

Shareholder proposals of zCapital dated 21 February 2024

6. Amendments to the Articles of Association

Agenda item 6.1: Removal of restrictions on registration and voting rights

New version of **Art. 3 para. 2:**

Para. 2: The share capital of the Company shall be increased by an amount not exceeding CHF 553,071.50 by the issue of a maximum of 5,530,715 fully paid registered shares with a par value of CHF 0.10 each, through the exercise of option or conversion rights granted in connection with bonds or similar debt instruments of the Company or of Group companies. The exercise of the conversion and/or option rights and the waiver of these rights shall be made in writing on paper or in electronic form. The subscription right of the shareholders is excluded. The respective holders of the option and conversion rights are entitled to subscribe to the new registered shares. The option and conversion conditions shall be determined by the Board of Directors. ~~The acquisition of registered shares through the exercise of option or conversion rights is subject to the registration restrictions pursuant to Art. 5 of the Articles of Association.~~

New version of **Art. 5:**

Para. 1: The Company shall keep a share register, wherein the shareholders and beneficiaries of registered shares shall be recorded with their first names, places of residence, addresses and nationalities (registered offices in the case of legal entities). ~~The share register shall contain two categories: "Shareholders with voting rights" and "Shareholders without voting rights".~~

Para. 2: Acquirers of registered shares shall be recognised as shareholders with voting rights and entered in the share register upon request, which may be sent to the Company electronically, if they expressly declare that they have acquired these registered shares in their own name and for their own account, that there is no agreement on the redemption or return of corresponding shares and that they bear the economic risk associated with the shares. After the acquisition of registered shares, each acquirer shall be considered as a shareholder without voting rights until the Company has recognised him as a shareholder with voting rights. If the Company does not reject the request for recognition of the acquirer within 20 days, the acquirer shall be recognised as a shareholder with voting rights. The shareholder with voting rights may exercise all the rights attached to the share. The shareholder without voting rights may neither exercise the voting right nor the related rights. ~~No natural person, legal entity or partnership shall, subject to para. 3 of this Article, be registered with voting rights for the registered shares which it holds directly or indirectly for more than 2% of the registered share capital entered in the Commercial Register. Requests for recognition as a shareholder with voting rights shall be rejected if and insofar this limit is exceeded. This restriction on registration also applies to persons who hold shares wholly or partly through nominees within the meaning of this paragraph. Art. 685d para. 3 CO remains reserved. The Board of Directors may grant exceptions with a majority of two thirds of all members.~~

Para. 3: A person within the meaning of Art. 5 of the Articles of Association shall also be deemed to be:

- a) legal entities and partnerships that are linked to one another through capital ownership or voting rights or by way of a common management, or otherwise;
- b) all natural persons, legal entities or partnerships that join together for the purpose of circumventing the limitation.

~~**Para. 4:** The restriction of a person's recognition as a shareholder with voting rights to an aggregate total of 2% of the registered share capital also applies to the subscription for and the acquisition of registered shares by way of exercising options and conversion privileges granted in connection with bonds and other securities issued by the Company or by third parties.~~

~~**Para. 5:** If a shareholder or purchaser of subscription rights exercises subscription rights allocated by the Company or acquired from third parties, he shall be recognised as a shareholder for the new registered shares and registered with voting rights in the share register to the extent that his or her shareholding, including shares already held, do not exceed 2% of the share capital issued; for shares in excess of the 2% limit, he or she will be deemed a shareholder without voting rights. If a shareholder is already registered with voting rights in the share register for more than 2% of the registered share capital, pursuant to an exception granted by the Board of Directors, he or she will be recognized as a shareholder with voting rights and registered in the share register for his or her shareholding, including the new registered shares, up to his or her limit previously approved by the Board of Directors.~~

Para. 6: The Board of Directors stipulates principles governing the registration ~~(as shareholders with or without voting rights)~~ of banks, securities traders and professional asset managers and their auxiliary companies who hold shares on account of several unconnected persons (nominees) and who undertake to provide such details as may be specified by the Board on the beneficial owners of the shares.

New version of **Art. 16:**

Para. 3: Each share confers the right to one vote. ~~When exercising voting rights, a shareholder or a person authorised to act as proxy may not, directly or indirectly, combine more than one fifth of the shares entitled to vote at the General Meeting for his own shares and shares represented by proxy. The foregoing restriction does not apply to the independent proxy.~~

~~**Para. 4:** The following shall also be deemed to be a shareholder within the meaning of Art. 16 para. 3 of the Articles of Association:~~

- ~~a) legal entities and partnerships that are linked to one another through capital ownership or voting rights or by way of a common management, or otherwise;~~
- ~~b) all natural persons, legal entities or partnerships that join together for the purpose of circumventing the said limitation.~~

New version of **Art. 17 para. 3 lit. c:**

- c) the ~~introduction annulment of the third and fourth paragraphs of Art 16 and the cancellation or diminution of the therein stipulated~~ restrictions regarding voting rights;

Rationale

Promoting shareholder democracy

The 2% voting limit at Baloise Holding Ltd is a relic of the past and contradicts modern corporate governance principles. Every shareholder should have the right to vote in proportion to his shareholding in the company.

Reducing power imbalances

Removing restrictions on voting rights and registration is a step towards a more balanced distribution of power, ensuring that strategic mistakes can be corrected more quickly. The objective is to create a healthy balance between the board and shareholders. To achieve this, every shareholder should always be able to participate based on the "one share - one vote" principle.

Attractive for investors

The removal of restrictions on voting rights and registration will make Baloise more attractive to long-term financial investors who are interested in actively shaping the company's development. This is in the interest of all stakeholders.

Takeover protection through excellence

Well-managed companies are not afraid of their shareholders. A fair share price, supported by open communication and a broad shareholder structure, is the best protection against unwanted takeovers. The result is a win-win situation for everyone.

Agenda item 6.2: New regulation regarding nominees

Art. 5 immediately after the previous para. 6, new para:

Banks, securities traders and professional asset managers and their auxiliary companies who hold shares on account of several unrelated persons (nominees) and do not explicitly declare in the application for registration that they hold the shares for their own account will be entered in the share register with voting rights up to a maximum of 5% of the outstanding share capital. Beyond this limit, nominees and their registered shares will only be registered with voting rights if the nominee in question discloses the names, addresses and shareholdings of the persons for whose account it holds 0.5% or more of the outstanding share capital and if the reporting obligations

under the FinMIA are fulfilled. The Board of Directors is authorised to enter into agreements with nominees regarding their reporting obligations.

Rationale

The more voting rights are exercised, the better the will of the shareholders is expressed. Nominees are a good way to bring the votes of shareholders to the General Meeting in a non-bureaucratic way. By establishing clear rules for the registration of nominees in the share register, a consistent and transparent practice is created. This makes it easier for both nominees and Baloise Holding Ltd to understand and comply with the rules.

Agenda item 6.3: Amendment by qualified majority pursuant to Art. 17 para. 3 of the Articles of Association

New version of **Art. 17**:

Para. 3: The following resolutions of the General Meeting shall require at least a ~~three-quarters~~ **two-thirds** majority of the votes represented, the number of which must also equal at least one third of the total number of shares issued by the Company:

Rationale

An approval rate of at least three quarters of the votes represented at the Annual General Meeting for important resolutions seems too high. The Swiss Code of Obligations suggests two-thirds of the votes represented. Lowering the approval threshold for important resolutions increases the company's ability to act. Major strategic decisions can be better implemented without undermining the importance of a strong majority. Most listed companies in Switzerland use the two-thirds majority as the standard for approving important resolutions.