a 6.22% share of the voting rights: 1 944 616 registered shares of Swiss Life Holding (5.56% of the voting rights), in addition to 80 000 short puts (corresponding to 0.23% of the voting rights) and 150 000 discount certificates (corresponding to 0.43%) on the shares of Swiss Life Holding (cf. also on pages 26 and 27 details on share ownership as at 31.12.2009 of currently serving Board of Director and Corporate Executive Board members).

Swiss Life Holding Ltd, General-Guisan-Quai 40, 8002 Zurich, Switzerland, reported in a publication of 28 August 2009 that its stake of registered shares had fallen below the reportable threshold of 3% due to the cancellation of the proprietary shares repurchased under the share buyback programme. Until this date the shares were held by: Swiss Life Holding Ltd, General-Guisan-

Quai 40, 8002 Zurich; Swiss Life Ltd, General-Guisan-Quai 40, 8002 Zurich; Welfare Foundation for Swiss Life Ltd's Internal Services; Welfare Foundation for Swiss Life Ltd's Sales Force; Welfare Foundation for Swiss Life Ltd's Internal Services and Sales Force in Switzerland, all c/o Swiss Life Ltd, General-Guisan-Quai 40, 8002 Zurich.

Deutsche Bank AG, Theodor-Heuss-Allee 70, 60486 Frankfurt, Germany, informed in a publication of 7 February 2009 that a group consisting of Deutsche Investment Management Americas Inc., 345 Park Avenue, New York; Deutsche Bank Trust Company Americas, 60 Wall Street, New York; Deutsche Asset Management (Japan) Limited, 2-11-1 Sanno Park Tower, Nagatacho, Chiyodaku, Tokyo; Deutsche Asset Management Investmentgesellschaft mbH, Mainzer Landstr. 178-190, 60327 Frankfurt and Deutsche Bank AG Frankfurt, Theodor-Heuss-Allee 70, 60486 Frankfurt, held a total of 1 909 687 purchase positions of Swiss Life Holding, corresponding to 5.46% of the voting rights (326 891 of which were registered shares, corresponding to 0.93%). This group also held 946 309 sales positions, corresponding to 2.71% of the voting rights of Swiss Life Holding. In its publication of 11 March 2009, Deutsche Bank announced that the group had been extended to include DWS Investment S.A. Luxembourg, 2 Boulevard Konrad Adenauer, 1115 Luxembourg. Together the group held a total of 2 246 666 purchase positions, corresponding to 6.43% of the voting rights (195 743 of which were registered shares of Swiss Life Holding, corresponding to 0.56% of the voting rights). The group also held 1 241 594 sales positions on Swiss Life Holding shares, corresponding to 3.55% of the voting rights. In the course of the year, the group reported at various times that the holding had fallen below or exceeded the reportable threshold of 3%: Publication of 26 June 2009 (3.86% purchase positions and 5.4% sales positions), publication of 19 September 2009 (5.08% purchase positions and 7.3% sales positions) and publication of 24 September 2009 (4.06% purchase positions and 5.99% sales positions). Finally, on 6 November 2009 the group disclosed that its participation had fallen below the 3% reportable threshold.

Credit Suisse Group Ltd, Paradeplatz 8, P.O. Box, 8070 Zurich, Switzerland, informed in the publication of 28 March 2009 that it held, directly or indirectly, through Clariden Leu Holding Ltd., Bahnhofstrasse 32, 8001 Zurich, Credit Suisse (International) Holding AG,

Bahnhofstrasse 17, 6300 Zug, Credit Suisse Life (Bermuda) Ltd., Argyle House, 41 A, Cedar Avenue, Hamilton HM 12, Credit Suisse, Paradeplatz 8, P.O. Box, 8070 Zurich, and Credit Suisse International, One Cabot Square, London E14 4QJ, a total of 5.382% purchase positions (1 364 934 of which were registered shares of Swiss Life Holding, corresponding to 3.89% of the voting rights) and 2.124% sales positions. In a publication of 1 April 2009 the group informed that its holding had fallen below the 3% reportable threshold.

Talanx AG, Riethorst 2, 30659 Hanover, Germany, reported in a publication of 1 April 2009, that together with HDI Haftpflichtverband der Deutschen Industrie V.a.G. (HDI V.a.G.), Riethorst 2, 30659 Hanover, it held 2 069 988 registered shares of Swiss Life Holding, equivalent to 5.9% of the voting rights. In a publication of 20 May 2009, Talanx AG reported a change in the group's composition. The group at that time newly consisted of: AmpegaGerling Investment GmbH, Hohenzollernring 72, 50672 Cologne, Talanx AG, Riethorst 2, 30659 Hanover and Talanx Beteiligungs-GmbH & Co. KG, Riethorst 2, 30659 Hanover. Talanx Beteiligungs-GmbH & Co. KG is managed by the beneficial owner (HDI V.a.G.) as follows: The limited partner is Talanx AG, Riethorst 2, 30659 Hanover. As the sole shareholder, Talanx AG is the beneficial owner (HDI V.a.G.). The general partner is Hannover Beteiligungsgesellschaft mbH, Riethorst 2, 30659 Hanover. Talanx AG is the sole partner of Hannover Beteiligungsgesellschaft m.b.H. AmpegaGerling Investment GmbH is managed by the beneficial owner as follows: 94.9% is controlled by AmpegaGerling Asset Management GmbH, Hohenzollernring 72, 50672 Cologne (Talanx AG is AmpegaGerling Asset Management GmbH's sole partner) and 5.1% by Alstertor Erste Beteiligungs- und Investitionssteuerungs-GmbH & Co. KG, Hamburg. Alstertor Erste Beteiligungs- und Investitionssteuerungs-GmbH & Co. KG's sole limited partner is Talanx AG. On the publication date the group held 2 987 988 Swiss Life Holding shares, corresponding to 8.52% of the voting rights.

Axa Group, 25 Avenue Matignon, 75008 Paris, France, disclosed in the publication of 16 December 2009 that the group consisting of AXA Rosenberg Investment Management Ltd., 9a Devonshire Square, London EC2M4YY, AXA Rosenberg Group LLC, 4 Orinda Way, Orinda, California 94563, AXA Equitable Life Insurance Company,

1290 Avenue of the Americas, New York, NY 10019, AXA Investment Managers Paris S.A., 100 Esplanade du Général de Gaulle, 922932 Paris La Défense Cedex, AXA Investment Managers S.A., 100 Esplanade du Général de Gaulle, 922932 Paris La Défense Cedex, AXA Financial Inc., 1290 Avenue of the Americas, New York, NY 10019, AXA IM Rose Inc., One Fawcett Place, Greenwich 05830, AXA Equitable Financial Services, LLC, 1290 Avenue of the Americas, New York, NY 10019, AXA Rosenberg Investment Management LLC, 4 Orinda Way, Orinda, California 94563, Equitable Holdings LLC, 1290 Avenue of the Americas, New York, NY 10019, AllianceBernstein L.P., 1345 Avenue of the Americas, New York, NY 10105, AXA S.A., 25 Avenue Matignon, 75008 Paris, AllianceBernstein Corporation, 1345 Avenue of the Americas, New York, NY 10105, held a total of 990 013 shares in Swiss Life Holding, corresponding to 3.09% of the voting rights. The parent company is AXA S.A. The shares are actually held by the three asset management companies AXA Investment Managers Paris S.A., AXA Rosenberg Investment Management Ltd. and AllianceBernstein L.P. They are attributed to the parent company through the following structures: 1) AllianceBernstein L.P. is controlled by AllianceBernstein Corporation, which is controlled by Equitable Holdings LLC, which is controlled by AXA Equitable Life Insurance Company, which, in turn, is controlled by AXA Equitable Financial Services LLC, and this company, in turn, is controlled by AXA Financial Inc. AXA Financial Inc. is held by AXA S.A. 2) AXA Rosenberg Investment Management Ltd. is controlled by AXA Rosenberg Investment Management LLC, which is controlled by AXA Rosenberg Group LLC, which, in turn, is controlled by AXA IM Rose Inc. AXA IM Rose Inc. is held by AXA Investment Managers S.A., which, in turn, is held by AXA S.A. 3) AXA Investment Managers Paris S.A. is controlled by AXA Investment Managers S.A., which, in turn, is held by AXA S.A. On 22 December 2009 the group reported that its holding had fallen below the 3% reportable threshold.

BlackRock, Inc., 40 East 52nd Street, New York 10022, USA reported in a publication of 9 January 2010 that a group consisting of BlackRock Asset Management Japan Limited, Marunouchi Trust Tower Main, -8-3 Marunouchi, Chiyoda-ku, Tokyo 100-8217, BlackRock Advisors UK Ltd, Murray House, 1 Royal Mint Court, London EC3N 4HH, BlackRock Investment Management (UK) Ltd., 33 King William Street, London EC4R 9AS,

BlackRock International Ltd., 40 Torphichen Street, Edinburgh EH3 8JB, BlackRock Investment Management (Australia) Limited, Level 43, Grosvenor Place, 225 George Street, Sydney NSW 2000, BlackRock Fund Managers Ltd., 33 King William Street, London EC4R 9AS, BlackRock Investment Management LLC, 800 Scudders Mill Road, Plainsboro NJ 08536, BlackRock Financial Management Inc., 40 East 52nd Street, New York NY 10022, BlackRock Asset Management Australia Limited, Level 43, Grosvenor Place, 225 George Street Sydney NSW 2000, BlackRock Fund Advisors, 400 Howard Street, San Francisco, CA 94105, BlackRock Institutional Trust Company, N.A., 400 Howard Street, San Francisco, CA 94105-2618, BlackRock Investment Management (Dublin) Ltd., First Floor, Fitzwilton House, Wilton Place, Dublin 2 and BlackRock Asset Management Canada Limited, 161 Bay Street, Suite 2500, Toronto, Ontario M5J 2S1, held a total of 1 190 832 shares and 775 other purchase positions of Swiss Life Holding, corresponding to 3.71% of the voting rights.

Swiss Life Holding is not aware of any other shareholders whose stake on the balance sheet date (31 December 2009) either directly or indirectly exceeded the reportable threshold of 3% of the registered shares issued.

No cross participations exceeding the 3% threshold exist between Swiss Life Holding or its subsidiaries and other listed companies.

The detailed notifications of significant shareholders pursuant to Art. 20 of the Stock Exchange Act can be found on the website of the SIX Swiss Exchange's disclosure office at [www.six-swiss-exchange.com](http://www.six-swiss-exchange.com), "Admission/Issuers" area, "Being Public" section, "Disclosure of Shareholdings" subsection ([www.six-swiss-exchange.com/admission/being\\_public/disclosure/major\\_shareholders\\_en.html](http://www.six-swiss-exchange.com/admission/being_public/disclosure/major_shareholders_en.html)).

**SHAREHOLDER STRUCTURE** – On the balance sheet date a total of 194 867 shareholders and nominees were listed in the Swiss Life Holding share register, of which about 4800 were institutional shareholders. Taken together, the shareholders entered in the share register held around 56% of the shares issued. More than half of these shares were owned by shareholders domiciled in Switzerland. Around one quarter of the registered shares were in private hands.

A table showing the shareholder structure is provided in the section “Information on Share Performance and Historical Comparison” on page 71 in the Business Review.

## Capital structure

**CAPITAL AND CHANGES IN CAPITAL** — The capital structure of Swiss Life Holding was as follows on the balance sheet date:

- Ordinary share capital: CHF 384 972 648, divided into 32 081 054 fully paid registered shares with a par value of CHF 12 each
- Conditional share capital: CHF 28 312 632, divided into 2 359 386 registered shares with a par value of CHF 12 each
- Authorised share capital: none

The conditional share capital is at the disposal of the holders of conversion or option rights granted by the company or by companies belonging to the Group in connection with existing and new loan debentures or similar bonds issued by Swiss Life Holding or companies belonging to the Group. The shareholders are excluded from subscription rights, but their preemptive subscription rights remain safeguarded. The Board of Directors sets the conversion and option conditions.

Since the establishment of Swiss Life Holding on 17 September 2002, a number of capital market transactions have been conducted. A detailed description of the transactions carried out up to and including the end of 2006 can be found in the Corporate Governance section of the annual reports for the relevant years. The annual reports can be accessed at [www.swisslife.com](http://www.swisslife.com), “Shareholders & Analysts” area, “Archive Reports” section ([www.swisslife.com/en/annualreports](http://www.swisslife.com/en/annualreports)).

At Swiss Life Holding’s Annual General Meeting on 8 May 2007, the shareholders approved a dividend in the form of a reduction in par value of CHF 7 per registered share. Consequently, the ordinary share capital fell to CHF 1 148 393 146, divided into 33 776 269 registered shares with a par value of CHF 34 each, and the conditional capital decreased to CHF 124 700 814, divided into

3 667 671 registered shares with a par value of CHF 34 each. In 2007 the 0.625% convertible bond issue (2004–2010) was partially converted, creating 1 184 170 new registered shares. This meant that the ordinary share capital increased to CHF 1 188 654 926, divided into 34 960 439 registered shares with a par value of CHF 34 each, and the conditional capital decreased to CHF 84 439 034, divided into 2 483 501 registered shares with a par value of CHF 34 each.

At the Annual General Meeting of 8 May 2008 it was decided to reduce the par value by CHF 17, i.e. from CHF 34 to CHF 17 per registered share, thereby decreasing the share capital to CHF 594 327 463, divided into 34 960 439 registered shares. As a result of the par value reduction, the conditional capital fell to CHF 42 219 517, divided into 2 483 501 registered shares with a par value of CHF 17 each. The 0.625% convertible bond issue (2004–2010) was again partially converted in 2008, creating 124 115 new registered shares. As at 31 December 2008 the ordinary share capital thus increased to CHF 596 437 418, divided into 35 084 554 registered shares with a par value of CHF 17 each, and the conditional capital decreased to CHF 40 109 562, divided into 2 359 386 registered shares with a par value of CHF 17 each.

On 7 May 2009 the Annual General Meeting of Swiss Life Holding decided on a capital reduction of CHF 51 059 500 by cancelling 3 003 500 shares with a par value of CHF 17, which were acquired under the share buyback programme approved on 8 May 2008. As a result the share capital decreased from CHF 596 437 418 to CHF 545 377 918. The Annual General Meeting also decided to pay a dividend of CHF 5 per registered share, again in the form of a reduction in par value. The share capital thus decreased from CHF 545 377 918 (32 081 054 registered shares, each with par value of CHF 17) to CHF 384 972 648 (32 081 054 registered shares, each with

par value of CHF 12). At the same time the conditional share capital was reduced to CHF 28 312 632 (2 359 386 registered shares, each with par value of CHF 12). In 2009 no conversions were made on the 0.625% convertible bond (2004–2010).

Further information on the convertible bond can be found in the “Convertible Bonds and Options” section below.

**SHARES** — 32 081 054 fully paid Swiss Life Holding registered shares with a par value of CHF 12 each were outstanding on the balance sheet date. Subject to the 10% limit on voting rights set out in the Articles of Association (cf. the section on “Shareholders’ participation rights” on page 30), each share grants the right to one vote at the General Meeting of Shareholders.

There are no outstanding shares with either increased or limited voting rights, privileged or restricted voting rights, privileged dividend entitlements or other preferential rights.

There are no other equity securities besides the registered shares mentioned above, nor do any participation certificates or dividend right certificates exist.

Regulations are in place to govern transactions in Swiss Life Holding shares carried out by Swiss Life Group employees. Pursuant to the Code of Compliance and the Swiss Life Group’s Directive on Insider Information, all purchases and sales of Swiss Life Holding securities made by members of senior management or employees who are privy to confidential information are subject to approval. In addition, blackout periods are imposed annually from 1 January until 24 hours after the year-end results have been presented and from 1 July until 24 hours after the half-year results have been presented.

Additional information on the Swiss Life share is available in the section “Information on Share Performance and Historical Comparison” on pages 70 and 71 in the Business Review.

#### **LIMITATIONS ON TRANSFERABILITY AND NOMINEE**

**REGISTRATIONS** — Swiss Life Holding shares are not subject to any limitations on transferability. According to the Articles of Association, resolutions for the introduction, amendment or repeal of limitations on transferability must be put before the General Meeting of Shareholders and must be approved by two-thirds of the voting shares represented and by an absolute majority of the share par value represented.

The Board of Directors may refuse to recognise an acquirer as a shareholder with voting rights if, upon request, the acquirer does not expressly declare that he has acquired the registered shares in his own name and for his own account.

Swiss and foreign banks, securities brokers and companies acting on their behalf may be entered in the share register as nominees if they are holding shares of Swiss Life Holding in their custody for the account of the beneficial owners. Professional asset managers may also be registered as nominees if, in a fiduciary capacity, they have deposited Swiss Life Holding shares for the account of third parties with Swiss or foreign banks or securities brokers in their own name. Nominees are required to be subject to banking or financial market supervision. A request must be filed to register as a nominee. The voting right representation is restricted to 10% of the share capital overall, whereby nominees who are connected with regard to capital or voting rights under uniform management or contractual agreement will be counted as a single shareholder. The Board of Directors may approve exceptions to these restrictions on registration, observing the principle of responsible judgement. No such exceptions were granted during the period under review.

**CONVERTIBLE BONDS AND OPTIONS** — One convertible bond issue was outstanding on the balance sheet date, the Swiss Life Holding 0.625% issue (2004–2010) amounting to CHF 317 000 000. The specific conditions attached to these convertible securities and further information on them can be found in the Consolidated Financial Statements (Note 20) as well as in the issue prospectus of 8 June 2004.

On the balance sheet date neither Swiss Life Holding nor the Group companies had granted options on rights to participate in Swiss Life Holding.

## Board of Directors

**FUNCTION** – The Board of Directors is responsible for all matters that are not reserved for the consideration of the General Meeting of Shareholders (formally the supreme decision-making body of a public limited company) under the terms of the law (Art. 698 of the Swiss Code of Obligation OR) or by the company's Articles of Association. In line with its non-transferable duties prescribed by law the Board of Directors is responsible, in particular, for the ultimate direction of the Group, as well as the supervision of the Corporate Executive Board.

**ELECTIONS AND TERMS OF OFFICE** – Pursuant to the Articles of Association, the Board of Directors shall consist of no fewer than five and no more than fourteen members. The members of the Board are elected by the General Meeting of Shareholders for a maximum term of three years, and on an individual basis. The Organisational Regulations stipulate that a member of the Board of Directors shall automatically resign from the Board at the Annual General Meeting of Shareholders in the year in which the member reaches the age of 70.

**STAGGERED TERMS OF OFFICE** – Due to the staggered terms of office, it is ensured that, in so far as possible, an equal number of members will come up for re-election every year. If a member resigns during his or her term of office, the successor will serve only for the rest of that term. Thus, with respect to the annual re-elections, an important prerequisite has been established for ensuring continuity on the Board of Directors.

**COMPOSITION** – In the year under review, no member of Swiss Life Holding's Board of Directors exercised any duties relating to operational management within the Swiss Life Group. Furthermore, no such duties were exercised by any Board members during the past three financial years, with two exceptions: Rolf Dörig, who held the position of Chairman of the Group's Corporate Executive Board until his election to the Board of Directors in May 2008, and Carsten Maschmeyer, who was Co-CEO of AWD until March 2009.

No member of the Board has any significant business relationship with Swiss Life Holding or any other Group companies. The members of the Board of Directors of Swiss Life Holding also make up the Board of Directors of Swiss Life Ltd.

Prior to accepting appointments to the Board of Directors of other companies, the members of Swiss Life Holding's Board of Directors must receive the approval of the Board of Directors at Swiss Life Holding. Information on additional board mandates held by individual members of the Board of Directors is presented in the following.

**MEMBERS OF THE BOARD OF DIRECTORS** – On the balance sheet date, the Board of Directors was composed of the following members:

Name	Main function	Additional functions	Year appointed/ re-elected	Elected until
Rolf Dörig	Chairman	Chairman's and Corporate Governance Committee, Chairman	2008	2011
Gerold Bühler	1st Vice Chairman	Chairman's and Corporate Governance Committee Investment and Risk Committee, Chairman Nomination and Compensation Committee	2002/2003/2005/2008 <sup>1</sup>	2011
Frank Schnewlin	2nd Vice Chairman	Chairman's and Corporate Governance Committee Investment and Risk Committee Nomination and Compensation Committee, Chairman	2009	2012
Volker Breckamp	Member	Audit Committee, Chairman	2003/2004/2007	2010
Paul Embrechts	Member	Investment and Risk Committee	2003/2005/2008	2011
Rudolf Kellenberger	Member	Chairman's and Corporate Governance Committee Investment and Risk Committee Nomination and Compensation Committee	2003/2004/2007	2010
Carsten Maschmeyer	Member	Investment and Risk Committee	2009	2012
Henry Peter	Member	Audit Committee	2006/2009	2012
Peter Quadri	Member	Audit Committee	2003/2004/2007	2010
Franziska Tschudi	Member	Audit Committee	2003/2005/2008	2011

<sup>1</sup> Member of the Board of Directors of Swiss Life Ltd since 2000

**ROLF DÖRIG** – Born 1957, Swiss national  
Chairman of the Board of Directors



Rolf Dörig laid the groundwork for his professional career by obtaining a doctorate in law (Dr. iur.) from the University of Zurich before being called to the bar in Zurich. Joining Credit Suisse in 1986, he assumed a number of executive responsibilities in various areas of banking and in different geographical markets. As a Member of the Executive Board, he was assigned responsibility for Swiss Corporate and Retail Banking from 2000 onwards. In 2002 he assumed the role of Chairman Switzerland of Credit Suisse Group. Following his move to the Swiss Life Group, Rolf Dörig held the positions of Chairman of the Corporate Executive Board from November 2002 to May 2008 and Delegate of the Board of Directors from May 2008 to May 2009.

He became Chairman of the Board of Directors of Swiss Life Holding in May 2009.

Other appointments:

- Adecco S.A., Glattbrugg, Chairman of the Board of Directors
- Kaba Holding Ltd, Rümlang, Vice Chairman of the Board of Directors
- economiesuisse, Zurich, Member of the Board Committee
- Danzer AG, Baar, Chairman of the Board of Directors

**GEROLD BÜHRER** – Born 1948, Swiss national  
First Vice Chairman of the Board of Directors



Gerold Bühler graduated in economics (lic. oec. publ.) from the University of Zurich in 1972. Following 17 years with the Union Bank of Switzerland as a member of senior management in its financial sector and a Member of the Executive Board of its fund investment company, he joined Georg Fischer AG in 1991, where he served as a Member of its Executive Board (Finances) from 1991 until 2000. He began working as an independent economic consultant in 2001 and, since the end of

2006, holds the office of Chairman of economiesuisse. Gerold Bühler was a Member of the Grand Council of the Canton of Schaffhausen from 1982 to 1991 and, from 1991 to 2007, a Member of the Swiss Parliament (National Councillor).

Other appointments:

- economiesuisse, Zurich, Chairman
- Bank Sal. Oppenheim jr. & Cie. (Schweiz) Ltd, Zurich, Member of the Board of Directors
- Cellere AG, St. Gallen, Member of the Board of Directors
- Georg Fischer Ltd, Schaffhausen, Member of the Board of Directors
- Swiss National Bank, Berne, Member of the Bank Council
- Züblin Real Estate Holding Ltd., Zurich, Member of the Board of Directors

**FRANK SCHNEWLIN** – Born 1951, Swiss national  
Second Vice Chairman of the Board of Directors



Frank Schnewlin studied at the University of St. Gallen (lic. oec. HSG), the London School of Economics (Master of Science) and the Harvard Business School (MBA) before earning his doctorate in economics in 1983 at the University of Lausanne (Dr. ès sc. écon). From 1983 to 2001 he held various positions at the Zurich Financial Services Group in Switzerland and the USA, including Head of Corporate Center and Head of the Business Division Southern Europe, Asia/Pacific, Middle East, Africa and Latin America. From 1993 he served on the Zurich Financial Services Group's Executive Committee. From 2002 to 2007, Frank Schnewlin chaired the Baloise Group's Corporate Executive Committee as CEO and was, at the same time, Head of the International Division. Following his election to the Board of Directors of Swiss Life Holding in May 2009, he assumed the role of Chairman of the newly established Nomination and Compensation Committee.

Other appointments:

- Vontobel Holding AG, Zurich, Member of the Board of Directors

- Drosos Foundation, Zurich, Member of the Board of Trustees
- Horizon21, Pfaeffikon, Canton of Schwyz, Member of the Insurance Linked Securities Advisory Committee

**VOLKER BREMKAMP** – Born 1944, German national  
Member of the Board of Directors



Volker Bremkamp joined Albingia Versicherungs AG in Hamburg (a subsidiary of Guardian Royal Exchange plc, London) in 1963, receiving his qualifications as an insurance expert in 1965. Between 1969 and 1971 he was employed by various insurance companies and brokers in London and Paris. He returned to Albingia Versicherungs AG, Hamburg, in 1971, serving as an Executive Director from 1978 to 1989 and, from 1989 to 2000, as Chief Executive Officer of Albingia Lebensversicherungs AG and of Albingia Versicherungs AG. Volker Bremkamp was an Executive Director and, at the same time, Group Executive Director, Continental Europe, of Guardian Royal Exchange plc, London, from 1995 to 1999, which was taken over by the AXA Group in 1999. From 1999 to 2000 he held the position of Executive Director of AXA Colonia Konzern AG, Cologne (holding company of AXA Germany). He has been Managing Director of BMB Bremkamp Management- und Beteiligungs-GmbH since 2000 and Managing Director of Xenios Invest GmbH since 2007.

Volker Bremkamp will be put forward for re-election at the Annual General Meeting of Swiss Life Holding on 6 May 2010.

Other appointments:

- AON International Insurance Broker, Hamburg, Chairman of the Supervisory Board
- Everpublic AG, Hamburg, Chairman of the Supervisory Board
- WAVE Management AG, Hamburg, Chairman of the Supervisory Board
- HanseMercur Krankenversicherungsgruppe, Hamburg, Vice Chairman of the Supervisory Board

**PAUL EMBRECHTS** – Born 1953, Belgian national  
Member of the Board of Directors



Paul Embrechts received his master's degree in mathematics from the University of Antwerp (Belgium) in 1975 and his doctorate (Dr. sc. [Math.]) from the

Catholic University of Leuven (Belgium) in 1979. Between 1975 and 1983 he held a post as Research Assistant at the Catholic University of Leuven. From 1983 to 1985 he was a Lecturer in Statistics at the Imperial College, University of London, before taking up a position as Lecturer at the University of Limburg (Belgium) from 1985 to 1989. Since 1989 he has held the position of Professor of Mathematics at the Swiss Federal Institute of Technology (ETH) in Zurich.

**RUDOLF KELLENBERGER** – Born 1945, Swiss national  
Member of the Board of Directors



Rudolf Kellenberger received his degree in civil engineering from the Swiss Federal Institute of Technology (ETH), Zurich, in 1970. Between 1970 and

1978 he was employed as a project planning engineer in the bridge construction industry, including three years in the United Kingdom. He joined Swiss Re in 1978, where he served as Head of the Engineering Department from 1990 to 1992. In 1993 he was appointed Member of the Executive Board with responsibility for Europe. From 2000 to the end of December 2004 Rudolf Kellenberger served as Deputy Chief Executive Officer of Swiss Re. He has been appointed to various boards of directors in the area of insurance since retiring in March 2005.

After serving on the Swiss Life Board of Directors for seven years, Rudolf Kellenberger will not be standing for re-election at the Annual General Meeting in May 2010.

Other appointments:

- Swiss Pool for Aviation Insurance, Chairman
- Captive Mutual (Schweiz) AG, Baar, Chairman of the Board of Directors
- OCAD AG, Baar, Chairman of the Board of Directors
- Infrassure Ltd., Zurich, Member of the Board of Directors

**CARSTEN MASCHMEYER** – Born 1959, German national  
Member of the Board of Directors



After studying medicine and gaining many years of sales experience in the financial services sector in various management positions, in 1988 Carsten

Maschmeyer founded the company Allgemeiner Wirtschaftsdienst Gesellschaft für Wirtschaftsberatung und Finanzbetreuung mbH. In 1998 he was appointed Chairman of the Board of Management of AWD Holding AG and, in 2000, launched an initial public offering of shares in AWD. Carsten Maschmeyer was Co-CEO of AWD from September 2008 until March 2009 with responsibility for strategic development and opening up new markets. In May 2009 he was appointed Member of the Board of Directors of Swiss Life Holding. In January 2010 he founded MaschmeyerRürup AG – an independent and internationally focused advisor on the implementation of modern retirement planning concepts for key players in banking and insurance as well as governments. He heads the company as Chairman of the Board.

Other appointments:

- AWD Children's Aid Foundation, Hanover, Chairman of the Election Committee
- Society for the Promotion of the International Neurobionics Foundation, Hanover, Chairman of the Board
- International Neurobionics Foundation, Hanover, Vice Chairman of the Advisory Board
- "Germany – Land of Ideas" initiative, Hanover, Member of the Advisory Board

**HENRY PETER** – Born 1957, Swiss and French national  
Member of the Board of Directors



Henry Peter completed his studies in law at the University of Geneva in 1979, and in 1981 he was called to the Geneva bar. Following a pupillage in Geneva, a

period of study as a visiting scholar at the University of California in Berkeley and legal work in Lugano, he obtained his PhD at the University of Geneva in 1988.

Since 1988 he has been a partner in a law firm in Lugano, currently Peterlegal SA. In addition, he has held the position of Professor of Business Law at the University of Geneva since 1997. He became a Member of the Swiss Takeover Board in 2004 and a Member of the Sanction Commission of the SIX Swiss Exchange in 2007.

Other appointments:

- Sigurd Rück AG, Zurich, Chairman of the Board of Directors
- Cassa Pensioni della Città di Lugano, Member of the Board of Directors
- Casino de Montreux SA, Montreux, Vice Chairman of the Board of Directors/Chairman of the Audit Committee
- Otis, Fribourg, Member of the Board of Directors
- Autogrill Switzerland LTD, Olten, Member of the Board of Directors
- Swiss Olympic Association, Berne, Vice Chairman of the disciplinary chamber in charge of doping cases

**PETER QUADRI** – Born 1945, Swiss national  
Member of the Board of Directors



Peter Quadri received his master's degree in economics and business administration (lic. oec. publ.) in 1969 from the University of Zurich. In 1970 he

joined IBM as a systems engineer and software/operating systems specialist. Following various periods in the USA, Denmark and Switzerland, he held the position of CEO of IBM Switzerland from 1998 to April 2006. He now works as a management and technology consultant.

Peter Quadri will be put forward for re-election at the Annual General Meeting of Swiss Life Holding on 6 May 2010.

Other appointments:

- Vontobel Holding AG, Zurich, Member of the Board of Directors
- Bühler AG, Uzwil, Member of the Board of Directors
- Zurich Chamber of Commerce, Chairman
- Unitecra Ltd, Zurich and Berne, Chairman of the Board of Directors
- economiesuisse, Zurich, Member of the Board

**FRANZISKA TSCHUDI** – Born 1959, Swiss national  
Member of the Board of Directors



Franziska Tschudi graduated in law at the University of Berne and passed her bar exam there in 1984. She studied US law at Georgetown University, Washington DC, earning an LL.M., and passed the bar exam for the US states of New York and Connecticut in 1987. Franziska Tschudi completed postgraduate studies at the University of St. Gallen (1991 to 1993), receiving an Executive MBA. After initially working as an Assistant for Media Law at the Institute for Constitutional and Administrative Law at the University of Berne, and practising business and media law in Zurich, Washington DC and Geneva, she served as Secretary General at SIG Holding AG from 1992 to 1995. She then became a Member of the Executive Board of WICOR Holding AG (“Weidmann Group”), Rapperswil in 1995, where she was Head of Corporate Development and, from 1998, Head of the Business Area Electrical Technology Asia/Pacific. She has held the positions of Chief Executive Officer and Managing Director of WICOR Holding AG since 2001.

Other appointments:

- BIOMED AG, Dübendorf, Member of the Board of Directors
- Swiss-American Chamber of Commerce, Zurich, Member of the Board
- St. Gallen – Appenzell Chamber of Commerce and Industry, St. Gallen, Vice Chairperson
- economiesuisse, Zurich, Member of the Board of Directors
- Swissmem, Zurich, Member of the Board of Directors

**RESIGNATIONS** – Bruno Gehrig resigned from his position as Chairman of the Board of Directors of Swiss Life Holding after the Annual General Meeting on 7 May 2009 because of his election to UBS Ltd’s Board of Directors in October 2008. After serving for six years, Pierfranco Riva also stepped down from the Board of Directors of Swiss Life Holding due to reaching the statutory age limit. At the 2009 Annual General Meeting, Frank Schnewlin, former CEO of the Baloise Group and former Member of Zurich Financial Services Group’s Executive Board, and

Carsten Maschmeyer, founder and longstanding head of the AWD Group, were newly appointed to the Board of Directors.

**INTERNAL ORGANISATIONAL STRUCTURE** – In accordance with the Articles of Association, the Board of Directors issued the Organisational Regulations setting forth the internal organisational structure and the duties and competencies of the Board of Directors, the Board of Directors’ committees, the Chairman of the Board of Directors and the Corporate Executive Board. The Organisational Regulations are reviewed regularly and adjusted where necessary, most recently on 8 May 2009. They are available on the internet at [www.swisslife.com](http://www.swisslife.com), “About Swiss Life” area, “Organisation” section ([www.swisslife.com/en/organisation](http://www.swisslife.com/en/organisation)).

The Chairman of the Board of Directors coordinates the work of the Board and the committees, and ensures reporting from the Corporate Executive Board to the Board of Directors. In urgent situations, the Chairman may also determine the necessary measures and take steps falling within the scope of the competencies of the Board until the Board of Directors takes a decision. If a timely decision cannot be reached by the Board of Directors, the Chairman is empowered to take a decision.

The Board of Directors meets as often as business requires, but at least six times a year as a rule. Meetings are generally called by the Chairman of the Board of Directors. However, any member of the Board of Directors may request that a meeting be called, as may the Corporate Executive Board. In addition to the members of the Board of Directors, the Group CEO also generally attends the meetings or parts of meetings in an advisory capacity, as do other members of the Corporate Executive Board when required.

The Board of Directors met eleven times during the year under review in ordinary and extraordinary meetings. The meetings lasted around three and a half hours on average, with around 95% attendance rate. The Group CEO and the other members of the Corporate Executive Board attended all the meetings. The Board of Directors conducted parts of the meetings among themselves.

The Board of Directors regularly performs a self-assessment. Furthermore, discussions take place between the Chairman of the Board and its members on an individual basis.

Four standing committees support the work of the Board of Directors as a whole: the Chairman's and Corporate Governance Committee, the Nomination and Compensation Committee, the Investment and Risk Committee, and the Audit Committee. The Board of Directors may establish other committees to be entrusted with special tasks.

The committees of the Board of Directors sometimes call on the services of external consultants and assess their own work once a year. If the Chairman of the Board of Directors is not a member of a committee of the Board of Directors, he has the right to attend meetings (without voting rights).

**CHAIRMAN'S AND CORPORATE GOVERNANCE COMMITTEE** – The Chairman's and Corporate Governance Committee assists both the Chairman of the Board of Directors in performing his leadership and coordination duties and the Board of Directors with issues relating to corporate governance. The Committee also supports the Board of Directors with key strategic decisions.

The Chairman of the Board of Directors presides over meetings. As a rule, the Group CEO attends the Chairman's Committee meetings or parts of the meetings in an advisory capacity. Further members of the Corporate Executive Board and in-house or external specialists may also be invited to attend. The Chairman's and Corporate Governance Committee meets at least six times a year.

The Chairman's and Corporate Governance Committee held eleven (ordinary and extraordinary) meetings during the year under review. The average duration of an ordinary meeting was around two hours. There was full attendance at all meetings, and the Group CEO was also present on each occasion.

**NOMINATION AND COMPENSATION COMMITTEE** – The Nomination and Compensation Committee (NCC) supports the Board of Directors with setting the compensation policy and with key personnel decisions regarding

appointments to the highest levels of management and related performance-based and market consistent compensation.

The NCC consists of at least three members, all of which are independent members of the Board of Directors. A Board of Director member is regarded as being independent if he/she has not exercised any operational management role within the Swiss Life Group for at least three years and has no or only a minor business relationship with the Group.

The NCC may invite the Group CEO to part or all of its meetings in an advisory capacity. Other members of the Corporate Executive Board and in-house or external specialists may also be invited. The NCC meets on average three times a year.

During the period from its establishment on 8 May 2009 and 31 December 2009, the NCC convened twice. Each session lasted for around two hours on average. There was full attendance at both meetings.

**INVESTMENT AND RISK COMMITTEE** – The Investment and Risk Committee assists the Board of Directors in matters concerning investment management, financial management and risk management within the Group. The tasks of the Investment and Risk Committee include drafting proposals on the principle features of asset and liability management (ALM) and submitting them to the Board of Directors, determining the investment policy, assessing capital adequacy, verifying compliance with guidelines on investments, and establishing the risk tolerance in insurance and investment operations. The Investment and Risk Committee is vested with the authority to define various regulations and directives pertaining to the investment activities of the Swiss Life Group and must inform the Board of Directors accordingly. In addition, the Investment and Risk Committee is free to decide itself on investments at a particular level and specifies the terms of significant intra-Group financing.

Generally, the Group CIO and Group CFO attend the Investment and Risk Committee meetings or parts of meetings in an advisory capacity. The Group CEO may attend the meetings of the Investment and Risk Commit-

tee (without voting rights). Further members of the Corporate Executive Board and in-house specialists may also be invited to attend. The Investment and Risk Committee meets at least four times a year.

Eight meetings of the Investment and Risk Committee were held in the year under review. Each session lasted for around two and a half hours on average. The attendance rate was 90%. The Chairman of the Board of Directors attended all meetings with the exception of two. The Group CEO, Group CFO and Group CIO were present at all meetings.

**AUDIT COMMITTEE** – The Audit Committee assists the Board of Directors in its supervision of the accounting function and financial reporting activities, as well as compliance with the legal framework. It reviews the appropriateness of the internal control structures and processes used to comply with the legal requirements. It monitors the activities of Corporate Internal Audit and the external audit services, and takes due note of their reports and recommendations. The Committee is empowered to make decisions with respect to defining the terms and conditions for mandates to external auditors and keeps the Board of Directors appropriately informed. Moreover, the Audit Committee issues the regulations of the Corporate Internal Audit and sets the annual programme of activities for the internal audit units.

Generally, the Group CFO and the Head of the Corporate Internal Audit attend the Audit Committee meetings or parts of the meetings in an advisory capacity. The Group CEO may attend the meetings of the Audit Committee (without voting rights). Representatives from the external audit services are also regularly invited (cf. also “Supervisory and control instruments vis-à-vis the auditors”, page 31. In addition, further members of the Corporate Executive Board or in-house specialists may also be invited to attend.

The Audit Committee meets at least four times a year. The frequency of meetings depends on the financial budgeting and reporting process.

In the year under review, the Audit Committee convened five times (ordinary and extraordinary meetings), with an ordinary meeting lasting three and a half hours on average. There was full attendance, except in the case of one meeting where one member was unable to attend. Repre-

sentatives from the external audit services were present at four of the meetings. To prepare for the meetings relating to the annual and half-year reports, the Audit Committee regularly called on the services of an independent financial and business expert.

**DELINEATION OF COMPETENCIES BETWEEN THE BOARD OF DIRECTORS AND THE CORPORATE EXECUTIVE BOARD** – The Organisational Regulations of Swiss Life Holding provide for the comprehensive delegation of the executive management responsibilities of the company to the Group CEO and the Corporate Executive Board, with the exception of those duties reserved for other bodies in accordance with the law, the Articles of Association or the Organisational Regulations themselves. The Articles of Association of Swiss Life Holding can be found at [www.swisslife.com](http://www.swisslife.com), “Shareholders & Analysts” area, “Swiss Life Share” section, “Articles of Association” ([www.swisslife.com/association](http://www.swisslife.com/association)). The Organisational Regulations are also published on Swiss Life’s internet site at “About Swiss Life” area, “Organisation” section ([www.swisslife.com/en/organisation](http://www.swisslife.com/en/organisation)).

The Corporate Executive Board bears responsibility in particular for the implementation of the corporate strategy, for the conditions governing business operations and for financial guidance. It is further responsible for preparing the resolutions for the Board of Directors and its committees, and for monitoring the implementation of these decisions in the Group. It is vested with the authority to rule on business referred to it by the Board of Directors, the Board of Directors’ committees and the Chairman of the Board of Directors, insofar as approval or a decision is not reserved exclusively to the delegating body.

**INFORMATION AND CONTROL INSTRUMENTS OF THE BOARD OF DIRECTORS VIS-À-VIS THE CORPORATE EXECUTIVE BOARD**

The Board of Directors is continually and comprehensively briefed on the activities of the Corporate Executive Board. The Group CEO regularly informs the Chairman of the Board of Directors and the Board of Directors and its committees on the course of business, new business activities and significant projects. The Group CEO informs the Chairman of the Board of Directors immediately of any extraordinary matters. Considerable expenditure which is unbudgeted for and amounts to more than 10% of the relevant budget must be submitted to the Chairman's and Corporate Governance Committee for approval. Similarly, significant investments and divestments require the approval of the Investment and Risk Committee or, when they reach a certain level, the approval of the Board of Directors as a whole.

If required, the Board of Directors and its individual committees regularly invite all or some members of the Corporate Executive Board and in-house specialists to its meetings. Outside the meetings, each member of the Board of Directors may request information about the course of business from the Corporate Executive Board subject to the prior notification of the Chairman of the Board of Directors. Requests for information on individual transactions require the prior approval of the Chairman of the Board of Directors.

The Chairman of the Board of Directors may participate (without voting rights) in the meetings of the Corporate Executive Board. He receives the invitations and the minutes of the meetings.

Corporate Internal Audit, which reports directly to the Chairman of the Board, represents a suitable means of independent monitoring and information gathering for the Board of Directors. Regular meetings take place between the Chairman of the Board of Directors and the Head of Corporate Internal Audit, as well as between the Chairman of the Audit Committee and the Head of Corporate Internal Audit. Implementation of the measures recommended by Corporate Internal Audit is monitored by Group Compliance & Operational Risk Management. The Audit Committee regularly receives a report on all compliance activities and on operational risk management within the Swiss Life Group. Swiss Life's Internal

Control System (ICS) also serves the Board of Directors for information and controlling purposes. Further details on this system are available in the section "Risk Management" on page 33.

The performance of the Corporate Executive Board and the contributions made by the individual members are regularly discussed and evaluated by the Chairman's and Corporate Governance Committee, the Nomination and Compensation Committee and the Board of Directors, with no members of the Corporate Executive Board being present. The acceptance of directorships and senior political or military roles by members of the Corporate Executive Board is subject to the consent of the Chairman of the Board of Directors.

## Corporate Executive Board

The Group CEO directs the business operations of the Group. The Group CEO, together with the Corporate Executive Board, works out the long-term objectives and strategic orientation of the Group for submission to the Board of Directors and, based on the resolutions of the Board of Directors, ensures the goal-oriented leadership and development of the Group. The Corporate Executive Board can form committees to address specific areas and can delegate competencies to such Corporate Executive Board committees.

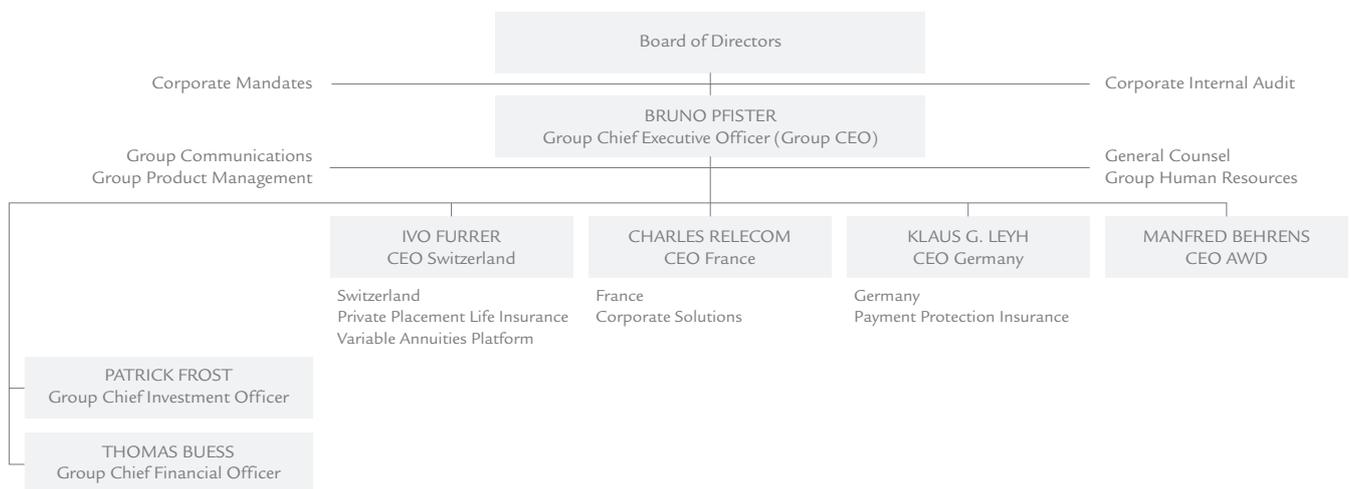
The organisational structure of the Group is geared to the main functions of its business. The resultant organisation is reflected in the division of tasks within the Corporate Executive Board. The members of the Corporate Executive Board have a direct management role with functional management responsibility for cross-divisional competencies. The members of the Corporate Executive Board are responsible for setting objectives, financial planning, HR management and achievement of objectives within their division. They issue directives for

their division within the context of legal and regulatory requirements, the relevant regulations and the Group directives valid for the Group as a whole.

The Corporate Executive Board is responsible for implementation of the corporate strategy, for the establishment of conditions governing business operations and for financial guidance. It is responsible for the preparation of the resolutions for the Board of Directors and its committees, and for monitoring the implementation of these decisions in the Group. The Corporate Executive Board is vested with the authority to rule on business referred to it by the Board of Directors, the Board of Directors committees and the Chairman of the Board of Directors, insofar as decision or approval is not reserved exclusively to one of these.

The Corporate Executive Board may delegate operational responsibility for the management of subsidiaries to individual members of the Corporate Executive Board.

Management structure as at 31 December 2009



**MEMBERS OF THE CORPORATE EXECUTIVE BOARD –** Swiss Life Holding was composed of the following members:  
On 31 December 2009 the Corporate Executive Board of

Name	Function	Member of the Corporate Executive Board since
Bruno Pfister	Group CEO	01.08.2002
Ivo Furrer	CEO Switzerland	01.09.2008
Klaus G. Leyh	CEO Germany	01.10.2008
Thomas Buess	Group CFO	01.08.2009
Charles Relecom	CEO France	01.07.2008
Patrick Frost	Group CIO	01.07.2006
Manfred Behrens	CEO AWD	08.05.2008

**BRUNO PFISTER** – Born 1959, Swiss national  
Group Chief Executive Officer (Group CEO)



Bruno Pfister graduated from the University of Geneva with a master's degree in law before being called to the bar in Geneva.

Following completion of his business management studies (MBA from the UCLA Graduate School of Management in Los Angeles), the initial stages of his career saw him working for Chase Manhattan Bank in London and Geneva. From 1988 onwards he was a management consultant for McKinsey & Co in Zurich. In 1996 Bruno Pfister became Chief of Staff of the Private Banking division at Liechtenstein Global Trust (LGT) where he managed a global strategic project before being appointed Chief Financial Officer of LGT Group and LGT Bank in Liechtenstein in 1998. In 1999, as a Member of the Credit Suisse Group Executive Board, he took over as Head of Customer Segment Management and Product Management at Credit Suisse.

Bruno Pfister has been with the Swiss Life Group since August 2002, initially as Group Chief Financial Officer (Group CFO) and, as of 1 January 2006, Chief Executive Officer International (CEO International). He assumed the position of Group Chief Executive Officer (Group CEO) of the Swiss Life Group in May 2008.

Other appointments:

– Gottex Fund Management Holdings Limited, St. Peter Port, Guernsey, Member of the Board of Directors

– Swiss Insurance Association (SIA), Zurich, Member of the Board and the Board Committee  
– SIX Exchange Regulation, Zurich, Member of the Regulatory Board and Issuers Committee

**IVO FURRER** – Born 1957, Swiss national  
Chief Executive Officer Switzerland (CEO Switzerland)



Ivo Furrer graduated in law from the universities of Zurich and Fribourg and earned his PhD with a thesis on employee benefits. He joined Winterthur

Life in 1982, initially working in group insurance marketing and later assuming various project management roles relating to strategy development and expansion of Winterthur's international insurance business in Europe, Canada and the USA. In 1992 he relocated to the USA, where he worked in underwriting. From 1994 to 1997 he held a number of management positions at Winterthur International in London (including that of Managing Director) before being appointed Chief Underwriting Officer of this business area in 1998. In 1999 he moved to Credit Suisse Group, where he developed and implemented an internet bank in Luxembourg and was subsequently appointed Head of e-Investment Services Europe and member of the Personal Financial Services' management. Ivo Furrer began working for Zurich Financial Services in 2002, initially in Germany as head of the international key account business, and in 2005 as a Member of the Global Corporate Executive Committee with responsibility for the development of key account and distribution management at global level. In 2007 he was

appointed CEO Life Switzerland and Member of the Global Life Executive Committee of Zurich Financial Services.

On 1 September 2008 Ivo Furrer joined the Swiss Life Group as Member of the Corporate Executive Board and Chief Executive Officer Switzerland (CEO Switzerland).

Other appointments:

- Swiss Insurance Association (SIA), Zurich, Chairman of the Life Insurance Committee
- German-Swiss Chamber of Commerce, Zurich, Member of the Board

**KLAUS G. LEYH** – Born 1966, German national Chief Executive Officer Germany (CEO Germany)



After graduating with a degree in economics from the University of Augsburg, Klaus G. Leyh worked for two years as a market researcher and advisor in

the consumer goods industry. In 1995 he changed to the insurance sector, building up Generali's Market Research department in Munich. He subsequently held management positions in marketing, product management and e-business at Generali Lloyd Versicherung AG, AXA Colonia Konzern and ARAG Lebens- und Krankenversicherung, and received a Master of Business Research (MBR) from the Ludwig Maximilian University of Munich. In 2001 Klaus G. Leyh joined Swiss Life in Germany as the head of its e-commerce and e-business activities and was assigned responsibility for distribution service, control and promotion in 2002. From January 2006 to September 2008 he held the position of Chief Marketing Officer and Member of the Executive Board of Swiss Life in Germany with responsibility for the entire sales force, distribution management, service and control.

On 1 October 2008 Klaus G. Leyh was appointed Chief Executive Officer of Swiss Life in Germany (CEO Germany) and Member of the Swiss Life Group's Corporate Executive Board.

Other appointments:

- German Insurance Association (GDV), Berlin, Member of the Main Committee Life Insurance

- DEPFA Holding Verwaltungsgesellschaft mbH, Düsseldorf, Member of the Supervisory Board

**THOMAS BUESS** – Born 1957, Swiss national Group Chief Financial Officer (Group CFO)



After completing his business administration and economics studies at the University of St. Gallen and a two-year research activity at the Institute of International Economics, Thomas Buess launched his career in

insurance in 1985. From 1985 to 1993 he assumed various positions in the area of finance at the ELVIA Group. In 1994 he joined Zurich Financial Services Group as Chief Financial Officer and Member of the Executive Committee of the Swiss P&C business unit. From 1997 to 1999 he was Chief Financial Officer of all Swiss operations. In 1999 Thomas Buess moved to the USA as Chief Financial Officer of Zurich Financial Services Group's North American business area. In 2002 he was appointed Group Chief Financial Officer and Member of the Group Management Board. Thomas Buess went on to head the reorganisation of the life insurance business before assuming the role of Chief Operations Officer of Zurich Financial Services Global Life in 2004. In January 2009 he moved to Allianz Group as Head of Operational Transformation.

In August 2009 Thomas Buess joined the Swiss Life Group as Group Chief Financial Officer (Group CFO) and Member of the Corporate Executive Board.

Other appointments:

- Swiss Insurance Association (SIA), Zurich, Member of the Economics and Finances Committee

**CHARLES RELECOM** – Born 1953, Belgian national Chief Executive Officer France (CEO France)



Charles Relecom graduated from the University of Namur (Belgium) with a degree in mathematics and went on to gain a master's degree in Actuarial Science at the University of Louvain (Belgium). He began his

career in 1978 as Chief Actuary and Chief Technology Officer at Swiss Life in Belgium. In 1984 he moved to the head office in Zurich, where he played a significant role in setting up the International Division. From 1988 to 1994 he worked for Elvia Life as Director of Sales in the key accounts business. In 1994 he moved to «La Suisse» and, in 1998, was appointed CEO of the non-life business and Chief Actuary. In 2000 he became the CEO of «La Suisse», a position he held until 2005 when the company was integrated into the Swiss Life Group. Following the integration, Charles Relecom returned to Swiss Life in Belgium, initially as the CEO of Zelia S.A. and, from February 2006, as CEO for the entire Belgian business.

On 1 July 2008 Charles Relecom was appointed Chief Executive Officer France (CEO France) of the Swiss Life Group and Member of the Corporate Executive Board.

**PATRICK FROST** – Born 1968, Swiss national  
Group Chief Investment Officer (Group CIO)



Patrick Frost studied at the ETH in Zurich and the universities of Cologne, Basel and Zurich, obtaining degrees in natural science (dipl. Natw. ETH, 1993), economics (Dr. rer. pol., 1998) and law (lic. iur., 2001). He began his professional career in 1996 as a portfolio manager and analyst in financial engineering at Winterthur Group. Between 1999 and 2001 he was employed as a Senior Bond Portfolio Manager at Winterthur Investment Management Corp. in New York. He became the Head of Global Fixed Income at Winterthur Group in 2001, where he played a key role in the further strategic development of its asset management.

Patrick Frost was appointed Member of the Corporate Executive Board and Group Chief Investment Officer (Group CIO) of the Swiss Life Group in July 2006.

Other appointments:

- Castle Alternative Invest AG, Freienbach, Member of the Board of Directors
- Technopark Zurich, Member of the Board of Trustees

**MANFRED BEHRENS** – Born 1955, German national  
Chief Executive Officer AWD (CEO AWD)



After graduating in law, Manfred Behrens initially worked as an attorney in a Hamburg-based law firm. In 1984 he moved to Hamburg Mannheimer AG, where he assumed various leading positions in the areas of law and sales and went on to become state manager. He joined Volksfürsorge Deutsche Lebensversicherungs-AG in May 1996 and, in 1998, was appointed Member of the Board of Directors with responsibility for sales and marketing. Manfred Behrens moved to Swiss Life in January 2004, where he held the position of Chief Executive Officer of Swiss Life in Germany (CEO Germany) until August 2008. He was appointed Co-Chief Executive Officer of AWD (Co-CEO AWD) in September 2008. In April 2009 he assumed the role of Chief Executive Officer of AWD (CEO AWD).

Manfred Behrens has been a Member of Swiss Life's Corporate Executive Board since May 2008.

Other appointments:

- Aareal Bank, Wiesbaden, Member of the Supervisory Board
- Commerzbank, Frankfurt am Main, Member of the Regional Advisory Committee North
- tecis Finanzdienstleistungen AG, Hamburg, Chairman of the Supervisory Board

**RESIGNATIONS** – Reto Himmel, Group Chief Technology & Operations Officer (Group CTO), left the Corporate Executive Board on 31 March 2009 due to the discontinuation of the corporate executive Group CTO function because of the transfer of areas of the Group IT & Operations division into the Swiss business management structure.

On 5 May 2009, Swiss Life informed that Thomas Müller, Group Chief Financial & Risk Officer (Group CFO), decided to leave the company for personal reasons at the end of June 2009, following seven years of successful service. As of 1 August 2009 Thomas Buess was appointed new Group CFO.

## Transfer of management tasks

No management tasks have been contractually delegated to third parties by Swiss Life Holding.

## Report on compensation

The specifications below follow the directives on information relating to corporate governance issued by the SIX Swiss Exchange and take into consideration the transparency regulations set out in the Swiss Code of Obligations Art. 663b<sup>bis</sup> and Art. 663c. Further details on compensation and benefit expenditure for the management and employees of the Swiss Life Group can be found in the Consolidated Financial Statements (Notes 23 and 30). In addition, the compensation of the members of the Board of Directors and the Corporate Executive Board, and their participation interests, are shown in the notes to the Swiss Life Holding Financial Statements.

The information in this report is mainly presented in the same way as the previous year. Also included in the information on compensation disclosed for the period under review is the variable compensation to Corporate Executive Board members for the 2009 financial year, determined and payable as a cash bonus at the beginning of 2010. The members of the Board of Directors have not been granted variable compensation for the 2009 financial year.

As already stated in the 2008 compensation report, the members of the Board of Directors also did not receive any variable compensation in the form of blocked shares for the 2008 financial year. The members of the Corporate Executive Board did not receive a cash bonus and were not granted variable compensation in shares. Besides this information, last year's report also contains details of the variable compensation for the 2007 financial year.

In accordance with the transparency requirements, the compensation received by each member of the Board of Directors and the Chairman of the Corporate Executive Board (Group CEO) is disclosed individually.

The compensation reported for the Board of Directors in 2009 includes the entire compensation received by Rolf Dörig as Delegate of the Board of Directors until 7 May 2009 and as Chairman of the Board of Directors from that date on. In view of the fact that Rolf Dörig held the positions of Group CEO until the Annual General Meeting of Swiss Life Holding on 8 May 2008 and Delegate of the Board following his election to the Board of Directors, his compensation for the 2008 financial year is shown in its entirety under the compensation to the Corporate Executive Board.

**COMPENSATION POLICY PRINCIPLES** — Pursuant to the Organisational Regulations, the Board of Directors as a whole is responsible for establishing the guidelines on the Group's compensation policy (incl. bonuses and equity compensation programmes) and with regard to employee benefit institutions. The compensation policy underpins the performance culture required by the corporate strategy and forms part of the HR policy. The aim is to retain qualified employees and recruit new, highly skilled staff. The chosen compensation system is in line with the market environment and must be competitive. The overall compensation takes into account the employees' professional skills, engagement and personal performance. Individual compensation is made up of a basic salary and variable short-, medium- and long-term salary components as well as contributions to occupational provisions and risk insurance. The basic salary is determined according to the employee's function and skill set, and is annually re-assessed and adjusted if appropriate. The variable salary components are linked to the strategic objectives of the company and the individual divisions, and the associated financial and HR-related targets. Personal performance and target achievement are assessed annually in the employee appraisal procedure implemented throughout the Group (Group Performance System) and taken into consideration when applying the defined compensation policy.

**PRACTICE AND PROCEDURE** – Pursuant to the Organisational Regulations, the Board of Directors as a whole is responsible for determining the level and make-up of compensation for its members, whereas the Nomination and Compensation Committee is responsible for putting forward corresponding proposals. The Board of Directors also establishes the guidelines for the company's compensation policy. In doing so, it takes into consideration the compensation policies of other organisations of comparable size and in comparable industries, drawing its findings from publicly available information and, as necessary, studies by external experts. Based on these guidelines, the Nomination and Compensation Committee also submits proposals to the Board of Directors with regard to the determination and distribution of the bonus pool for all employees and determination of the compensation for the individual members of the Corporate Executive Board.

The share option programme for Swiss Life Group management, which was introduced in 2000, was discontinued at the end of 2002. Accordingly, no further share options have been allocated since 2003.

Within the framework of the compensation arrangements for the members of the Corporate Executive Board and other key performers within the Swiss Life Group, which were selected by the Corporate Executive Board with the approval of the Chairman of the Board of Directors, a long-term remuneration component was introduced in 2004 on the basis of corresponding regulations. This equity compensation programme was adjusted slightly from 2005 by defining specific performance criteria. These take account of both the performance of the Swiss Life Holding share and its performance vis-à-vis other companies. Based on the programme, participants are granted future subscription rights in the form of Performance Share Units (PSUs) on Swiss Life Holding shares, entitling them to receive Swiss Life Holding shares free of charge after a period of three years has elapsed, insofar as the relevant prerequisites have been satisfied. The number of PSUs can increase by up to a factor of 1.5 or drop to zero within three years, depending on how the performance criteria develop.

The equity compensation programmes for 2007, 2008 and 2009 continue to be based on two performance criteria, each with a 50% weighting. One criterion is the Total

Shareholder Return on Swiss Life Holding shares (TSR Swiss Life Holding), whereby a performance in excess of 20% is required for the subscription right to share allocation to arise. The TSR of the company's own shares is also compared with the TSR of the shares of the companies included in the Dow Jones STOXX 600 Insurance Index (TSR Outperformance); on the basis of this criterion, a subscription right arises if the performance on expiry of the three-year term is above the first quartile in comparison with the companies in question.

55 members of the Swiss Life Group senior management participated in the 2007 equity compensation programme. A total of 56 222 PSUs were allocated; 24 444 to the Corporate Executive Board, of which 6717 to Rolf Dörig as Group CEO.

In the 2008 equity compensation programme, 47 members of the Swiss Life Group senior management took part. A total of 52 618 PSUs were allocated; 23 695 to the Corporate Executive Board, of which 5924 were allocated to Bruno Pfister in his capacity as CEO International up to 8 May 2008 and as Group CEO from 9 May 2008. In accordance with the compensation regulations pertaining to the Board of Directors, Rolf Dörig, who held the position of Group CEO up to 8 May 2008, was not allocated any PSUs for the 2008 financial year due to his election to the Board of Directors on 8 May 2008 and resultant resignation from the Corporate Executive Board. Consequently, he was also not allocated any PSUs for the 2009 financial year.

In the period under review, 65 members of the Swiss Life Group senior management participated in the 2009 equity compensation programme which came into effect on 1 April 2009. A total of 53 216 PSUs were allocated; 22 200 to the Corporate Executive Board, of which 6500 to Group CEO, Bruno Pfister.

**COMPENSATION PAID TO ACTING MEMBERS OF GOVERNING BODIES** – The following compensation in cash was received by acting members of the Board of Directors

and the Corporate Executive Board during the period under review:

In CHF		
	2009	2008
Board of Directors	2 426 217 <sup>1</sup>	1 543 000
Corporate Executive Board	9 573 342 <sup>2</sup>	6 843 949 <sup>3</sup>

<sup>1</sup> Incl. compensation for Rolf Dörig as Delegate and Chairman of the Board of Directors in 2009. His compensation for the 2008 financial year for his positions as Group CEO and BoD Delegate is shown in its entirety under the disclosure for the Corporate Executive Board.

<sup>2</sup> Incl. cash bonus of CHF 3 550 000 for the 2009 financial year, determined at the beginning of 2010.

<sup>3</sup> The Corporate Executive Board members were not paid a cash bonus for the 2008 financial year.

There were no resignations from the Board of Directors during the 2008 financial year. Within the context of succession planning at Board of Director and Corporate Executive Board level, Rolf Dörig was elected to the Board of Directors of Swiss Life Holding as an additional member on 8 May 2008.

Two members of the Board of Directors resigned in the 2009 financial year. Bruno Gehrig resigned from his position as Chairman of the Board of Directors of Swiss Life Holding after the Annual General Meeting on 7 May 2009 due to his election to the Board of Directors of UBS Ltd in October 2008. After serving for six years, Pierfranco Riva also stepped down from the Board of Directors at the 2009 Annual General Meeting due to reaching the statutory age limit. Two new members were appointed: Frank Schnewlin and Carsten Maschmeyer. Rolf Dörig ceded the position of Delegate of the Board of Directors on 7 May 2009 to take over from Bruno Gehrig as Chairman of the Board of Directors.

In 2008 the following personnel changes took place in the Corporate Executive Board: Bruno Pfister was appointed Group CEO with effect from 9 May 2008 to replace Rolf Dörig, who was elected to the Board of Directors at the Annual General Meeting of 8 May 2008 and thus stepped down from the Corporate Executive Board. In addition, Manfred Behrens joined the Corporate Executive Board as CEO Germany with effect from 9 May 2008. He went on to assume the position of Co-CEO of AWD on 1 September 2008. CEO France, Charles Relecom, and the new CEO Germany, Klaus Leyh, joined the Corporate

Executive Board on 1 July 2008 and 1 October 2008, respectively. Paul Müller handed over his position as CEO Switzerland to Ivo Furrer as of 1 September 2008.

In the 2009 financial year, the composition of the Corporate Executive Board changed as follows. Reto Himmel, Group Chief Technology & Operations Officer (Group CTO), left the Corporate Executive Board effective 31 March 2009 due to the discontinuation of the Group CTO function. Thomas Buess joined the Board as of 1 August 2009 as the new Group Chief Financial Officer (Group CFO), replacing Thomas Müller who resigned from the Corporate Executive Board with effect from 30 June 2009.

Compensation remitted to members of the Board of Directors comprised the basic compensation, compensation in cash and variable compensation in shares. The basic compensation takes into account membership of the Board of Directors of Swiss Life Holding and its subsidiary Swiss Life Ltd as well as membership of the individual Board Committees. It is partly paid in the form of blocked shares. The additional compensation in cash is commensurate to the function and workload and is determined annually by the Board of Directors. If Swiss Life Group's business operations have proved successful, a further, variable compensation component may be remitted in the form of Swiss Life Holding shares. This is decided by the Board of Directors, taking into consideration the business results.

On the balance sheet date, the following compensation was received by acting members of the Board of Directors of Swiss Life Holding:

	Compensation in cash in CHF	Shares with three-year blocking period		Total
		Part of basic compensation	Part of variable compensation for the 2009 financial year	
Rolf Dörig <sup>1</sup>	1 121 132	1 093	–	1 093
Gerold Bühner	248 667	319	–	319
Frank Schnewlin <sup>2</sup>	116 000	188	–	188
Volker Bremkamp	126 000	224	–	224
Paul Embrechts	82 000	169	–	169
Rudolf Kellenberger	124 667	264	–	264
Carsten Maschmeyer <sup>2</sup>	54 667	94	–	94
Henry Peter	82 000	169	–	169
Peter Quadri	82 000	169	–	169
Franziska Tschudi	82 000	169	–	169

<sup>1</sup> Delegate of the Board of Directors until 07.05.2009 / Chairman of the Board of Directors from 07.05.2009.

<sup>2</sup> Member of the Board of Directors from 07.05.2009.

Until leaving the Board of Directors at the Annual General Meeting of 7 May 2009, Bruno Gehrig was paid compensation in cash to the amount of CHF 272 917 in his capacity as Chairman of the Board of Directors. As part of his basic compensation, Pierfranco Riva received for the same period compensation in cash of CHF 34 167 and 82 shares, which were subject to a three-year blocking period.

As Chairman of the Board, Bruno Gehrig was affiliated to the employee benefits institutions of Swiss Life for the purpose of occupational provisions and obtains the corresponding pension benefits under the pension fund regulations. Rolf Dörig, in his former role as Delegate of the Board of Directors and current position as Chairman of the Board, is also insured for occupational provisions with the employee benefits institutions of Swiss Life. No such affiliation exists for other members of the Board of Directors; no contributions have been made on their behalf.

Compensation to the members of the Corporate Executive Board comprises a salary, a variable bonus in cash, other compensation (child allowances, allowances for years of service, company cars, premium contributions to 3<sup>rd</sup>-pillar pension plans) and, possibly, variable compensa-

tion in shares. The salary is determined annually by the Board of Directors at the request of the Nomination and Compensation Committee, taking into account the function-related responsibility and workload. If the Swiss Life Group's business operations have proven successful, a variable cash bonus and, possibly, variable compensation in shares are also granted. This is decided on by the Board of Directors, taking into consideration both the business results and the personal achievement of objectives by the members of the Corporate Executive Board.

#### COMPENSATION PAID TO FORMER MEMBERS OF GOVERNING BODIES – None.

**SHARE ALLOTMENT IN THE YEAR UNDER REVIEW —**

The shares allotted to the members of the Board of Directors in the period under review formed part of their basic compensation, 80% of which was granted in cash and 20% in shares of Swiss Life Holding. The shares are subject to a three-year blocking period.

For the 2009 financial year, like the 2008 financial year, no variable compensation in shares has been granted to the members of the Board of Directors or the Corporate Executive Board.

As part of their basic compensation for 2009, the members of the Board of Directors were allotted the following Swiss Life Holding shares, subject to a three-year blocking period:

Board of Directors	2940 shares, allocated at values of CHF 77.6649 and CHF 107.5553 <sup>1</sup> . The shares are subject to a three-year blocking period.
Corporate Executive Board	none

<sup>1</sup> Economic value equal to the tax value, taking the blocking period into account. The share prices on allocation amounted to CHF 92.50 and CHF 128.10.

No shares were allocated to closely linked parties<sup>2</sup> within the meaning of the law.

**SHARE OWNERSHIP** — On the balance sheet date, acting members of the Board of Directors and the Corporate Executive Board (including closely linked parties) held the following number of Swiss Life Holding registered shares:

	SLH shares 31.12.2009
Rolf Dörig	33 277
Gerold Bühner	2 485
Frank Schnewlin	188
Volker Bremkamp	1 267
Paul Embrechts	945
Rudolf Kellenberger	1 286
Carsten Maschmeyer	1 620 730
Henry Peter	2 025
Peter Quadri	1 725
Franziska Tschudi	945
<b>TOTAL BOARD OF DIRECTORS</b>	<b>1 664 873</b>

<sup>2</sup> “Closely linked parties” are natural persons and legal entities pursuant to Art. 678 of the Swiss Code of Obligations that have close personal, economic, legal or de facto ties with members of the governing body. This typically includes spouses, minor children, companies controlled by members of the governing body, and natural or legal persons serving the members of the governing body in a fiduciary capacity.

	SLH shares 31.12.2009
Bruno Pfister	9 068
Ivo Furrer	0
Klaus G. Leyh	53
Charles Relecom	0
Thomas Buess	1 000
Patrick Frost	2 013
Manfred Behrens	698
TOTAL CORPORATE EXECUTIVE BOARD	12 832

The number of future subscription rights to Swiss Life Holding shares allocated in the context of the above-mentioned equity compensation programme to members of the Corporate Executive Board in the form of so-called performance share units (PSUs), and whose exercise depends on the fulfilment of specific performance criteria, is shown in the notes to the Swiss Life Holding Financial Statements.

**OPTIONS** – No share options have been granted in the Swiss Life Group since 2003; there are no longer any outstanding options.

#### **ADDITIONAL HONORARIUMS AND REMUNERATIONS**

– In the period under review no additional honorarium or remuneration payments were made to the members of the Board of Directors or the Corporate Executive Board.

**LOANS** – On the balance sheet date, there were no loans outstanding to members of the Board of Directors or the Corporate Executive Board:

	31.12.2009
Board of Directors	none
Corporate Executive Board	none

**EXPENDITURE FOR OCCUPATIONAL PROVISIONS** – Details on the company's benefit expenditure can be found in the Consolidated Financial Statements (Notes 23 and 30) and the Notes to the Swiss Life Holding Financial Statements. For reasons of transparency, information on the following benefits is provided here:

As Chairman of the Board of Directors, Bruno Gehrig was affiliated to the employee benefits institutions of Swiss Life for the purpose of occupational provisions and obtains the corresponding pension benefits under the pension fund regulations. The regular employer contribution assumed on a pro-rata basis for Bruno Gehrig amounted to CHF 43 678.

Rolf Dörig, in his former role as Delegate of the Board of Directors and current position as Chairman of the Board, was and remains insured for occupational provisions with

the employee benefits institutions of Swiss Life. A regular annual employer contribution of CHF 195 656 was assumed on his behalf in the period under review.

No such affiliation exists for other members of the Board of Directors; no contributions have been made on their behalf.

For Group CEO Bruno Pfister, a regular annual employer contribution of CHF 175 801 was assumed in the period under review.

Expenditure for occupational provisions on behalf of the remaining members of the Corporate Executive Board totalled CHF 630 099.

**HIGHEST TOTAL COMPENSATION, BOARD OF DIRECTORS**— Rolf Dörig succeeded Bruno Gehrig as Chairman of the Board of Directors of Swiss Life Holding following the Annual General Meeting of 7 May 2009.

In 2008 Rolf Dörig held the position of Group CEO of Swiss Life until the Annual General Meeting of 8 May 2008; after his election at the Annual General Meeting of May 2009, he assumed the function of Delegate of the Board. His compensation for 2008 is disclosed in its entirety under the compensation to the Corporate Executive Board.

For the 2009 financial year, the members of the Board of Directors have not been granted variable compensation in shares. The shares allotted in 2009 form part of the basic compensation, 80% of which is granted in cash and 20% in shares.

The highest total compensation for a member of the Board of Directors of Swiss Life Holding in the period under review was received by Rolf Dörig as Delegate of the Board of Directors and, following the Annual General Meeting of 7 May 2009, Chairman of the Board. The compensation granted in the form of cash, shares and contributions to occupational provisions in the period under review was as follows:

In CHF

Compensation in cash <sup>1</sup>	<b>1 121 132</b>	
Shares <sup>2</sup>	<b>117 558</b>	1 093 SLH shares at CHF 107.5553
Share options	<b>none</b>	
Total compensation 2009 <sup>3</sup>		
in cash and shares	<b>1 238 690</b>	
including annual contribution to occupational provisions of CHF 195 656	<b>1 434 346</b>	
Total compensation 2008 <sup>4</sup>		
in cash and shares	1 621 806	
including annual contribution to occupational provisions of CHF 195 656	1 817 462	

<sup>1</sup> Including company car and premium contribution for the position of Delegate of the Board of Directors.

<sup>2</sup> Part of basic compensation. The allocation and valuation was effected on 18.12.2009 at an economic value of CHF 107.5553, which is equal to the tax value, taking into account a blocking period of three years. The share price at the time of allocation was CHF 128.10. For the 2009 financial year, no variable compensation in shares has been granted to the members of the Board of Directors.

<sup>3</sup> Compensation received as Delegate of the Board of Directors and, following the Annual General Meeting of 7 May 2009, as Chairman of the Board of Directors of Swiss Life Holding.

<sup>4</sup> Compensation received as Group CEO until 8 May 2008 and subsequently as Delegate of the Board of Directors. Rolf Dörig did not receive any cash bonus or variable compensation for the 2008 financial year.

**HIGHEST TOTAL COMPENSATION, CORPORATE EXECUTIVE BOARD** –As Group CEO, Bruno Pfister received the highest total compensation for a member of the Corporate Executive Board in the period under review.

The compensation granted in 2009 in the form of cash, shares and contributions to occupational provisions was as follows:

In CHF

Compensation in cash <sup>1</sup>	<b>2 178 553</b>
Shares <sup>2</sup>	<b>none</b>
Share options	<b>none</b>
Total compensation 2009 <sup>3</sup>	
in cash and shares	<b>2 178 553</b>
including annual contribution to occupational provisions of CHF 175 801	<b>2 354 354</b>
Total compensation 2008 <sup>3,4</sup>	
in cash and shares <sup>5</sup>	1 053 193
including annual contribution to occupational provisions of CHF 156 648	1 209 841
including additional contribution to occupational provisions of CHF 598 500 <sup>6</sup>	1 808 341

<sup>1</sup> Including cash bonus of 925 000 for the 2009 financial year, determined at the beginning of 2010, and other compensation in cash (child allowances, company car, premium contribution).

<sup>2</sup> For the 2009 financial year, no variable compensation in shares has been granted to the members of the Corporate Executive Board.

<sup>3</sup> Without mathematical value of PSUs allocated.

<sup>4</sup> Bruno Pfister served on the Corporate Executive Board in 2008 as CEO International until 8 May 2008 and, from 9 May 2008, as Group CEO.

<sup>5</sup> For the 2008 financial year, the members of the Corporate Executive Board did not receive a cash bonus or variable compensation in shares.

<sup>6</sup> Subsequent contribution in accordance with the pension fund regulations due to increase in salary.

In addition to compensation in the form of cash, shares and contributions to occupational provisions, Bruno Pfister was allocated 6500 future subscription rights in the form of Performance Share Units (PSUs) as part of the three-year equity compensation programme. These entitle him to Swiss Life Holding shares as at 1 April 2012, provided that the relevant requirements have then been met. Depending on how the two defined performance criteria develop, the number of PSUs can increase by up to a factor of 1.5 or drop to zero. On the allocation date of 1 April 2009, the fair value of one PSU was CHF 51.22.

Taking into account the mathematical value of the PSUs allocated, which came to CHF 332 930, Bruno Pfister's total compensation for 2009 amounted to CHF 2 687 284.

In 2008 Bruno Pfister was allocated 5924 future subscription rights in the form of Performance Share Units (PSUs). On the allocation date of 1 April 2008, the fair value of one PSU was CHF 179.30. Taking into account the mathematical value of the PSUs allocated in 2008, which came to CHF 1 062 173, Bruno Pfister's total compensation for 2008 amounted to CHF 2 870 514.

## Shareholders' participation rights

**RESTRICTIONS ON VOTING RIGHTS** — In exercising voting rights, no shareholder can collect more than 10% of the total share capital directly or indirectly in respect of his own shares and those he represents. Legal entities and partnerships which are connected through capital, voting rights, uniform management or in any other way, as well as individuals or legal entities and partnerships which act in concert by virtue of agreement, as a syndicate or in any other way, are deemed to be a single person. Any amendment to or revocation of restrictions on voting rights must be approved by at least two-thirds of the voting shares represented at the General Meeting of Shareholders and an absolute majority of the share par value represented. The Board of Directors can permit exceptions to this limit on the basis of its discretionary powers; during the year under review, no such exceptions were granted.

**RIGHT OF REPRESENTATION** — The Articles of Association stipulate that a shareholder may be represented by a legal representative, or, if a written power of attorney exists, by another shareholder entitled to vote, by a management representative, by an independent voting representative or by a representative of deposited shares.

**REQUIRED MAJORITIES** — In addition to the resolutions provided for by law, a qualified majority (corresponding to at least two thirds of the voting shares represented and an absolute majority of the share par value represented) is required to:

- change provisions concerning restrictions on voting rights
- dissolve the company (liquidation)
- dismiss more than one third of the members of the Board of Directors
- change these provisions of the Articles of Association

## Changes of control and defence measures

**DUTY TO MAKE AN OFFER** — Swiss Life Holding's Articles of Association provide for neither an "opting up" nor an "opting out" clause within the meaning of Art. 32 and 22 BEHG (Swiss Stock Exchange Act).

**CONVOCAATION OF THE GENERAL MEETING OF SHAREHOLDERS AND AGENDA** — The rules set out in the Articles of Association for convening a General Meeting of Shareholders and drawing up the agenda comply with the stipulations of the law. Shareholders representing shares with a par value of at least one million francs can submit a written request within a time limit published in advance by Swiss Life Holding for the inclusion on the agenda of an item for discussion, together with the relevant motions. The written application must be accompanied by a certificate issued by a bank to confirm that the shares are deposited with it until after the General Meeting of Shareholders is held.

**ENTRY IN THE SHARE REGISTER** — Entries can be made in the share register up to the day before the General Meeting of Shareholders. In all cases, however, the company reserves the right to adhere to the legal maximum period of 20 days for recognition of entries in the share register in accordance with Art. 685g of the Swiss Code of Obligations. For administrative reasons (postal delivery times), the deadline for registering to participate in the General Meeting of Shareholders is usually seven calendar days before the event takes place.

**VOTING SYSTEM AND PROCEDURES** — Based on a corresponding authorisation in the Articles of Association, the presiding officer at Swiss Life Holding's General Meeting of Shareholders generally requests for votes to be taken electronically. Swiss Life Holding uses a certified electronic voting system which permits balloting with remote-controlled handsets and records the exact number of voting shares represented.

**CLAUSES ON CHANGES OF CONTROL** — No contractual provisions exist in favour of the Board of Directors or the Corporate Executive Board with regard to control of the company.

## Auditors

PricewaterhouseCoopers (PwC) serves as external statutory auditor for 68% of the Swiss Life Group companies that are directly or indirectly held by Swiss Life Holding under its scope of consolidation. The remaining auditing mandate for subsidiaries (32%) is carried out by BDO Deutsche Warentreuhand AG.

In the report of the auditor, PwC confirms that it meets the legal requirements concerning professional qualification and independence.

**DURATION OF THE MANDATES AND TERM OF OFFICE OF THE LEAD AUDITOR** – The Articles of Association stipulate that the external auditor is to be elected by the General Meeting of Shareholders for one financial year at a time. When Swiss Life Holding was established in 2002, PwC was named as statutory auditor and Group auditor. Since then PwC has been re-elected without fail. PwC has also acted as statutory auditor and Group auditor for Swiss Life Ltd since 1994. Swiss Life Holding last invited tenders for its statutory auditor and Group auditor mandate for the 2008 financial year. On completion of the evaluation process, the Board of Directors, in accordance with the proposal of the Audit Committee, again nominated PwC as its statutory auditor and Group auditor at the General Meeting of Shareholders.

The partner at PwC in charge of auditing the Swiss Life Holding annual financial statements and consolidated financial statements (lead auditor) has held that function since the 2004 financial year. In compliance with the term of office regulations stipulated by the Swiss Code of Obligations, the independency guidelines set forth by the Swiss Institute of Certified Accountants and Tax Consultants, and internal guidelines at PwC, this partner will be replaced by a new lead auditor after the 2010 financial year at the latest.

**AUDITING FEES** – In 2009 the auditing fees credited to PwC came to CHF 7.8 million (2008: CHF 7.3 million). This includes the fees for reviewing the 2009 half-year accounts.

**ADDITIONAL FEES** – In 2009 PwC received additional fees totalling around CHF 3.0 million for advisory services (2008: CHF 2.1 million), approximately CHF 1.1 million of which was for actuarial advisory services, CHF 0.8 million for fiscal and financial advisory services

and CHF 0.7 million for strategic advisory services. The remainder resulted from legal and other advisory services. The advisory services were performed in compliance with the relevant independency regulations set forth in the Swiss Code of Obligations and the Audit Supervision Act.

**SUPERVISORY AND CONTROL INSTRUMENTS VIS-À-VIS THE AUDITORS** – The Audit Committee maintains regular contact with the external auditors. It evaluates the independence of the external auditors and identifies possible conflicts of interest. It also examines the terms and conditions of the external audit mandates and assesses the audit plan and strategy for the year in question.

The external auditors submit regular written reports on the status of the auditing work. They also submit detailed reports on the half year and annual financial statements. At the end of the year, the external auditors draw up a comprehensive report for the attention of the Annual General Meeting of Shareholders and a detailed report on the financial year just completed for the attention of the Audit Committee, the Board of Directors and the Swiss Financial Market Supervisory Authority FINMA.

The Audit Committee also acknowledges and approves the various recommendations of the external auditors, including the Management Letter. If required, the committee discusses with representatives of the external auditors any issues which could have a major impact, either collectively or individually, on the financial situation or the result of the audit.

In the year under review, representatives of the external auditors attended four of the five Audit Committee meetings, either in their entirety or for specific items on the agenda.

## Information Policy

Swiss Life communicates actively and openly both within and outside the company. The Investor Relations and Public Relations areas provide up-to-date reports to private and institutional investors, financial analysts, journalists and the public.

Key facts and figures about the Swiss Life Group, info kits on previous annual reports and all the details on events relevant to the shareholders, analysts and the media (AGM, media conferences, etc.), can be accessed at [www.swisslife.com](http://www.swisslife.com) in the areas “Shareholders & Analysts” ([www.swisslife.com/analysts](http://www.swisslife.com/analysts)) and “News & Media” ([www.swisslife.com/media](http://www.swisslife.com/media)).

Furthermore, all interested parties can subscribe to the company’s mailing list so as to receive up-to-date ad-hoc reports and media releases free of charge via the e-mail distribution system ([www.swisslife.com/subscription](http://www.swisslife.com/subscription)). These releases are also published on the Swiss Life website at the same time as they are sent to subscribers, and are available online for at least two years ([www.swisslife.com/media](http://www.swisslife.com/media)).

In addition to its comprehensive Annual Report and Financial Statements, Swiss Life Holding also publishes its half-year results. All Swiss Life’s annual and half-year reports since 1997 can be accessed on the website, “Shareholders & Analysts” area, “Archive Reports” section ([www.swisslife.com/en/annualreports](http://www.swisslife.com/en/annualreports)). Twice a year, a report detailing the key facts and figures on business operations is sent to all the shareholders listed in the share register. For the last six years, the company has been holding an Investor’s Day annually; the most recent was held on 15 December 2009.

Contact details are available at the end of the Financial Statements.