

**somewhat
different**

Invitation to the
Annual General Meeting 2021

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Key figures

in EUR million	2020	+/- previous year	2019	2018	2017	2016 ¹
Results						
Gross written premium	24,765.5	+9.6 %	22,597.6	19,176.4	17,790.5	16,353.6
Net premium earned	21,355.9	+8.2 %	19,729.7	17,289.1	15,631.7	14,410.3
Net underwriting result ²	(693.7)		(9.7)	156.9	(253.6)	448.1
Net investment income	1,688.1	-3.9%	1,757.1	1,530.0	1,773.9	1,550.4
Operating profit (EBIT)	1,214.1	-34.5%	1,853.2	1,596.6	1,364.4	1,689.3
Group net income	883.1	-31.2 %	1,284.2	1,059.5	958.6	1,171.2
Balance sheet						
Policyholders' surplus	14,071.0	+3.5 %	13,588.9	11,035.1	10,778.5	11,231.4
Equity attributable to shareholders of Hannover Rück SE	10,995.0	+4.4 %	10,528.0	8,776.8	8,528.5	8,997.2
Non-controlling interests	844.4	+2.2 %	826.5	765.2	758.1	743.3
Hybrid capital	2,231.6	-0.1 %	2,234.4	1,493.1	1,492.0	1,490.8
Investments (excl. funds withheld by ceding companies)	49,220.9	+3.3 %	47,629.4	42,197.3	40,057.5	41,793.5
Total assets	71,439.8	+0.1 %	71,356.4	64,508.6	61,196.8	63,594.5
Share						
Earnings per share (basic and diluted) in EUR	7.32	-31.2 %	10.65	8.79	7.95	9.71
Book value per share in EUR	91.17	+4.4 %	87.30	72.78	70.72	74.61
Dividend	542.7	-18.2 %	663.3	633.1	603.0	603.0
Dividend per share in EUR	4.50 ^{3,4}	-18.2 %	4.00 + 1.50 ⁴	3.75 + 1.50 ⁴	3.50 + 1.50 ⁴	3.50 + 1.50 ⁴
Share price at year-end in EUR	130.30	-24.4 %	172.30	117.70	104.90	102.80
Market capitalisation at year-end	15,713.8	-24.4 %	20,778.9	14,194.3	12,650.6	12,397.4
Ratios						
Combined ratio (property and casualty reinsurance) ²	101.6 %		98.2 %	96.5 %	99.8 %	93.7 %
Large losses as percentage of net premium earned (property and casualty reinsurance) ⁵	11.2 %		7.5 %	7.9 %	12.3 %	7.8 %
Retention	90.1 %		90.0 %	90.7 %	90.5 %	89.3 %
Return on investment (excl. funds withheld by ceding companies)	3.0 %		3.5 %	3.2 %	3.8 %	3.0 %
EBIT margin ⁶	5.7 %		9.4 %	9.2 %	8.7 %	11.7 %
Return on equity (after tax)	8.2 %		13.3 %	12.2 %	10.9 %	13.7 %

¹ Restated pursuant to IAS 8

² Including expenses on funds withheld and contract deposits

³ Proposed dividend

⁴ Dividend of EUR 4.50 for 2020. dividend of EUR 4.00 plus special dividend of EUR 1.50 for 2019. dividend of EUR 3.75 plus special dividend of EUR 1.50 for 2018. dividend of EUR 3.50 plus special dividend of EUR 1.50 for 2017 and dividend of EUR 3.50 plus special dividend of EUR 1.50 for 2016

⁵ Hannover Re Group's net share for natural catastrophes and other major losses in excess of EUR 10 million gross as a percentage of net premium earned

⁶ Operating result (EBIT)/net premium earned

Invitation to the Annual General Meeting 2021

Dear Shareholders,

We are hereby pleased to invite you to participate in the Annual General Meeting of Hannover Rück SE, Hannover,

on Wednesday, 5 May 2021,
at 11.00 a.m. (CEST),

which is to be held in the form of a virtual Annual General Meeting without the physical presence of shareholders or their authorised proxies.

The Annual General Meeting will be streamed live online for our shareholders. Shareholders may exercise their voting rights solely by way of postal voting or by granting authority to the proxies designated by the company. The venue of the Annual General Meeting within the meaning of the Stock Corporation Act is Karl-Wiechert-Allee 57, 30625 Hannover, Germany.

Agenda and Proposed Resolutions

1. Presentation of the adopted annual financial statements and the approved consolidated financial statements as well as the combined management report for Hannover Rück SE and the Group for the 2020 financial year and report of the Supervisory Board

The Supervisory Board has approved the annual financial statements drawn up by the Executive Board and the consolidated financial statements; the annual financial statements are thereby adopted. The General Meeting is consequently not required to adopt a resolution on Item 1 of the Agenda.

2. Resolution on the appropriation of the disposable profit

The Executive Board and Supervisory Board propose that the disposable profit for the 2020 financial year in an amount of EUR 1,100,000,000.00 should be appropriated as follows:

Distribution of a EUR 4.50 dividend on each eligible no-par-value share	EUR 542,687,103.00
Profit carried forward to new account	EUR 557,312,897.00
Disposable profit	EUR 1,100,000,000.00

3. Resolution ratifying the acts of management of the members of the Executive Board for the 2020 financial year

The Executive Board and Supervisory Board propose that the acts of management of the members of the Executive Board serving in the 2020 financial year should be ratified for this period.

4. Resolution ratifying the acts of management of the members of the Supervisory Board for the 2020 financial year

The Executive Board and Supervisory Board propose that the acts of management of the members of the Supervisory Board serving in the 2020 financial year should be ratified for this period.

5. Resolution regarding the authorisation to issue convertible bonds, bonds with warrants and participating bonds, profit-sharing rights with the possibility of combination with conversion rights and warrants or conversion obligations as well as subordinated financial instruments without conversion rights or warrants or conversion obligations, insofar as they fall under § 221 Stock Corporation Act (AktG), and regarding exclusion of the subscription right; resolution regarding the cancellation of the existing contingent capital and creation of new contingent capital as well as corresponding amendment of the Articles of Association

The Executive Board and Supervisory Board propose adoption of the following resolution:

a. Authorisation, volume, nominal amount, term, limitation

The Executive Board shall be authorised, with the consent of the Supervisory Board and pursuant to the following conditions, to issue on one or more occasions until 4 May 2026, made out to the bearer or registered,

- convertible bonds,
- bonds with warrants,
- participating bonds,
- profit-sharing rights that can also be combined with conversion rights or warrants or conversion obligations, and/or

- subordinated (hybrid) financial instruments for the creation of own-fund items as defined by § 89 Insurance Supervision Act (VAG) (or a successor arrangement) or as defined by the Solvency II Directive (Directive 2009/138/EC) and related national implementing measures or those adopted by the European Union as amended, insofar as their issuance requires the consent of the Annual General Meeting pursuant to § 221 Stock Corporation Act (AktG), for example due to a profit-linked return, the form of loss participation or for other reasons,

(hereinafter collectively “bonds”) with or without term limitation or to guarantee such bonds issued by group enterprises of the company.

The total nominal amount of the bonds granted may not exceed EUR 2,000,000,000.00.

The bonds may also be issued against non-cash contributions provided the value of the non-cash contribution corresponds to the issue price. Furthermore, in compliance with the permitted total nominal amount, they may be issued not only in euro but also in the legal currency of any OECD country. The bonds may also be issued by group enterprises of the company.

b. Granting of conversion rights or warrants, antilutitive provision

The bonds may – also insofar as they are issued by group enterprises of the company – be combined with conversion rights or warrants or conversion obligations on altogether up to 24,119,426 registered no-par-value shares of the company (corresponding to 20% of the current share capital).

In the event that the bonds are combined with conversion rights or warrants or conversion obligations on the company’s shares, the conversion or subscription price to be fixed in each case for one share shall correspond to at least 80% of the average closing price of the company’s share fixed on the Frankfurt Stock Exchange in XETRA trading (or its successor system) on the last ten trading days prior to the date when the Executive Board’s resolution regarding the issue of bonds is adopted. In the case of subscription rights trading, the relevant days are those on which the subscription rights are traded until the last trading day prior to the announcement of the conversion or subscription price, unless the Executive Board definitively fixes the conversion or subscription price prior to the commencement of subscription rights trading.

If the bonds issued by the company are combined with conversion rights or warrants or conversion obligations on the company’s shares and if, during the term of these bonds, the company increases the share capital and grants its shareholders a subscription right or if it issues further bonds with conversion rights or warrants or conversion obligations on the company’s shares without at the same time also granting to the bearers of the bonds issued in accordance with this resolution the subscription right to which they would have been entitled after exercise of their conversion right or warrant or after fulfilment of any conversion obligations, the fixed conversion or subscription price shall be reduced notwithstanding § 9 (1) Stock Corporation Act (AktG) (in conjunction with Article 9 (1) Letter c) ii) of the SE Regulation) in accordance with the further terms of the bonds in question (antilutitive provision).

The proportionate amount of the share capital attributable to the shares which are to be taken up with each bond may not under any circumstances exceed the nominal amount of the bonds.

c. Subscription right, exclusion of subscription rights

Upon issue of the bonds the shareholders are entitled to a subscription right. The bonds may also be offered to a third party, most notably a bank or group of banks, with an obligation to offer them for subscription to the shareholders. However, the Executive Board is authorised, with the consent of the Supervisory Board, to exclude the subscription right of shareholders,

- in order to offer bonds combined with conversion rights or warrants or conversion obligations on shares of the company to individual investors for subscription in cash, provided the issue price does not significantly undershoot the theoretical fair value of the bonds calculated using recognised methods of investment mathematics and provided the proportion of shares that may be issued in connection with these bonds does not exceed 10% of the share capital existing at the time when this authorisation enters into force and when the resolution regarding exercise of the authorisation is adopted. The amount attributable to shares that are issued or sold on the basis of a corresponding authorisation subject to exclusion of the subscription right in direct or analogous application of § 186 (3) Sentence 4 Stock Corporation Act (AktG) (in conjunction with Article 9 (1) Letter c) ii) of the SE Regulation) shall be counted towards the amount of 10% of the share capital;
- in order to offer the bonds to individual investors for subscription, provided the issue price does not significantly undershoot the theoretical fair value of the bonds calculated using recognised methods of investment mathematics and provided the bonds merely have a debenture-like structure, i.e. they do not give rise to membership rights or conversion rights or warrants or conversion obligations on shares of the company, do not grant participation in the realisation proceeds and the amount of the distribution is not determined by the net income, disposable profit or dividend;

- in order to exempt fractional amounts from the subscription right;
- insofar as this is necessary in order to grant bearers of instruments with conversion rights or warrants or conversion obligations issued by the company or group enterprises of the company on the company's shares a subscription right to the bonds to the extent to which they would have been entitled after exercise of their conversion right or warrant or after fulfilment of any conversion obligation, or
- to the extent that bonds are issued against non-cash contributions and the exclusion of subscription rights is in the overriding interest of the company.

The sum total of shares to be issued under bonds that are issued on the basis of this authorisation subject to the exclusion of subscription rights may not exceed a pro rata amount of the share capital of EUR 12,059,713.00 (corresponding to 10% of the current share capital); shares issued during the period of this authorisation from authorised capital subject to the exclusion of subscription rights as well as shares sold during the period of this authorisation on the basis of an authorisation to use treasury shares pursuant to § 71 (1) No. 8 Sentence 5 Stock Corporation Act (AktG) (in conjunction with Article 9 (1) Letter c) ii) of the SE Regulation) subject to the exclusion of subscription rights shall also be counted towards this limit.

d. Further conditions of the bonds

The Executive Board is authorised, with the consent of the Supervisory Board, to determine the further details of the issue and features of the bonds, in particular the issue price, denomination, term, amount of annual distribution, calling in of the bond and participation in the profit and proceeds of liquidation, where bonds are issued with conversion rights or warrants the exercise periods and any conversion obligations, the adjustment of the (possibly variable) conversion/subscription price, the conditions for conversion into shares (including any cash payments by the company or the creditor of the bonds in addition to a conversion or in lieu of a conversion) as well as the details of the delivery of the shares (including the question of whether treasury shares and/or new shares from capital increases are to be used), and also especially those specifics necessary in order to ensure that the bonds qualify as own funds within the meaning of § 89 Insurance Supervision Act (VAG) (or successor arrangements) or within the meaning of the Solvency II Directive (Directive 2009/138/EC) and related national implementing measures or those adopted by the European Union as amended.

e. Cancellation of the existing contingent capital and creation of new contingent capital as well as amendment of the Articles of Association

Contingent capital is to be created in order to service bonds issued on the basis of the aforementioned authorisations proposed under a. to d. For this purpose the existing contingent capital shall be cancelled and § 6 of the Articles of Association shall be amended as follows:

“§ 6 Contingent capital

The share capital is increased contingently by up to EUR 24,119,426.00 through the issue of up to 24,119,426 new registered no-par-value shares with a dividend entitlement effective from the beginning of the financial year in which they are issued.

The contingent capital increase shall be used for granting shares to the holders of bonds and/or profit-sharing rights with conversion rights or warrants or conversion obligations that are issued by the company or its subordinate group affiliates on the basis of the authorisation resolution adopted by the Annual General Meeting on 5 May 2021 in the period until 4 May 2026.

The shares are to be issued at the price that is determined as the conversion or subscription price in accordance with the aforementioned authorisation resolution. The contingent capital increase will be implemented only to the extent that the bearers of the aforementioned bonds and/or profit-sharing rights exercise their conversion or subscription rights or fulfil any conversion obligations that may be incumbent upon them and insofar as already existing shares are not used for servicing. The Executive Board is authorised to determine the further specifics of implementation of the contingent capital increase.”

The Executive Board provides a self-commitment under which it restricts capital increases from authorised and contingent capital. This commitment is reproduced following the Agenda under “Reports of the Executive Board to the Annual General Meeting on Items 5 to 7 of the Agenda”.

6. Resolution regarding creation of new authorised capital with authorisation to exclude subscription rights and corresponding amendment of the Articles of Association

The Executive Board and Supervisory Board propose that new authorised capital should be created and the following resolution should be adopted:

a. The Executive Board is authorised, with the consent of the Supervisory Board, to increase the share capital in the period until 4 May 2026 through the issue of new registered no-par-value shares on one or more occasions, although by not more than a total of EUR 24,119,426.00 against cash and/or non-cash contributions (Authorised Capital 2021/ I).

The Executive Board is authorised, with the consent of the Supervisory Board, to exclude the subscription rights of shareholders,

- in order to exclude fractional amounts from the subscription right,
- insofar as this is necessary to grant the holders of convertible bonds and/or bonds with warrants as well as convertible profit-sharing rights issued by the company or its subordinate group affiliates a subscription right to new shares to the extent to which they would be entitled after exercise of their conversion right or warrant or after fulfilment of any conversion obligation, or

- if the pro-rata amount of the share capital apportionable to the new shares does not exceed 10% of the share capital existing upon entry into force of this authorisation and upon adoption of the resolution regarding exercise of the authorisation and provided the issue price is not significantly lower than the market price. The amount apportionable to shares that are issued or sold during the period of this authorisation on the basis of a corresponding authorisation subject to the exclusion of subscription rights in direct or analogous application of § 186 (3) Sentence 4 Stock Corporation Act (AktG) (in conjunction with Article 9 (1) Letter c) ii) of the SE Regulation) shall be counted towards the amount of 10% of the share capital.

In addition, the Executive Board shall be authorised, with the consent of the Supervisory Board, to exclude subscription rights in the case of capital increases against non-cash contributions if the exclusion of subscription rights is in the overriding interest of the company.

The sum total of shares issued against cash and non-cash contributions on the basis of this authorisation subject to the exclusion of subscription rights may not exceed a pro rata amount of the share capital of EUR 12,059,713.00 (corresponding to 10% of the current share capital); shares issued to service bonds and/or profit-sharing rights with conversion rights or warrants or conversion obligations shall be counted towards this limit, insofar as the bonds or profit-sharing rights are issued during the period of this authorisation subject to the exclusion of subscription rights; shares sold during the period of this authorisation on the basis of an authorisation to use treasury shares pursuant to § 71 (1) No. 8 Sentence 5 Stock Corporation Act (AktG) (in conjunction with Article 9 (1) Letter c) ii) of the SE Regulation) subject to the exclusion of subscription rights shall also be counted.

The Executive Board shall also be authorised, with the consent of the Supervisory Board, to determine the further content of the rights attaching to the shares and the terms of the share issue.

b. The following § 7 (1) shall be newly inserted into the Articles of Association and the existing § 7 (1) shall be cancelled:

“§ 7 Authorised capital

(1) The Executive Board is authorised, with the consent of the Supervisory Board, to increase the share capital in the period until 4 May 2026 through the issue of new registered no-par-value shares on one or more occasions, although by not more than a total of EUR 24,119,426.00 against cash and/or non-cash contributions (Authorised Capital 2021/I).

The Executive Board is authorised, with the consent of the Supervisory Board, to exclude the subscription rights of shareholders

- in order to exclude fractional amounts from the subscription right insofar as this is necessary to grant the holders of convertible bonds and/or bonds with warrants as well as convertible profit-sharing rights issued by the company or its subordinate group affiliates a subscription right to new shares to the extent to which they would be entitled after exercise of their conversion right or warrant or after fulfilment of any conversion obligation, or
- if the pro-rata amount of the share capital apportionable to the new shares does not exceed 10% of the share capital existing upon entry into force of this authorisation and upon adoption of the resolution regarding exercise of the authorisation and provided the issue price is not significantly lower than the market price. The amount apportionable to shares that are issued or sold during the period of this authorisation on the basis of a corresponding authorisation subject to the exclusion of subscription rights in direct or analogous application of § 186 (3) Sentence 4 Stock Corporation Act (AktG) (in conjunction with Article 9 (1) Letter c) ii) of the SE Regulation shall be counted towards the amount of 10% of the share capital.

In addition, the Executive Board shall be authorised, with the consent of the Supervisory Board, to exclude subscription rights in the case of capital increases against non-cash contributions if the exclusion of subscription rights is in the overriding interest of the company.

The sum total of shares issued against cash and non-cash contributions on the basis of this authorisation subject to the exclusion of subscription rights may not exceed a pro rata amount of the share capital of EUR 12,059,713.00; shares issued to service bonds and/or profit-sharing rights with conversion rights or warrants or conversion obligations shall be counted towards this limit, insofar as the bonds or profit-sharing rights are issued during the period of this authorisation subject to the exclusion of subscription rights; shares sold during the period of this authorisation on the basis of an authorisation to use treasury shares pursuant to § 71 (1) No. 8 Sentence 5 Stock Corporation Act (AktG) (in conjunction with Article 9 (1) Letter c) ii) of the SE Regulation) subject to the exclusion of subscription rights shall also be counted.

The Executive Board shall also be authorised, with the consent of the Supervisory Board, to determine the further content of the rights attaching to the shares and the terms of the share issue.”

The Executive Board provides a self-commitment under which it restricts capital increases from authorised and contingent capital. This commitment is reproduced following the Agenda under “Reports of the Executive Board to the Annual General Meeting on Items 5 to 7 of the Agenda”.

7. Resolution regarding the possibility to use a portion of the authorised capital to issue shares to employees of the company or of group affiliates subject to exclusion of subscription rights and corresponding amendment as well as further adjustment of the Articles of Association

The Executive Board and Supervisory Board propose that the authorisation in § 7 (2) to use a portion of the authorised capital should be renewed and that the following resolution should be adopted:

a. The Executive Board is authorised, with the consent of the Supervisory Board, to use an amount of up to EUR 1,000,000.00 of the authorised capital approved under Item 6 of the Agenda of the Annual General Meeting for the issue of new registered no-par-value shares as employee shares. For this purpose, the Executive Board is authorised, with the consent of the Supervisory Board, to exclude the subscription rights of shareholders in order to issue the new shares to persons in an employment relationship with the company or one of its group affiliates. This authorisation may be exercised on one or more occasions, although up to no more than the total amount defined in Sentence 1.

b. The following § 7 (2) shall therefore be newly inserted into the Articles of Association and the existing § 7 (2) shall be cancelled:

“(2) The Executive Board is authorised, with the consent of the Supervisory Board, to use an amount of up to EUR 1,000,000.00 of the authorised capital existing under (1) for the issue of new registered no-par-value shares as employee shares. For this purpose, the Executive Board is authorised, with the consent of the Supervisory Board, to exclude the subscription rights of shareholders in order to issue the new shares to persons in an employment relationship with the company or one of its group affiliates. This authorisation may be exercised on one or more occasions, although up to no more than the total amount defined in Sentence 1.”

8. Resolution concerning the approval of the remuneration system for members of the Executive Board

System of remuneration for members of the Executive Board of Hannover Rück SE

The Supervisory Board shall, in accordance with Sections 87a para. 1, 120a para. 1 of the German Stock Corporation Act (AktG) (in conjunction with Article 9 para. 1 c) ii SE Regulation), resolve upon a clear and comprehensive remuneration system for the Executive Board of a listed stock corporation and submit it to the General Meeting for approval. This system of remuneration for members of the Executive Board adopted by the Supervisory Board in its meeting held on 4 August 2020 is now being submitted to the General Meeting for approval.

The new remuneration system was compiled by the Supervisory Board with support from an independent consultant and complies with the requirements of the German Stock Corporation Act (AktG) and the recommendations of the German Corporate Governance Code (DCGK) in its version of 16 December 2019. The Supervisory Board recommends the General Meeting the approval of the remuneration system for members of the Executive Board of Hannover Rück SE specified in more detail below.

1. Guidelines of the remuneration system for the Executive Board

Hannover Rück SE is the third largest reinsurance company in the world. As a reinsurance company, we help primary insurers to bear risks. We operate in all segments of property and life and health (reinsurance business group). Founded in 1966, the Hannover Re Group today comprises more than 150 subsidiaries, branches and representative offices globally. The group strategy aims to sustainably expand our position as one of the leading and most profitable reinsurance groups worldwide. In keeping with the motto “somewhat different” we are pragmatic, highly specialised and cost-conscious. Our strong underwriting culture, our focus on client partnerships, our lean operating model and efficient capital management have enabled us to deliver attractive returns and outperform the industry in the past decade. The strategy of the Hannover Re Group is also geared towards long-term value enhancement in the interests of the stakeholders of the group (in particular, clients, employees, the capital market, the public sector and non-governmental organisations (NGOs)).

The remuneration system of our Executive Board provides a substantial contribution to promoting our group strategy and the long-term and sustainable development of the Hannover Re Group. The system is aligned with a transparent, performance-related incentive, strongly focused on company performance, which in particular depends on the performance targets of the group strategy and the performance of the stocks of Hannover Rück SE (hereinafter: Hannover Rück), including with respect to competitive comparison and strongly avoids risk-taking.

The Executive Board remuneration is aligned in such a way as to reward the members of the Executive Board in consideration of the company situation in accordance with their performance and their area of operation and area of responsibility. The provisions of the German Stock Corporation Act (AktG) and the recommendations for the remuneration for members of the Executive Board in Section G of the German Corporate Governance Code (DCGK) form the regulatory framework of the remuneration system. The provisions of Article 275 of the Commission Delegated Regulation (EU) 2015/35 and the Insurance Supervision Act in connection with the Remuneration Regulation for the Insurance Industry (VersVergV) are also complied with.

When determining the amounts of remuneration and the remuneration system for the Executive Board of Hannover Rück, the Supervisory Board focused on the following guidelines:

Promoting the company strategy

The remuneration system as a whole contributes to the promotion and implementation of the Group’s strategy by means of which challenging and long-term performance targets are set, which align with the interests of our investors and other key stakeholders.

Long-term nature and sustainability

The remuneration system promotes the long-term and sustainable development of the Hannover Re Group. In this context the variable remuneration is primarily share-based and adjusted over a period of several years. Non-financial performance targets to promote a sustainable corporate development are also incorporated into the calculation of the variable remuneration.

(Pay-for-performance)

The performance of the members of the Executive Board is appropriately considered and remunerated by means of the implementation of appropriate and ambitious performance targets set within the variable remuneration components (“Pay-for-performance”). The variable remuneration can fluctuate between zero and an upper limit based on the amount (cap).

Appropriateness of the remuneration

The Supervisory Board ensures that the remuneration of the members of the Executive Board is set in reasonable proportion both to the tasks and performances of the respective members of the Executive Board as well as that of the company.

In-house remuneration proportionality and consistency

When determining the remuneration of the Executive Board the in-house remuneration proportionality is considered over a period of time. In addition it is ensured that the remuneration systems for the Executive Board and the senior managers are fundamentally set with parallel incentives (consistency).

Investor interests and relative competitive comparison

The remuneration system provides a central contribution to linking the interests of the Executive Board with the interests of our investors. By using relative measurement of performance in the form of share-based variable remuneration, incentives are set for long-term outperformance of our competitors on the capital market.

Consideration of market practice

When designing the remuneration system for the Executive Board, the Supervisory Board considers the current market practice of relevant comparable companies.

Regulatory compliance

When determining the remuneration system of the Executive Board, conformity with the relevant statutory and regulatory requirements for Hannover Rück is ensured.

2. Process for determining, implementing and reviewing the remuneration system, initial application

When developing the remuneration system the Supervisory Board is supported by the Standing Committee, which in particular expressed recommendations for the organisation of the system taking into consideration the defined guidelines. In the context of developing and determining the remuneration system the Supervisory Board makes use of its option to consult an external remuneration consultant independent of the Executive Board and the company.

The recommendations of the DCGK and the provisions of the Rules of procedure of the Supervisory Board and its committees shall be complied with when dealing with conflicts of interests including the determination, reviewing and implementation of the remuneration system. Insofar as no significant amendments are made to the remuneration system the remuneration system will be presented to the General Meeting for approval at least every four years. If significant amendments are made to the remuneration system the adjusted remuneration system will also be presented to the General Meeting for approval. If the remuneration system resolved by the Supervisory Board is not approved by the General Meeting, the Supervisory Board shall present a revised version of the remuneration system to the General Meeting no later than at the next scheduled General Meeting in accordance with Section 120a para. 3 AktG.

The present system for remunerating the members of the Executive Board applies for the remuneration of all members of the Executive Board of Hannover Rück from 1 January 2021. Claims for remuneration including those resulting from previously relevant regulations concerning the variable remuneration components for periods prior to the 1 January 2021 shall continue to be aligned with the respective contractual regulations on which the remuneration was based.

3. Appropriateness of the remuneration for the Executive Board

When determining the remuneration for the members of the Executive Board the Supervisory Board considers the responsibility and the tasks of the individual members of the Executive Board, their individual performance, the economic situation and the success and future prospects of the company.

In addition, the customary nature of the remuneration is reviewed in comparison to other, comparable companies (horizontal comparison) both with respect to the amount as well as with respect to the remuneration structure, which otherwise applies in the company (vertical comparison). Companies from the DAX and MDAX are used as a comparison group for the horizontal comparison of remuneration. The vertical comparison is based on the proportion of the remuneration of the Executive Board in comparison to the remuneration of the total workforce of Hannover Rück. In this process, both the status quo and the chronological development of the remuneration ratios are taken into consideration. The remuneration ratios between the Executive Board and the total workforce are also compared with the remuneration ratios of selected comparison companies from the insurance and reinsurance industry.

4. Overview of the remuneration system

4.1. Complete overview of the compensation components

The following table provides an overview of the components of the remuneration system:

Remuneration component

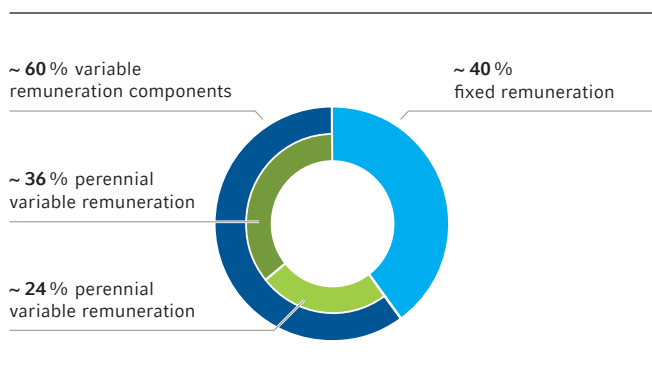
Basis for assessment/parameter

	Remuneration component	Basis for assessment/parameter
Fixed remuneration components	Fixed remuneration	The fixed remuneration will be paid out in twelve equal monthly instalments in cash
	Ancillary benefits	Primarily: Vehicle for business and personal use, third-party liability, accident and luggage insurance set at an appropriate amount
	Pension scheme	Defined Contribution Plan: Annual financial contribution in the amount of 25% of the defined basis for assessment
Variable remuneration components	Annual variable remuneration Short-term incentive, (STI)	<p>Target bonus model</p> <p>Performance targets:</p> <ul style="list-style-type: none"> - Hannover Rück SE RoE - Individual performance criteria <p>Cap: 200% of the STI target amount</p>
	Perennial variable remuneration Long-term incentive, (LTI)	<p>Performance share plan (share-based remuneration)</p> <p>Four year performance period</p> <p>LTI allotment amount depends on the determined target attainment for:</p> <ul style="list-style-type: none"> - Hannover Rück SE RoE for the previous financial year - Individual performance criteria for the previous financial year <p>Performance targets:</p> <ul style="list-style-type: none"> - Share price development of the Hannover Rück share (including dividends) - Relative total shareholder return (in comparison with relevant competitors) <p>Cap: 400% of the LTI target amount</p>
Other components	Maximum remuneration	<p>Limit of the total remuneration for one financial year in accordance with Section 87a para. 1 sentence 2 No. 1 AktG:</p> <ul style="list-style-type: none"> - Chairman of the Executive Board: EUR 5,000,000.00 - Ordinary members of the Executive Board: EUR 3,000,000.00
	Bonus/malus and clawback	Option of the Supervisory Board, in the event of gross misconduct or an incorrect consolidated financial statement to withhold ("malus") or claim back ("clawback") the variable remuneration components in part or in full

4.2. Remuneration components and structure

The remuneration system of Hannover Re comprises fixed and variable remuneration components. The former covers the fixed remuneration, ancillary benefits and the pension scheme. The variable remuneration comprises the short-term incentive (annual variable remuneration – STI) and a long-term incentive (perennial variable remuneration – LTI) with a performance period of four years. The total amount of fixed remuneration and variable remuneration components makes up the target direct remuneration of the members of the Executive Board. In order to reinforce the concept of Pay-for-Performance the target direct remuneration is comprised of approximately 40% fixed remuneration and approximately 60% variable remuneration components.

The remuneration structure is furthermore aligned to sustainable and long-term development of the company. The STI is composed of 40% variable remuneration components and thus contributes approximately 24% to the target direct remuneration. The LTI is composed of 60% variable remuneration components represents around 36% of the target direct remuneration.



A pension scheme and ancillary benefits are granted as additional components of the fixed remuneration components. The annual financial contribution to the pension scheme currently amounts to 25% of the defined basis for assessment (annual fixed remuneration). For the benefit-based commitments the annual employee benefits costs (service cost) is currently approximately 35% of the annual fixed remuneration; the expense is calculated annually by an expert. As a rule, the amount of ancillary benefits in the last three years was less than 5% of the fixed remuneration on an average basis.

In the event that Members of the Executive Board, receive a special payment to compensate for loss of salary from a previous employment relationship or to cover expenses incurred due to a change of location within the course of their first appointment there may be slight variations in the proportions of the individual components.

4.3. Maximum remuneration

The Supervisory Board has determined an upper limit for each member of the Executive Board based on the amount for the total of fixed remuneration, ancillary benefits, term of service for the pension scheme and STI and LTI (“Maximum remuneration”) in accordance with Section 87a para. 1 sentence 2 No. 1 AktG. The maximum remuneration limits all payments that result from the provision of remuneration within a financial year. The maximum remuneration for the chairman of the Executive Board is EUR 5,000,000.00 and EUR 3,000,000.00 for all other members of the Executive Board.

4.4. Malus and clawback; risk adjustment

If a member of the Executive Board intentionally violates one of their fundamental due diligence obligations in accordance with Section 93 AktG, a fundamental service obligation or other fundamental operational principles of the company, e.g. from the code of conduct or the compliance guidelines, the Supervisory Board may, at its discretion, withhold not yet paid variable remuneration in part or in full (“malus”) or reclaim the gross amount of the already paid out variable remuneration in part or in full (“clawback”). Reclaiming of remuneration is excluded if the significant breach occurred more than five years ago.

When making a discretionary decision, the Supervisory Board considers the severity of the breach, the degree of fault of the member of the Executive Board and the material and immaterial damage incurred by the company.

Furthermore a member of the Executive Board must pay back variable remuneration already paid to him/her in the event that, and insofar as, it is proven after payment has been made that the calculation of the payment based on the audited and approved consolidated financial statement was incorrect and therefore key accounting requirements need to be corrected and on the basis of the corrected and audited consolidated financial statement and the respective relevant remuneration system a lower sum or no payment amount would have been owed for variable remuneration.

Any claims for compensation by the company, the right of the company to revoke the appointment and the right of the company to terminate the employment contract without notice remain unaffected by these provisions.

Furthermore a restriction or a complete lapse in payment of the variable remuneration components is permissible in the event of a ruling soon to become final or immediately enforceable ruling of the Federal Financial Supervisory Authority (BaFin), in which the payment was prohibited or restricted (such as: if the equity capital was lower or threatened to become lower than the solvency capital requirement), also if this is required in accordance with Article 275 para. 2 letter e of the Commission Delegated Regulation (EU) 2015/35 of 10 October 2014.

5. The individual components of the remuneration system in detail

5.1. Fixed remuneration components

5.1.1. Fixed remuneration

The fixed remuneration will be paid out in twelve equal monthly instalments in cash. In particular it is aligned with the range of tasks and the professional experience of the respective member of the Executive Board.

5.1.2. Ancillary benefits

In addition the members of the Executive Board receive certain non-performance related ancillary benefits at a market level, which are reviewed at regular intervals. A vehicle for business and private use is provided for the term of the appointment as a member of the Executive Board. The taxation of non-cash benefits for the private use of the service vehicle shall be paid by the member of the Executive Board. The benefits in kind and ancillary benefits shall be assessed for the statement in the annual report at cost. Furthermore the company grants its members of the Executive Board insurance protection as a group contract at an appropriate amount (e.g. accident and luggage insurance) and reimbursement of travel expenses and other expenses made in the interests of the company.

In addition the Supervisory Board has the right to grant special payments to new members of the Executive Board to compensate for loss of salary from a previous employment relationship or to cover expenses incurred due to a change of location. Such one-off special payments shall be identified and justified separately in the remuneration report.

5.1.3. Pension scheme

The members of the Executive Board are entitled to participate in a defined contribution-based pension scheme. Thereafter, a life-long retirement pension shall be granted if the member of the Executive Board has reached the end of their sixty-fifth year of life and has left the company. The amount of the monthly retirement pension shall be calculated on the basis of the age on the effective date (year of the effective date minus the date of birth) and the financial contribution on the effective date in accordance with the respective tariff applicable of the reinsurance company for the person who shall benefit from the pension. The annual financial contribution in the amount of 25% of the defined basis for assessment is paid by the company. Ongoing retirement pensions on the basis of defined contribution-based pension schemes are increased annually by at least 1% of their last (gross) amount.

The employment contract for a member of the Executive Board contains a defined contribution-based pension scheme paid on an annual basis that is calculated as a percentage rate of the pensionable fixed annual salaries. The agreed maximum pension is 50% of the monthly payable fixed compensation in the event of the member leaving the company in accordance with the contractual terms after completing their sixty-fifth year of life. A non-pensionable fixed remuneration component is defined.

For both types of pension other sources of income during the period of pension payments will be credited in part or in full under certain conditions (e.g. in the event of incapacity for work or termination of the contract of employment prior to the sixty-fifth year of life).

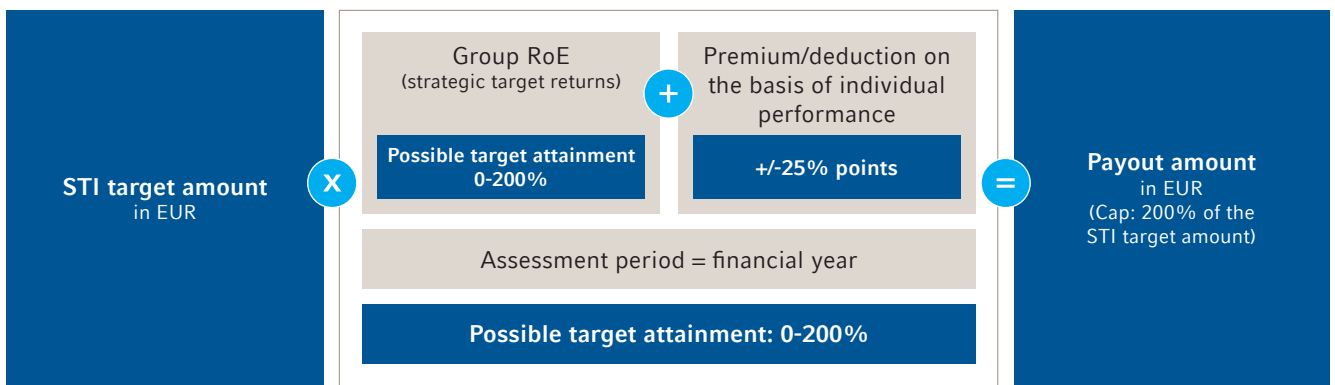
5.2. Variable remuneration components

The variable remuneration comprises the short-term incentive and a long-term incentive with a performance period of one year or four years.

5.2.1. Short-term incentive, (STI)

The STI is aligned with the corporate success of Hannover Rück in the relevant financial year. In addition to the financial performance target of return on equity (RoE) of the Hannover Re Group in accordance with the consolidated financial statements ("Group-RoE"), an individual premium or deduction will be considered when determining the payout amount, which comprises both financial and non-financial performance criteria, in particular, sustainability targets and in addition to the overall responsibility of the Executive Board also considers the respective responsibilities of the business segment of the individual members of the Executive Board. By doing so, the STI meets the objective of a high and stable return on equity for the Hannover Re Group, promotes the implementation of Executive Board or division-specific focus topics and includes the interests of our clients, employees and other key stakeholders.

The basis for the payment from the STI is formed of the contractually determined STI target amount, which is based on a total target attainment of 100%. The total target attainment can reach values between 0% and 200%. Thus the payment amount from the STI is limited to 200% of the target amount.



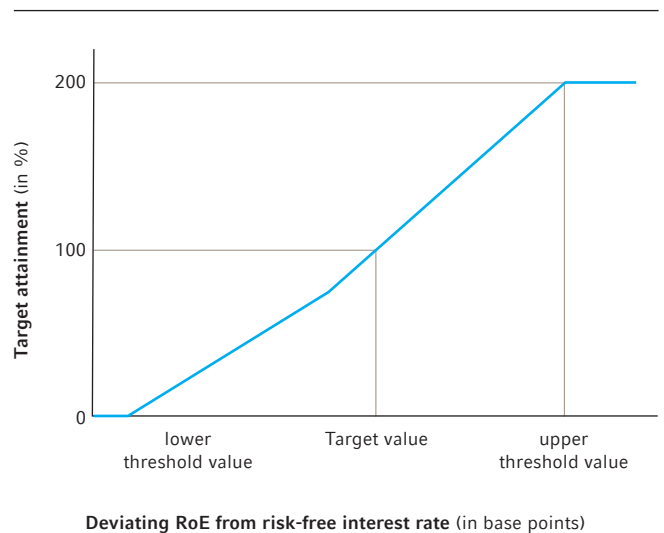
5.2.1.1. Financial performance target

The significant financial performance target for the STI is given a weighting of 100% of the Group RoE in comparison with a strategic target yield. The Group RoE is one of the central performance indicators in the taxation system of Hannover Rück SE and as such is also implemented in the remuneration of the Executive Board.

The target value for the Group RoE and the target range with an upper and lower threshold value are determined by the Supervisory Board in advance for the next financial year. The target value is aligned with the applicable strategic target returns of Hannover Re at the time that it was determined, which is mapped out on the basis of the risk-free interest on a 5 year average plus an ambitious yield premium.

If the target value for the Group RoE is achieved the attainment of the target for the respective financial year is 100%. If the Group RoE attained is below the lower threshold value then the attainment of the target is 0%. The lower threshold value is determined as the risk-free interest without the yield premium. If the upper threshold of the Group RoE is attained or exceeded the attainment of the target is 200%. An increase in the Group RoE above the upper threshold value will not lead to a further increase in the target attainment. If the Group RoE attained for the respective financial year is between the target value and the determined threshold values, the target attainment is linearly converted.

Target attainment curve Group RoE



The defined target values, the lower and the upper threshold and the resulting target attainment are disclosed ex post in the remuneration report for the respective financial year.

5.2.1.2. Individual surcharge or deduction

By means of an individual surcharge or deduction to the target attainment of the Group RoE the Supervisory Board can also consider the individual contribution of the members of the Executive Board and where necessary the business unit for which he/she is responsible with respect to the result and the attainment of sustainability targets within the context of the STI when focusing on the financial success of Hannover Rück Group. The determination of the amount of the surcharge or deduction, which can move in a range of -25% points to +25%

points is made at the discretion of the Supervisory Board. The criteria and performance indicators to determine the individual premium or deduction are determined by the Supervisory Board in advance for the next financial year and are communicated to the members of the Executive Board.

When determining the surcharge or deduction, the Supervisory Board focuses on the following matrix, where the determination and weighting of the criteria specified there are decided upon at the Supervisory Board's discretion:

Criteria catalogue

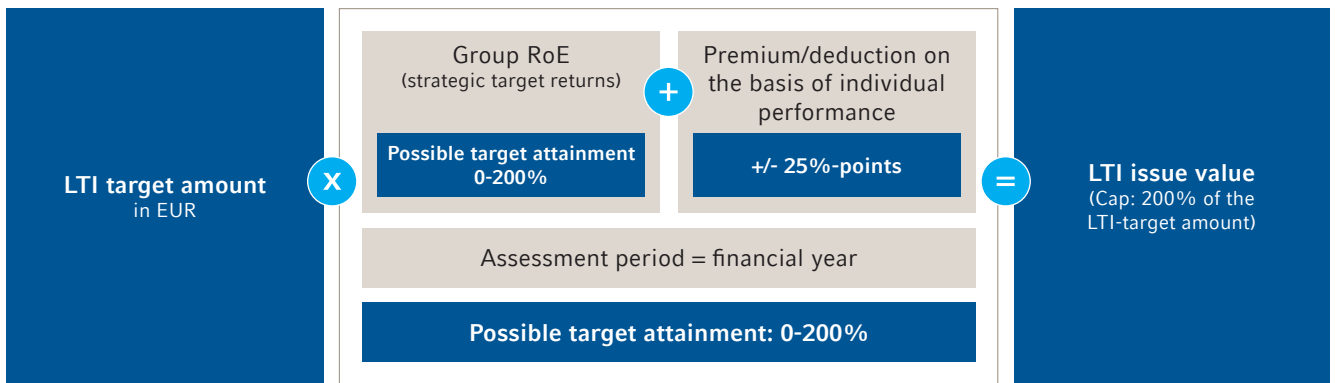
		Chief Executive Officer/Chief Financial Officer		Further Executive Board		
		Criteria	Example key performance indicators	Criteria	Example key performance indicators	
Individual contribution to the result	Performance		<above covered performance target for Group-RoE>	Performance	P&C L&H	IVC IVC
	Dividends		Distribution of dividend of Hannover Rück SE	Dividends	Distribution of dividend of Hannover Rück SE	
	Strategic target		Strategic focus topic	Strategic target	Strategic focus topic	
Sustainability	Leadership/Engagement (OHC)		OHC score OHC score focus area	Leadership/Engagement (OHC)	OHC score OHC score focus area	
	Contribution to sustainability strategy		Key areas from the sustainability strategy	Contribution to sustainability strategy	Key areas from the sustainability strategy	

The defined targets and the resulting target attainment are disclosed ex post in the remuneration report for the respective financial year.

5.2.2. Long-Term Incentive (LTI)

The LTI provides a central contribution to linking the interests of the Executive Board with the interests of our investors. By using relative measurement of success of the performance of the Hannover Rück share, incentives are set for long-term out-performance of our competitors on the capital market.

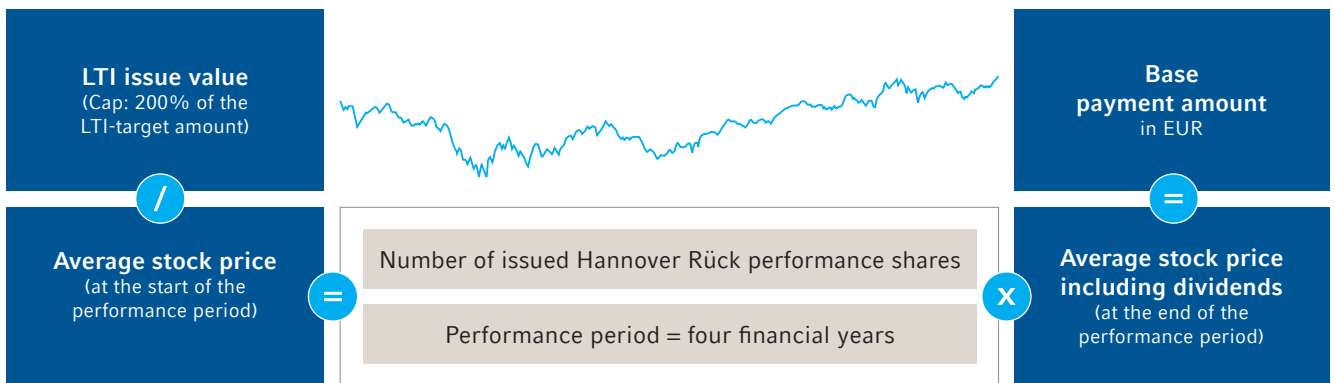
The LTI is administered and incentivised in the form of a performance share plan and, therefore, increases the value of the Hannover Rück shares in the interests of our investors. The amount of the LTI assignment value is based on the contractually agreed LTI target contribution and depends on the target attainment determined within the context of the STI for the financial performance target of Group RoE and the individual surcharge or deduction on the financial performance target for Group RoE.



The number of issued Hannover Rück performance shares is a result of the LTI issue value and the average stock price of Hannover Rück over a period of 15 trading days prior to 15 trading days after the Group annual accounts meeting of the Supervisory Board in the year in which the stocks were granted. The Hannover Rück performance shares have a total term of four years (“Performance period”).

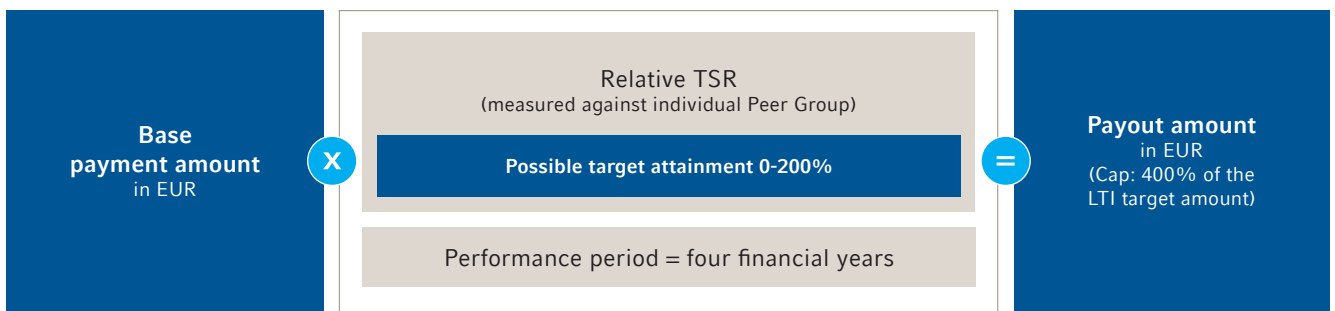
At the end of the four year performance period the base amount for the payment is initially calculated on the basis of the share-

price benchmark of Hannover Rück stocks. This is a result of the allocated number of Hannover Rück performance shares and the average stock price of Hannover Rück over a period of 15 trading days prior to 15 trading days after the Group annual accounts meeting of the Supervisory Board after the expiry of the performance period plus the dividends paid out during the performance period. The value of the performance thus fully reflects the total shareholder return.



The final amount paid out is determined by the base amount for the amount to be paid out and the target attainment of the relative Total Shareholder Return (“relative TSR”) measured against a comparison group. The comparison group for the relative TSR consists of relevant competitors in the insurance and reinsurance industry. The amount to be paid out for the LTI is limited

to 200% of the LTI assignment value and can thus amount to a maximum of 400% of the LTI target amount – provided that all remuneration elements of the maximum remuneration are not exceeded in total in accordance with Section 87a para. 1 sentence 2 No. 1 AktG.



5.2.2.1. Performance target

The significant performance target for the final amount to be paid out for the LTI is the relative TSR. An external performance target aligned with the capital market, is integrated into the variable remuneration on the basis of the relative TSR, which makes it possible to achieve a relative measurement of success and link the interests of the Executive Board and the investors. The relative TSR depicts the development of the Hannover Rück stock price during the four year performance period including gross dividends in comparison with a comparison group consisting of relevant competitors in the insurance and reinsurance industry. This is how the LTI sets incentives to achieve a long-term and sustainable strong performance of Hannover Rück shares on the capital market.

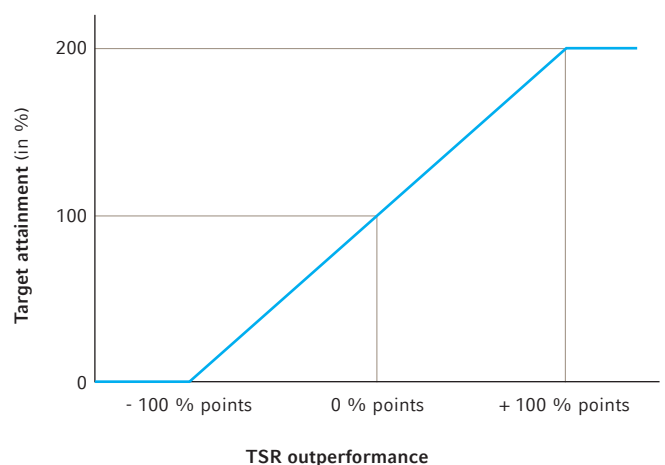
The target attainment for the relative TSR is conveyed by means of a comparison of the TSR of the stocks of Hannover Rück compared with the stocks of the companies in the comparison group during the four year performance period. For this purpose, the TSR of the Hannover Rück share in the respective performance period is contrasted with the unweighted average TSR of the comparison group. The comparison group is checked by the Supervisory Board before the start of each performance period of a new LTI tranche, is adjusted where necessary and disclosed in the remuneration report. It currently consists of the following companies:

Companies in the comparison group

Munich Re	Swiss Re
Everest Re	RGA
Scor	

Should individual companies in the comparison group no longer exist in their current form in future or can no longer be measured as a comparable company, the Supervisory Board can determine a new composition of the comparison group. If the TSR of the Hannover Rück share aligns with the TSR of the comparison group the target attainment for the relative TSR amounts to 100%. Each percentage point by which the TSR of the Hannover Rück share exceeds or falls short of the TSR of the comparison group leads to a corresponding increase or reduction in the target attainment amount (linear scaling). If the TSR of the Hannover Rück share is 100% points or more above the TSR of the comparison group the target attainment for the relative TSR amounts to 200%. A further increase in the relative TSR will not lead to a further increase in the target attainment. If the TSR of the Hannover Rück share is 100% points or more below the TSR of the comparison group the target attainment for the relative TSR amounts to 0%.

Target attainment curve relative TSR



The resulting target attainment is disclosed ex post in the remuneration report upon expiry of the performance period.

6. Terms of the Executive Board contracts of employment and termination options

When appointing members of the Executive Board and when determining the term of contracts of employment for the Executive Board, the Supervisory Board considers the legal stipulation under corporation law and the recommendations of the German Corporate Governance Code. The term of the contracts of employment are aligned with the term of the appointment. The appointment and the dismissal of members of the Executive Board are regulated in Article 39 para. 2 SE Regulation and Sections 84, 85 AktG. There are no deviations from these legal provisions in the Articles of Association. The members of the Executive Board are appointed by the Supervisory Board for a maximum term of five years, for a maximum of three years upon initial appointment. Reappointments are permissible, in each case lasting up to a maximum of five years. The contracts of employment for the Executive Board do not provide for an ordinary right to terminate; the right of both parties to terminate the contract without notice for good cause (Section 626 of the German Civil Code (BGB)) remains unaffected. In the event of premature termination of the appointment the contract of employment for the Executive Board shall also end prematurely.

7. Regulations in the event of a member leaving during the financial year

7.1. Variable remuneration in the event of premature termination of the contract of employment

Short-term incentive, (STI)

If the employment relationship of a member of the Executive Board ends during the course of a financial year for good cause for which the member of the Executive Board is responsible in accordance with Section 626 para. 1 BGB, the participant in the plan has an entitlement to a pro rata amount of STI for this financial year. If the employment relationship of a member of the Executive Board is terminated without notice during the course of a financial year for good cause by the company in accordance with Section 626 para. 1 BGB, any entitlement to STI for this financial year is excluded without replacement and without compensation.

Long-term incentive (LTI)

If the employment relationship or the Executive Board mandate ends prior to the end of the performance period due to reasons other than those stated below prior to the end of a financial year, the participant in the plan has an entitlement to a pro rata amount of LTI for this financial year. In this event the determination and payment of the variable remuneration will normally be made in accordance with the provisions of the conditions of the plan for the LTI. A premature payment of LTI prior to the end of the respective performance period is not provided in such cases. If the employment relationship or the Executive Board mandate ends during the course of the financial year due to the resignation of a member of the Executive Board

(exception: resignation or termination by the member of the Executive Board due to good cause), the refusal to accept an offer of extension of at least equal contractual conditions by the member of the Executive Board (exception: the member of the Executive Board has completed their sixtieth year of their life and has been a member of the Executive Board for two mandate periods), extraordinary termination of the contract of employment without notice of the member of the Executive Board by the company for good cause or withdrawal of the appointment of the member of the Executive Board for good cause within the meaning of Section 84 para. 3 AktG (exception: vote of no confidence by the General Meeting) all conditionally granted Hannover Rück performance shares shall be forfeited without replacement and without compensation.

7.2. Severance pay and change of control

The contracts of employment of the members of the Executive Board do not make any provision for claims for severance pay. Pledges for services by reason of premature termination of the role as member of the Executive Board as a result of a change of control are also not provided for in the contracts of employment of the members of the Executive Board.

7.3. Incapacity for work and death

In the event of a temporary incapacity for work the fixed remuneration will continue to be granted at an unchanged level, at the latest until the end of the contract of employment.

If the member of the Executive Board is permanently incapacitated for work during the term of the employment contract the contract of employment shall end upon expiry of the sixth month after which the permanent state of incapacity for work has been determined, however no later than the end of the contract of employment. Permanent incapacity for work is evident if the member of the Executive Board is probably not going to be able to fulfil the tasks delegated to him on a permanent basis.

Furthermore the contracts of employment for the members of the Executive Board provide for survivor benefits that correspond with the market standard.

8. Secondary employment of members of the Executive Board

Members of the Executive Board require the approval of the Supervisory Board in order to start any secondary employment. This is designed to ensure that neither the remuneration granted for such activities, nor the time invested will lead to a conflict with the tasks pertaining to the Executive Board. If the secondary employment/ancillary activities relate to Supervisory Board mandates or mandates in comparable regulatory bodies these shall be listed in the annual report of Hannover Rück SE.

Along with the remuneration components listed above, any activities carried out for companies in the interests of the company (other mandates at Group companies) shall be compensated. Mandates within the group are mandates at Group companies per se. Mandates outside of the group are also mandates at Group companies unless the Supervisory Board classifies them as non-company-related mandates when approving an acceptance of a mandate. Where a member of the Executive Board receives a salary for company-related mandates directly from the relevant company, such payments will be set off against the remuneration. When approving the acceptance of a non-company-related mandate, the Supervisory Board decides whether and to what extent the remuneration related to this mandate is to be set off.

9. Temporary deviations

In exceptional and unusual circumstances (e.g. in the event of a serious financial or economic crisis) the Supervisory Board has the right to temporarily deviate from the determined remuneration system in accordance with Section 87a para. 2 sentence 2 AktG if this is required in the interests of the long-term well-being of the company. Unfavourable market developments are not deemed to be exceptional and unusual circumstances, which would allow a deviation from the determined remuneration system.

Even where a deviation from the determined remuneration system is made, the remuneration must continue to be aligned at a level to ensure long-term and sustainable development of the company and be consistent with the success of the company and the performance of the Executive Board.

In the circumstances mentioned a deviation from the remuneration system is only possible by means of a corresponding resolution being passed by the Supervisory Board, which would assess the unusual circumstances and the necessity for the deviation. A temporary deviation from the remuneration system is possible with respect to the following components: Performance targets for the annual and perennial variable remuneration and the ranges of possible target attainment of the individual elements of the variable remuneration. If the incentive of the Executive Board remuneration is not adequately restored by means of an adjustment to the existing remuneration components the Supervisory Board also has the right in the case of unusual developments under the same conditions to temporarily grant additional remuneration components or replace individual remuneration components with other remuneration components.

9. Resolution concerning the remuneration of the members of the Supervisory Board and corresponding changes to the Articles of Association

In accordance with Section 113 para. 3 of the German Stock Corporation Act as amended by the Act Implementing the Second Shareholder Rights Directive (ARUG II), a resolution is to be passed at the General Meeting concerning the remuneration of Supervisory Board members at least every four years in the case of listed companies. The initial resolution must be made by the end of the first ordinary General Meeting, which will take place on 31 December 2020.

Article 14 of the Articles of Association provides that the General Meeting determines the remuneration of the Supervisory Board. The currently valid remuneration regulation for the Supervisory Board was thus adopted by the General Meeting of 7 May 2013. This regulation provides for an annual fixed remuneration of EUR 30,000.00 and a variable remuneration of a maximum of EUR 30,000.00 in addition to the reimbursement of expenses and attendance fees.

Based on the remuneration system for Supervisory Board members set out below under (a), the remuneration of the Supervisory Board shall be revised with effect from 1 January 2021 and regulated directly in Article 14 of the Articles of Association to improve transparency.

In addition, in accordance with the suggestion from the German Corporate Governance Code the members of the Supervisory Board shall only receive fixed remuneration in future. Due to the significantly increased volume and scope of work and the associated time spent by Supervisory Board members on this workload this remuneration should be increased in comparison to the current remuneration and in future will amount to EUR 75,000.00.

The remuneration of the chairman of the Supervisory Board and his deputy should in the future amount to two-and-a-half times or one-and-a-half times the basic remuneration respectively, which will lead to an increase in the remuneration of the chairman.

The remuneration for the work carried out in the Finance and Audit Committee should be increased from the current level of EUR 15,000.00 to EUR 25,000.00 due to the increased scope of the work and associated workload and the continuously growing demands on the company and committee members, the same applies for the remuneration for the work carried out in the Standing Committee. This should be increased from EUR 7,500.00 to EUR 15,000.00. The remuneration for the chairman of a committee should also account for double the abovementioned amounts.

In view of the proposed increase, the customary nature of the remuneration is reviewed in comparison to other, comparable companies (horizontal comparison). Companies from the DAX and MDAX are used as a comparison group for the horizontal comparison of remuneration. The proposed increase in remuneration is, therefore, appropriate overall.

The attendance fee shall continue to only be paid once in the event that several meetings take place on one day and shall continue at the level of EUR 1,000.00.

The Supervisory Board and Executive Board propose to pass the following resolution:

a. System of remuneration for members of the Supervisory Board

The system of remuneration for members of the Supervisory Board is aligned to the statutory requirements and takes into consideration the specifications of the German Corporate Governance Code. The remuneration of members of the Supervisory Board should be balanced overall and be proportionate to the responsibility and duties of members of the Supervisory Board as well as to the company situation, where the remuneration regulations of comparable listed companies should also be taken into consideration.

Members of the Supervisory Board should receive a fixed remuneration in order to increase the independence of the Supervisory Board and achieve an objective and neutral perception of the monitoring and advisory functions it performs.

In accordance with the recommendation of the German Corporate Governance Code, the extra time invested by the chairman and the deputy chairman of the Supervisory Board and the chairmen and members of the committees should be given appropriate consideration by means of corresponding additional remuneration. The chairman of the Supervisory Board should, therefore, receive two-and-a-half times the basic remuneration of a standard member of the Supervisory Board, the deputy chairman should receive one-and-a-half times the basic remuneration. The chair of a committee should receive double the amount of remuneration that a committee member receives.

Supervisory Board members who are only a member of the Supervisory Board for a part of the financial year should receive the remuneration on a pro rata basis. This should apply accordingly for memberships in Supervisory Board committees.

An appropriate additional level of remuneration should be provided for the work in the Finance and Audit Committee and in the Standing Committee, taking into consideration the time required for these responsibilities.

An attendance fee should only be paid once per day in the event of multiple meetings on the same day, where participation in such meetings via telephone, video conference or equivalent forms of communication should also entitle the member to an attendance fee.

The company shall also reimburse each member of the Supervisory Board for his expenses and value added tax to be paid on his salary, if such tax is payable.

The regulations pertaining to remuneration and the remuneration system should be regularly reviewed by the Supervisory Board to assess their appropriateness. External consultants may also be consulted for this process. This process should take place at least every four years and in the case of proposals being received to amend the remuneration regulations the General Meeting shall pass a resolution on the remuneration of Supervisory Board members. The General Meeting can endorse the existing system pertaining to the remuneration of the Supervisory Board or pass a resolution for the amendment thereof.

b. The new Article 14 set out below shall be inserted into the Articles of Association, repealing the previous Article 14:

“Article 14 Supervisory Board remuneration

1. The members of the Supervisory Board receive an annual fixed remuneration as well as reimbursement for their expenses. The chairman receives two-and-a-half times the standard fee, the deputy receives one-and-a-half times the standard level of remuneration.
2. The remuneration for the members of the Supervisory Board will be determined for the first time for the financial year 2021 and will be set at EUR 75,000.00 per member until further notice. The remuneration for the chairman will amount to EUR 187,500.00, the remuneration for the deputy chairman of the Supervisory Board will amount to EUR 112,500.00. Supervisory Board members who are only a member of the Supervisory Board for a part of the financial year will receive the remuneration on a pro rata basis. This applies accordingly for memberships of Supervisory Board committees.
3. The remuneration for the members of the Finance and Audit Committee will be determined for the first time for the financial year 2021 and will be set at EUR 25,000.00 per member until further notice. The remuneration for the members of the Standing Committee of the Supervisory Board will be determined for the first time for the financial year 2021 and will be set at EUR 15,000.00 per member until further notice. The chairman of the committee will receive twice this amount.

4. The members of the Supervisory Board will be paid an attendance fee of EUR 1,000.00 for participating in Supervisory Board meetings and for participating in meetings of Supervisory Board committees along with reimbursement of their expenses.
5. The remuneration components mentioned under paragraph 2 and paragraph 3 for a financial year will become due after the General Meeting, which will pass a resolution concerning the discharging of the Supervisory Board for the relevant financial year. The attendance fee mentioned under paragraph 4 will become due at the start of the relevant meeting and will be transferred to the members of the Supervisory Board as well as the remaining remuneration components. If two or more meetings of the Supervisory Board or its committees fall on one day a total of only one attendance fee shall be owed. The company reimburses any value added tax payable on remuneration and attendance fees, where such tax is incurred.”

Reports of the Executive Board to the Annual General Meeting on Items 5 to 7 of the Agenda

Report of the Executive Board on Item 5 of the Agenda pursuant to §§ 203 (2), 221 (4) in conjunction with § 186 (4) Sentence 2 Stock Corporation Act (AktG) (in conjunction with Article 9 (1) Letter c) ii) of the SE Regulation)

The Executive Board was previously authorised by resolutions of the Annual General Meeting of 10 May 2016 regarding Item 5 of the Agenda, with the consent of the Supervisory Board, to issue certain convertible bonds, bonds with warrants, participating bonds and/or profit-sharing rights with conversion rights or warrants or conversion obligations on shares of the company. This authorisation expires on 9 May 2021. The Executive Board and Supervisory Board therefore request the shareholders of the company under Item 5 of the Agenda to renew the authorisation to issue such instruments and additionally subordinated financial instruments without conversion rights or warrants or conversion obligations, insofar as they fall under § 221 Stock Corporation Act (AktG), (hereinafter collectively referred to as “bonds”) with a term until 4 May 2026.

Each of these bonds may be furnished with conversion rights or warrants or conversion obligations on shares of the company. This enables the holders of the bonds and profit-sharing rights to acquire shares of the company by converting their contributions already rendered to the company into shareholders’ equity (conversion right) or rendering an additional contribution to the company’s shareholders’ equity (warrant). Where an issue takes place, the company may also determine that the issued bonds shall subsequently be exchanged for the company’s shares if required by the company (conversion obligation). Total contingent capital of up to EUR 24,119,426.00 is available to the company in accordance with the proposed resolution for delivery of the shares upon exercise of the conversion rights or warrants or fulfilment of the conversion obligation; this contingent capital will enable the company to issue up to 24,119,426 new shares (corresponding to 20% of the current share capital).

The envisaged scope of authorisation therefore falls short of the existing authorisation of 10 May 2016 in relation to the maximum volume of new shares to be issued. The reduction is motivated by a change in market practice, which the company is following. With an eye to the changed market practice the Executive Board has also imposed further restrictions on itself, which are reproduced below under “Self-commitment of the Executive Board with a view to possible increases in the share capital from authorised and contingent capital”.

The proposed authorisation also encompasses by way of clarification the issuance of subordinated (hybrid) financial instruments for the creation of own-fund items recognised for regulatory purposes. These own-fund items are of particular significance to (re)insurers because European and national regulations require an adequate level of own funds. This adequate level of own funds can be composed not only of own funds in the traditional sense, but also encompasses bonds that meet certain criteria for loss participation, such as compulsory conversion to shares of the company in the event of a crisis. Insofar as such bonds eligible as own funds for regulatory purposes do not already fall under the usual criteria for convertible bonds, bonds with warrants, participating bonds and/or profit-sharing rights with conversion rights or warrants or conversion obligations, but require the consent of the Annual General Meeting pursuant to § 221 Stock Corporation Act (AktG) due to the form of loss participation, due to a profit-linked return or for other reasons, the option of issuance is to be created. It is in the interest of the company to be able to issue such instruments for the fulfilment of regulatory own-fund requirements or for efficient capital management.

The maximum level of the total nominal amount of the bonds is to be adjusted from EUR 1,000,000,000.00 to EUR 2,000,000,000.00. This reflects the increased stock market price of the company since adoption of the resolution on the previous authorisation and the inclusion of subordinated financial instruments without conversion rights or warrants or conversion obligations in the group of instruments covered by the authorisation.

The Executive Board anticipates that the forms of the bonds proposed under Item 5 of the Agenda (bearer or registered convertible bonds, bonds with warrants, participating bonds and/or profit-sharing rights, as well as subordinated financial instruments without conversion rights or warrants or conversion obligations, insofar as they fall under § 221 Stock Corporation Act (AktG)), will serve primarily to quickly and flexibly strengthen the company's capital resources as needed.

The fact that the terms for issue of the specified bonds are largely open at the present moment in time will enable the company, firstly, to respond appropriately to current market conditions and raise new capital at the lowest possible costs. Secondly, the company will be able to enhance its equity position in compliance with the requirements of § 89 Insurance Supervision Act (VAG) (or successor arrangements) and within the meaning of the Solvency II Directive (Directive 2009/138/EC) and related national implementing measures or those adopted by the European Union as amended. Purely as a precautionary measure, the proposed authorisation is also intended to create the possibility of using these bonds in the same way as authorised capital for the liquidity-conserving acquisition of assets, especially for the acquisition of companies and interests therein. In practice, however, such use is likely to be of subordinate importance compared to the authorised capital.

Where such bonds are issued, the shareholders of the company in principle have subscription rights pursuant to § 221 (4) Stock Corporation Act (AktG). By means of the authorisation requested under Item 5 of the Agenda the company is to be permitted to exclude subscription rights in certain cases explained in detail below if this should be necessary in the overriding interest of the company.

This option is, however, limited in terms of amount in order to prevent any possible dilution of the shareholders excluded from the subscription right. Altogether, the sum total of the shares to be issued under bonds that are issued subject to exclusion of the subscription right may not exceed a pro rata amount of the share capital of EUR 12,059,713.00 (corresponding to 10% of the current share capital). Shares issued during the period of the authorisation requested under Items 6 and 7 of the Agenda from authorised capital subject to the exclusion of subscription rights as well as shares sold during the period of this authorisation on the basis of an authorisation to use treasury shares pursuant to § 71 (1) No. 8 Sentence 5 Stock Corporation Act (AktG) (in conjunction with Article 9 (1) Letter c) ii) of the SE Regulation) subject to the exclusion of subscription rights shall be counted towards this limit. To this extent, the company is barred from issuing shares on the basis of multiple authorisations subject to the exclusion of subscription rights if this would lead in total to the amount of 10% of the current share capital being exceeded. For example, the company could not fully utilise the authorisation proposed under Item 6 of the Agenda for the issuance of shares from authorised capital subject to exclusion of the subscription right in a volume of 5% of the share capital and also issue bonds subject to exclusion of the subscription right that facilitate a conversion to shares in a volume of 10% of the share capital. This would collide with the limitation to altogether 10% of the current share capital.

Specifically, it shall be possible to exclude the subscription right in the following cases:

In the case of the issue of bonds furnished with conversion rights or warrants or conversion obligations on shares of the company, the Executive Board is to be authorised in analogous application of § 186 (3) Sentence 4 Stock Corporation Act (AktG) (in conjunction with Article 9 (1) Letter c) ii) of the SE Regulation) to exclude subscription rights if the issue price of the financing instrument in question does not significantly undershoot the fair value. This exclusion of subscription rights could, under certain circumstances, be necessary if a bond is to be placed quickly in order to exploit a favourable market climate. Through the exclusion of subscription rights the company will in this case enjoy the flexibility needed to exploit a favourable stock market situation at short notice. On the other hand, issuance of the bonds discussed here – with the granting of subscription rights – may, under certain circumstances, be less attractive since the issue price has to be fixed at a very early point in time in order to comply with the subscription period. Especially at a time when markets are highly volatile, this may give rise to a need to take substantial price markdowns.

The interests of the shareholders shall be safeguarded in this instance by ensuring that the bonds are not issued significantly under fair value, as a consequence of which the value of the subscription right is reduced to practically zero. This authorisation is restricted to the limit of 10% of the share capital envisaged in § 186 (3) Sentence 4 Stock Corporation Act (AktG). Those shares that have already been issued or sold during the period of the authorisation on the basis of a corresponding authorisation subject to exclusion of subscription rights in direct or analogous application of § 186 (3) Sentence 4 Stock Corporation Act (AktG) are to be counted towards the above 10% limit. Irrespective of whether corresponding authorisations with the option of excluding subscription rights are used individually or cumulatively, the overall limit of 10 % of the share capital in accordance with § 186 (3) Sentence 4 Stock Corporation Act (AktG) shall not be exceeded. The various proposed authorisations and the authorisations included in the Articles of Association with the option of excluding subscription rights in accordance with § 186 (3) Sentence 4 Stock Corporation Act (AktG) are intended to enable the Executive Board to select in a specific situation the financing instrument that is most appropriate to serving the interests of the company and the shareholders.

When issuing bonds whose features are not the same as or similar to shares, i.e. in particular do not grant a participation in the profit and/or proceeds of liquidation, and which are not combined with conversion rights or warrants or conversion obligations, the Executive Board shall further be authorised, with the consent of the Supervisory Board, to exclude the subscription rights of the shareholders. Assuming that the bonds have a debenture-like structure, the membership position of the shareholders shall remain unaffected; neither the voting right nor the pro-rata dividend entitlement or share of company assets would be changed by a bond issue without subscription rights. If the subscription rights are excluded, it will also be mandatory to issue the bonds at issue terms in line with general market conditions, thereby ensuring that there would be no significant rights value in this regard. On the other hand, the option of excluding the subscription rights will enable the Executive Board to exploit a low interest rate level or favourable demand climate flexibly and at short notice in order to launch an issue. The Executive Board is thus in a position to substantially reduce the placement risk. In contrast, a rights issue would – depending on the state of the market – entail a more or less sizeable risk that the fixed terms would no longer be in line with normal market conditions by the time of actual placement on the market. The company would consequently run the risk of not being able to place the bonds at all or having to place them on excessively generous terms. Neither eventuality would be in the interests of the company or its shareholders. In order to take account of this need to protect the interests of shareholders, the Executive Board shall, however, carefully examine in each specific case whether an exclusion of the subscription rights is necessary in the interests of the company. Even if bonds are issued without subscription rights, the shareholders shall always retain the option of acquiring them within the scope of placement or subsequently through the stock exchange.

When issuing bonds with preservation of the shareholders' subscription rights, the Executive Board shall additionally, with the consent of the Supervisory Board, be authorised to exclude subscription rights for fractional amounts. This may be necessary if a practicable subscription ratio cannot otherwise be achieved. The value of such fractional amounts is normally minimal for the individual shareholder. The potential dilutive effect is also negligible owing to the restriction to fractional amounts. The company shall strive to utilise spare fractional amounts in the best interests of the shareholders.

Furthermore, the subscription rights shall be excluded, insofar as this is necessary, in order to also grant holders of instruments with conversion rights and warrants or conversion obligations the subscription right to which they would have been entitled if they had already exercised their conversion or subscription right or had already fulfilled their conversion obligation. Financing instruments of the type described here normally include so-called antidilutive provisions in their terms in case the company issues further such financing instruments or shares to which the shareholders have subscription rights. In order to ensure that the value of these financing instruments is not impaired by such measures, the holders of such financing instruments will generally be compensated inasmuch as the conversion or subscription price will be reduced or they will additionally receive subscription rights to the subsequently issued financing instruments or shares. In order to retain the greatest possible flexibility in this regard, the option of excluding subscription rights should be available for this eventuality too. This will serve to make placement easier and hence ultimately safeguard the company's optimal financial structure.

Finally, it is envisaged that subscription rights can be excluded in order to be able to issue bonds against non-cash contributions. The authorisation to issue bonds against non-cash contributions is intended to enable the company purely as a precautionary measure to also use such financing instruments in connection with the acquisition of assets. This can be particularly practical for the acquisition of companies, parts of companies or interests therein. In such instances, sellers frequently insist on receiving a consideration in a form other than cash or cash only. Instead of or in addition to granting shares or cash contributions, it may then be an interesting alternative to offer bonds with warrants or conversion rights or profit-sharing rights. This option creates additional flexibility and improves the company's chances of making successful acquisitions.

Both the authorisation to make an issue against non-cash contributions and the exclusion of subscription rights in this regard shall, however, only be used if the acquisition of the object in question is in the well-understood interest of the company and acquisition by other means, especially by way of purchase, is legally or de facto impossible or possible only on less favourable terms. In such instances the company will nevertheless always examine whether an equally appropriate means of acquiring the object is available, the effects of which interfere less markedly in the position of the shareholders. Thus, where non-cash contributions are acquired, it will normally be necessary to check whether, for example, instead of excluding subscription rights it is also possible to grant at least the shareholders not involved in the contribution transaction a parallel subscription right against a cash contribution. The interests of the shareholders shall further be taken into account by the Executive Board's careful examination of whether the value of the non-cash contribution is commensurate with the value of the issued instruments in the acquisition of non-cash contributions against the issue of a bond and/or profit-sharing rights and/or the issue of new shares.

The Executive Board will report on any use made of these authorisations at the next Annual General Meeting.

Report of the Executive Board on Items 6 and 7 of the Agenda pursuant to §§ 203 (2) in conjunction with § 186 (4) Sentence 2 Stock Corporation Act (AktG) (in conjunction with Article 9 (1) Letter c) ii) of the SE Regulation)

The company most recently adopted a resolution on authorised capital at the Annual General Meeting on 10 May 2016. Its period of validity expires on 9 May 2021. The Executive Board and Supervisory Board therefore request the shareholders of the company under Items 6 and 7 of the Agenda to approve new authorised capital with a term until 4 May 2026. The envisaged scope of authorisation is limited to 20% of the currently existing share capital (EUR 24,119,426.00) and thus falls short of the existing authorisation of 10 May 2016. The reduction is motivated – as with the authorisation proposed under Item 5 of the Agenda – by a changed market practice which the company is following. In addition, the Executive Board has imposed further restrictions upon itself which are reproduced below under “Self-commitment of the Executive Board with a view to possible increases in the share capital from authorised and contingent capital”.

The new authorised capital, as in the past, is intended to provide the Executive Board with an effective means of responding promptly to current market developments, especially a favourable stock market situation. To the extent that this should become necessary to secure the company's competitive position and maintain its excellent rating, the proposed authorisation constitutes a flexible tool for improving the company's capital resources even in the short term. This should be viewed in particular in light of the fact that, given the current condition of capital markets and the state of the reinsurance industry, opportunities to improve the company's competitive position – such as through corporate acquisitions – as well as the associated requirements for capital measures may arise at short notice. In this event, the company must be able to respond quickly and flexibly without having to wait for the next Annual General Meeting.

In principle, shareholders are to be granted subscription rights with respect to such measures. The granting of subscription rights may also take the form of the new shares being assumed by a financial institution with the commitment to offer them to shareholders by way of a so-called “indirect subscription right”. Under the proposed resolution, however, subscription rights may be excluded subject to the conditions of § 186 (3) Sentence 4 Stock Corporation Act (AktG) (in conjunction with Article 9 (1) Letter c) ii) of the SE Regulation) for the smoothing of fractional amounts, for the servicing of bonds or profit-sharing rights with conversion or subscription rights, as well as for the issue of shares against non-cash contributions. This corresponds to the existing authorised capital.

This options to exclude the subscription right are, however, limited in terms of amount in order to prevent any possible dilution of the shareholders excluded from the subscription right. Altogether, the sum total of the shares issued on the basis of the authorised capital subject to exclusion of the subscription right may not exceed a pro rata amount of EUR 12,059,713.00 (corresponding to 10% of the current share capital). Shares issued to service bonds and/or profit-sharing rights with conversion rights or warrants or a conversion obligation shall be counted towards this limit, insofar as the bonds or profit-sharing rights are issued during the period of the authorisation requested under Items 6 and 7 of the Agenda subject to exclusion of the subscription right. Shares sold during the period of this authorisation on the basis of an authorisation to use treasury shares pursuant to § 71 (1) No. 8 Sentence 5 Stock Corporation Act (AktG) (in conjunction with Article 9 (1) Letter c) ii) of the SE Regulation) subject to the exclusion of subscription rights shall also be counted towards this limit. To this extent, the company is barred from issuing shares on the basis of multiple authorisations subject to the exclusion of subscription rights if this would lead in total to the amount of 10% of the current share capital being exceeded.

Specifically, it shall be possible to exclude the subscription right in the following cases:

The Executive Board shall be authorised, with the consent of the Supervisory Board, to exclude subscription rights for fractional amounts when issuing new shares while preserving in principle the subscription rights of shareholders. This may become necessary if a practicable subscription ratio cannot otherwise be achieved. The value of such fractional amounts is normally minimal for the individual shareholder. The potential dilutive effect is also negligible owing to the restriction to fractional amounts. The company shall strive to utilise spare fractional amounts in the best interests of the shareholders.

In addition, it shall be possible to exclude subscription rights, insofar as necessary, in order to also grant holders of instruments with conversion rights and warrants or conversion obligations the subscription right to which they would have been entitled if they had already exercised their conversion right or warrant or had already fulfilled their conversion obligation. Financing instruments such as convertible bonds normally include so-called antidilutive provisions in their terms in case the company issues further such financing instruments or shares to which the shareholders have subscription rights. In order to ensure that the value of these financing instruments is not impaired by such measures, the holders of such financing instruments will generally be compensated inasmuch as the conversion or subscription price will be reduced or they will additionally receive subscription rights to the subsequently issued financing instruments or shares. In order to retain the greatest possible flexibility in this regard, the option of excluding subscription rights shall therefore be available for this eventuality too. This will serve to make placement easier and hence ultimately safeguard the company's optimal financial structure.

Furthermore, the Executive Board is to be authorised, with the consent of the Supervisory Board, to issue shares with a pro rata amount of up to 10% of the share capital existing when this authorisation comes into effect and upon adoption of the resolution to exercise the authorisation at near-market price subject to exclusion of subscription rights pursuant to § 186 (3) Sentence 4 Stock Corporation Act (AktG) (in conjunction with Article 9 (1) Letter c) ii) of the SE Regulation). This authorisation is intended to enable the Executive Board to exploit a favourable market climate and place shares at short notice, in particular with institutional investors. The exclusion of the subscription right in this case enables rapid and flexible action to be taken and facilitates placement of the shares at near-market price. In comparison, the issuance of shares with the granting of subscription rights could, under certain circumstances, be less attractive because the issue price has to be fixed at a very early point in time in order to comply with the subscription period. Especially at a time when markets are highly volatile, this may give rise to a need to take substantial price markdowns.

The interests of the shareholders shall be safeguarded in this instance by ensuring that the new shares are not issued significantly under market price, as a consequence of which the value of the subscription right in these cases is reduced to practically zero. This authorisation is restricted to the limit of 10% of the share capital envisaged in § 186 (3) Sentence 4 Stock Corporation Act (AktG). Those shares that are issued or sold during the period of the authorisation requested under Items 6 and 7 of the Agenda on the basis of a corresponding authorisation subject to exclusion of subscription rights in direct or analogous application of § 186 (3) Sentence 4 Stock Corporation Act (AktG) are to be counted towards the above 10% limit. Irrespective of whether corresponding authorisations with the option of excluding subscription rights are used individually or cumulatively, the overall limit of 10 % of the share capital in accordance with § 186 (3) Sentence 4 Stock Corporation Act (AktG) shall not be exceeded. The various authorisations with the option of excluding subscription rights in accordance with § 186 (3) Sentence 4 Stock Corporation Act (AktG) are intended to enable the Executive Board to select in a specific situation the financing instrument that is most appropriate to serving the interests of the company and the shareholders.

Finally, it is envisaged that the subscription rights can be excluded in order to be able to issue shares against non-cash contributions in the future too. The authorisation to issue shares against non-cash contributions is intended to enable the company to also use shares of the company in connection with the acquisition of assets. This can be particularly practical in the context of the acquisition of companies, parts of companies or interests therein. In such instances, sellers frequently insist on receiving consideration in a form other than cash or cash only. Instead of or in addition to cash contributions, it may then be an interesting alternative to offer shares. This option creates additional flexibility and improves the company's chances of making successful acquisitions.

Both the authorisation to make an issue against non-cash contributions and the exclusion of subscription rights in this regard shall, however, only be used if the acquisition of the object in question is in the well-understood interest of the company and acquisition by other means, especially by way of purchase, is legally or de facto impossible or is possible only on less favourable terms. In such instances the company will nevertheless always examine whether an equally appropriate means of acquiring the object is available, the effects of which interfere less markedly in the position of shareholders. Thus, where non-cash contributions are acquired, it will normally be necessary to check whether, for example, instead of excluding subscription rights it is also possible to grant at least the shareholders not involved in the contribution transaction a parallel subscription right against a cash contribution. The interests of the shareholders shall further be taken into account by the Executive Board's careful examination of whether the value of the non-cash contribution is commensurate with the value of the shares.

By means of the authorisation to use part of the authorised capital in accordance with Item 7 of the Agenda the Executive Board shall also be empowered, with the consent of the Supervisory Board, to issue new shares to employees of the company (employee shares). For this purpose it is similarly necessary that such shares be excluded from the statutory subscription rights of shareholders. The company has offered employee participation programmes on multiple occasions in the past. The exclusion of the subscription rights of shareholders is justified by the benefits that an employee participation programme offers for the company and hence also for its shareholders. The Executive Board and Supervisory Board consider the issue of shares to employees to be an important instrument for promoting long-term employee loyalty and it is therefore of particular interest to the company. In addition, the granting of employee shares as a form of remuneration is tax privileged through tax-exempt amounts. A normal concession may be granted on employee shares when fixing the issue price. For shareholders, however, this does not result in any relevant dilution of shares since less than 1% of the current share capital is affected by the exclusion of subscription rights. Along with the acquisition of treasury shares on the basis of the statutory authorisation pursuant to § 71 (1) No. 2 Stock Corporation Act (AktG), which has hitherto served as the legal basis for employee participation programmes and is also expected to continue to serve as the primary legal basis going forward, the issuance of new shares to employees on the basis of this authorisation pursuant to Item 7 of the Agenda may offer a greater degree of flexibility.

The Executive Board will report on any use made of these authorisations at the next Annual General Meeting.

Self-commitment of the Executive Board with a view to any increases in the share capital from authorised and contingent capital

Under Items 5 and 6 of the Agenda new authorisations for the issue of convertible bonds/bonds with warrants (including a corresponding contingent capital) and a new Authorised Capital 2021/I are proposed to the Annual General Meeting.

In this regard the Executive Board provides the following self-commitment: We shall increase the company's share capital from the proposed Authorised Capital 2021/I and the proposed contingent capital by altogether not more than 20% of the share capital existing at the time when this authorisation comes into effect. This self-commitment takes effect upon entry into force of the resolutions proposed under Items 5 and 6 of the Agenda. It shall end early if a future Annual General Meeting approves a new authorisation for the issue of convertible bonds/bonds with warrants (including a corresponding contingent capital) and/or for the increase of the company's share capital and the Executive Board presents a new arrangement to the Annual General Meeting in connection with the proposed resolutions that replaces this self-commitment.

Information regarding the holding of the virtual Annual General Meeting

The Annual General Meeting is held with the consent of the Supervisory Board in accordance with the legislation regarding measures in company, cooperative, association, foundation and residential property law to combat the impacts of the COVID-19 pandemic (Art. 2 of the Act to Mitigate the Consequences of the COVID-19 Pandemic in Civil, Insolvency and Criminal Procedure Law of 27 March 2020, the provisions of which continue to apply until 31 December 2021 based on the Regulation of 20 October 2020 and which was amended most recently by Article 11 of the Act of 22 December 2020, hereinafter **Covid-19 Act**) as a virtual Annual General Meeting without the physical presence of shareholders or their authorised proxies.

The Annual General Meeting will be broadcast live on 5 May 2021, commencing at 11.00 a.m. (CEST), in a video and audio stream through our Shareholder Portal at <https://hv-hannover-rueck.link-apps.de/imeet>. Shareholders wishing to participate in the virtual Annual General Meeting must register in advance (see below under **“Registration for the virtual Annual General Meeting”**). The opening of the Annual General Meeting by the Chairman of the meeting and the address by the Chief Executive Officer will also be streamed live in video and audio on the website of Hannover Rück SE at <https://www.hannover-re.com/286045/2021-annual-general-meeting>. A video recording of these excerpts will be made available at the same Web address following the Annual General Meeting.

The physical participation of shareholders or their authorised proxies is not possible. The voting rights of shareholders or their authorised proxies may therefore be exercised solely by way of postal voting or by granting authority to the proxies designated by the company.

Information on the rights of shareholders

in accordance with Art. 56 Sentence 2 and Sentence 3 SE Regulation (SE-VO), § 50 (2) SE Implementation Act (SEAG), §§ 122 (2), 126 (1), 127, 131 (1) Stock Corporation Act (AktG) in conjunction with § 1 Covid-19 Act

Motions to extend the Agenda at the request of a minority pursuant to Art. 56 Sentence 2 and Sentence 3 SE Regulation (SE-VO), § 50 (2) SE Implementation Act (SEAG), § 122 (2) Stock Corporation Act (AktG) in conjunction with § 1 (3) Sentence 4 Covid-19 Act

Shareholders whose interests jointly reach one twentieth (5%) of the share capital or the pro rata amount of EUR 500,000.00 may request to have items placed on the Agenda and published. This quorum is required for requests to extend the Agenda by shareholders of a European Company (SE) pursuant to Art. 56 Sentence 3 of the SE Regulation (SE-VO) in conjunction with § 50 (2) of the SE Implementation Act (SEAG). Each new item must be accompanied by a justification and a proposed resolution. The request must be directed to the Executive Board and the company **must receive it by no later than midnight on 4 April 2021 (CEST)** at the address indicated below in the paragraph “Shareholder motions and election proposals pursuant to §§ 126 (1) and 127 Stock Corporation Act (AktG).

Motions to extend the Agenda that must be announced – unless they were already made public at the time when notice of the meeting was given – shall be announced without delay upon receipt of the motion in the Federal Gazette. They will also be announced on the Web page <https://www.hannover-re.com/286045/2021-annual-general-meeting> and communicated in accordance with § 125 (1) Sentence 3 of the Stock Corporation Act.

Shareholder motions and election proposals pursuant to §§ 126 (1) and 127 Stock Corporation Act (AktG)

Countermotions – including reasons – to proposals made by the Executive Board and Supervisory Board with respect to a particular item of the Agenda and shareholder proposals for the election of Supervisory Board members shall be sent exclusively to the following address by **no later than midnight (CEST) on 20 April 2021 (date of receipt)**:

Hannover Rück SE, Attn. Investor Relations (Annual General Meeting)

- by post: Karl-Wiechert-Allee 50, 30625 Hannover, Germany
- electronically: hauptversammlung@hannover-re.com

Countermotions and election proposals from shareholders that are made public can be accessed exclusively on the Internet at <https://www.hannover-re.com/286045/2021-annual-general-meeting>. If no countermotions or election proposals are received, this will be indicated online.

No countermotions or election proposals can be put forward during the virtual Annual General Meeting. Motions and election proposals from shareholders that are made accessible in accordance with § 126 or § 127 Stock Corporation Act (AktG) shall be deemed to have been put to the meeting if the shareholder putting forward the motion or submitting the election proposal has had their identity duly verified and is registered for the Annual General Meeting.

Opportunity for shareholders to ask questions pursuant to § 131 (1) Stock Corporation Act (AktG) in conjunction with § 1 (2) Sentence 1 No. 3, Sentence 2 Covid-19 Act

Shareholders have the opportunity to ask questions using electronic communication. Shareholders must register in advance to take advantage of this opportunity (see under “**Registration for the virtual Annual General Meeting**”). This includes a right to receive an answer. The Executive Board shall decide according to its own best judgement which questions it answers and how. The Executive Board may summarise questions and choose sensible questions in the interest of the other shareholders. Questions asked in foreign languages will not be considered. The Executive Board reserves the right to answer questions in advance on the company’s website.

Shareholder questions are to be submitted using electronic communication – including specification of the shareholder number – **no later than midnight (CEST) on 3 May 2021 (date of receipt)** via the Shareholder Portal at <https://hv-hannover-rueck.link-apps.de/imeet>.

No questions may be asked during the virtual Annual General Meeting.

Information regarding participation

Registration for the virtual Annual General Meeting

Pursuant to Art. 16 (1) of the Articles of Association, shareholders who have registered by **no later than midnight (CEST) on 28 April 2021 (date of receipt)** with the company's registered office

in writing at the postal address:

Hannover Rück SE
c/o Link Market Services GmbH
Landshuter Allee 10
80637 Munich, Germany

or electronically in the Shareholder

Portal at the Web page:

(from 25 March 2021 onwards)

<https://hv-hannover-rueck.link-apps.de/imeet>

or under the link:

<https://www.hannover-re.com/286045/2021-annual-general-meeting>

or electronically at the e-mail address:

hannoverrueck.hv@linkmarketservices.de

and who are entered in the share register for the registered shares at the time of the virtual Annual General Meeting are entitled to participate in the virtual Annual General Meeting and exercise their voting right.

Shares are not blocked as a consequence of registration for the virtual Annual General Meeting; shareholders therefore remain free to dispose of their shares even after registration. Disposal may, however, have implications for the right to virtual participation and the entitlement to exercise voting rights because the rights to participate and vote are determined by the shareholding according to the share register at the time of the virtual Annual General Meeting. This shareholding will correspond to the shareholding registered in the share register at midnight (CEST) on 28 April 2021 (= technical record date) because, for technical reasons, no further transfer entries will be made in the share register between the expiry of the registration deadline and the end of the virtual Annual General Meeting, i.e. between midnight (CEST) on 28 April 2021 and midnight (CEST) up to and including 5 May 2021.

If an intermediary is registered in the share register, such intermediary may exercise the voting right attached to shares that it does not own only on the basis of authorisation from the shareholder.

Procedure for voting by an authorised proxy

In accordance with statutory provisions, shareholders have the option of having their voting right exercised through an authorised proxy, such as an intermediary or a shareholder association. In this case, too, care must be taken to ensure timely registration by the shareholder or the authorised proxy in accordance with the conditions specified under **“Registration for the virtual Annual General Meeting”**.

The granting of proxy authority, its revocation and proof of authorisation must be provided to the company in text form. Authorisation can be given by post or e-mail to the address or e-mail address indicated under **“Registration for the virtual Annual General Meeting”**. Please use the reply form enclosed with the registration documents for this purpose. In addition, the Shareholder Portal is available to you at <https://hv-hannover-rueck.link-apps.de/imeet>.

In cases where an intermediary, shareholder association or other person or institution specified in § 135 (8) of the Stock Corporation Act is authorised, the procedure, form and revocation of authorisation are subject to special rules. Please consult with the relevant intermediary, the relevant shareholder association or other person or institution specified in § 135 (8) of the Stock Corporation Act for further details.

Authorised proxies cannot physically attend the Annual General Meeting. They can only exercise the voting right for shareholders whom they represent by way of postal voting or by granting a (sub-)proxy to the company's designated proxies.

Pursuant to Art. 16 (3) of the Articles of Association, the company has designated Mr. Axel Bock, Investor Relations, and Mr. Rainer Filitz, Group Legal Services, both employees of the company, as proxies with the right to grant a sub-proxy who can similarly be authorised to cast votes. The proxies designated by the company exercise the voting right solely on the basis of the instructions issued by the shareholder or authorised proxy. The granting of as well as changes to the proxy authority and instructions issued to the company's designated proxies can be effected by post or e-mail **until no later than midnight (CEST) on 4 May 2021 (date of receipt)** at the address or e-mail address indicated under **"Registration for the virtual Annual General Meeting"**, provided you have registered **by no later than midnight (CEST) on 28 April 2021 (date of receipt)**. If multiple declarations are received, the most recently received declaration shall take precedence. The Shareholder Portal is also available for this purpose at <https://hv-hannover-rueck.link-apps.de/imeet>, through which it will be possible to grant and make changes to the proxy authority and instructions issued to the company's designated proxies **until directly prior to the beginning of voting in the virtual Annual General Meeting on 5 May 2021**.

If separate votes are held on a single Agenda item without this having been notified in advance of the virtual Annual General Meeting, an instruction issued for this Agenda item as a whole shall also be deemed to be a corresponding instruction for each of the separate votes.

Please note that the company's designated proxies cannot accept instructions regarding procedural motions in advance of or during the virtual Annual General Meeting. Nor can the company's designated proxies accept requests or instructions to speak, to lodge objections to resolutions of the Annual General Meeting or to raise questions or put forward motions.

Procedure for voting by postal vote

Shareholders may cast their votes by postal vote. Only those shareholders of record on the day of the virtual Annual General Meeting who have registered in due time according to the conditions specified under **"Registration for the virtual Annual General Meeting"** are eligible to exercise the voting right by postal vote. Votes may be cast by postal vote and changes can be made to your postal votes **until no later than midnight (CEST) on 4 May 2021 (date of receipt)** by post or e-mail or by using the registration form directed to the address or e-mail address indicated under **"Registration for the virtual Annual General Meeting"**, provided you have registered **by no later than midnight (CEST) on 28 April 2021 (date of receipt)**. If multiple declarations are received the most recently received declaration shall take precedence. In addition, the Shareholder Portal is also available for this purpose at <https://hv-hannover-rueck.link-apps.de/imeet>, through which it will be possible to exercise the voting right by way of postal voting **until directly prior to the beginning of voting in the virtual Annual General Meeting on 5 May 2021**.

If separate votes are held on a single Agenda item without this having been notified in advance of the virtual Annual General Meeting, a vote cast on this Agenda item as a whole shall also be deemed to be a vote cast for each of the separate votes.

Information regarding the Shareholder Portal

As a shareholder of record, you can use the Internet to give the company's designated proxies your authority and instructions for the exercise of your voting right and exercise your voting right via postal voting. Detailed information is provided in the registration form and on our website at <https://www.hannover-re.com/286045/2021-annual-general-meeting>.

Objections to a resolution of the Annual General Meeting

Objections to a resolution of the Annual General Meeting may be put on record pursuant to § 245 No. 1 of the Stock Corporation Act in conjunction with § 1 (2) Sentence 1 No. 4 of the Covid-19 Act by shareholders or authorised proxies who have exercised the voting right from the beginning of the virtual Annual General Meeting until the end of the virtual Annual General Meeting on 5 May 2021 using electronic means of communication – including specification of the shareholder number – via the Shareholder Portal at <https://hv-hannover-rueck.link-apps.de/imeet>.

Details of the shareholder hotline for shareholders and banks

Shareholders and intermediaries may raise questions regarding our virtual Annual General Meeting via e-mail by writing to hannoverrueck.lv@linkmarketservices.de. In addition, the shareholder hotline is available to you from Monday to Friday between 9.00 a.m. and 5.00 p.m. by calling 0800 7823200 from Germany (toll-free) or +49 89 21027 333 from abroad.

Further information can also be obtained from our website at: <https://www.hannover-re.com/286045/2021-annual-general-meeting>

Number of shares and voting rights

The total number of shares on the date when the virtual Annual General Meeting is convened is 120,597,134. The total number of voting rights on the date of convening is 120,597,134.

Provision of information

The information pursuant to §124a Stock Corporation Act (AktG), and in particular the documents pursuant to § 175 (2) Sentences 1 and 3 Stock Corporation Act (AktG), can be accessed via the following website:

<https://www.hannover-re.com/286045/2021-annual-general-meeting>

Data privacy statement for shareholders of Hannover Rück SE

Our full Data Privacy Statement for shareholders and their representatives can be accessed via the following Web page: <https://www.hannover-re.com/182774/data-privacy>. You may also request this information to be provided by post. Our Data Protection Officer can be reached at our postal address (please include the additional address line “Group Data Protection Officer”) or by e-mail at datenschutz@hannover-re.com.

Which personal data are processed by Hannover Rück SE and where do they come from?

We process details of the name, date of birth, postal address, electronic address as well as the number of shares and shareholder number of our shareholders. These data are to be entered in the share register for registered shares and are communicated to us by Clearstream Banking AG.

For what purposes does Hannover Rück SE process your personal data?

Processing takes place in connection with the purposes envisaged in the Stock Corporation Act (in particular, identifying shareholders and their representatives, maintaining and managing the share register, organising and conducting the Annual General Meeting as well as communicating with our shareholders). The legal basis of data processing is Art. 6 (1) c) GDPR in conjunction with the Stock Corporation Act. In addition, your data are processed in accordance with statutory requirements, such as supervisory regulations or retention requirements stipulated in law (Art. 6 (1) c) GDPR). In specific cases Hannover Re also processes your data to safeguard its own legitimate interests pursuant to Art. 6 (1) f) GDPR, e.g. for statistical purposes, particularly regarding changes in the shareholding structure. If you make use of our Shareholder Portal, we process your data with your consent pursuant to Art. 6 (1) a) GDPR. Profiling or automated case-by-case decision making does not take place.

Which categories of recipients might we share your data with?

We communicate personal data to the following categories of recipients: providers of services in connection with the share register, Annual General Meeting, IT, printing and mailing. If you participate in the Annual General Meeting, your name and place of residence as well as your number of shares are included in a list of participants that is accessible to the other participants in the Annual General Meeting. In addition, your data are communicated to authorities that are entitled to receive such information.

Are personal data transmitted to third countries?

Processing of your data outside the European Economic Area takes place only if the third country has been confirmed by the European Commission as having an appropriate level of data protection or if other appropriate data protection guarantees pursuant to Art. 44-49 GDPR are in place.

What are your data protection rights?

You have the following rights with respect to the data that we hold concerning you:

- right to information about the data stored on you
- right to correction or erasure
- right to restrict processing and/or object to processing
- right to data portability
- right to withdraw consent

In addition, you have the right to lodge a complaint with the responsible data protection supervisory authority, namely the Data Protection Commissioner for Lower Saxony (Die Landesbeauftragte für Datenschutz Niedersachsen), Prinzenstr. 5, 30159 Hannover, Germany.

Hannover, March 2021

Hannover Rück SE
The Executive Board

Hannover Rück SE

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