

Agreement
on Employee Co-Determination
at Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft in München
(Munich Reinsurance Company Joint-Stock Company in Munich)

Preamble¹

- (A) Münchener Rück Italia S.p.A. ("**MRI**"), formerly a 100% subsidiary of Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft in München ("**MR AG**"), was merged with MR AG with effect from 1 January 2009. Based on the Act on the Co-Determination of Employees in Cross-Border Mergers ("**MgVG**"), the managements of MR AG and MRI and the Special Negotiating Body ("**SNB**") have revised employee co-determination on MR AG's Supervisory Board by concluding the Agreement on Employee Co-Determination at Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft in München (Munich Reinsurance Company Joint-Stock Company in Munich) in November/December 2008 ("**the 2008 Agreement**"). The intention of the parties in entering into this Agreement was to maintain the tradition of mutual trust and cooperation between shareholder representatives and employee representatives at MR AG.
- (B) The parties sought, and continue to seek, to fill the employee representatives' mandates on the Supervisory Board in a manner that ensures that the interests of all employees of MR-Group are taken into account, and that the composition of the Supervisory Board is in keeping with the needs of its work. In particular, given the significance of the reinsurance field of business there was and is agreement that its importance will be recognised by being accorded at least 30% of the mandates on the Supervisory Board of MR AG.
- (C) Insofar as terms are not otherwise defined in this Agreement (see Annex), the definitions in Section 2 of MgVG shall apply.
- (D) The 2008 Agreement was amended by the "Agreement to amend the Agreement on Employee Co-Determination at Munich Reinsurance Company Joint-Stock Company in Munich" made between the Standing Committee of the European Electoral Board ("**EEB**") and the Board of Management of MR AG on 25 March 2014 ("**the 2014 Amendment Agreement**") whereby the Standing Committee of the EEB was established on a permanent basis and took over tasks from the Standing Council (together referred to as "**the 2014 Agreement**").
- (E) In explicit continuation of the above-mentioned principles, the 2014 Agreement is hereby amended and brought up-to-date through an agreement between the Board of Management of MR AG and the Standing Committee of the EEB ("**the 2017 Agreement**").

¹ The formulations used in the Agreement refer to both men and women. The form of presentation has been selected to facilitate the reading of the text.

1. Retention of parity co-determination/ electoral principals/ scope

- 1.1. MR AG has a co-determined Supervisory Board made up on a parity basis of shareholder representatives and employee representatives.
- 1.2. The Supervisory Board has 20 members under the current applicable Articles of Association of MR AG.
- 1.3. Employees of MR-Group companies and operations within the EU/EEA shall be represented on the Supervisory Board by elected representatives.
- 1.4. Elections are to be held in secret and shall be equal.
- 1.5. Elections shall be held in accordance with the provisions of this Agreement. The provisions of the MgVG, or alternatively the German law on the implementation of a Societas Europaea ("**SEAG**"), German SE Participation Act ("**SEBG**") and – where these do not cover the matter at hand – the German Co-Determination Act (MitBestG) shall also apply accordingly. The provisions of this Agreement and the applicable law shall take precedence over any rules of procedure pursuant to clause 4.3, sentence 2 below.
- 1.6. This Agreement shall apply to MR-Group companies and operations within the EU/EEA.

2. Allocation of employee representatives' seats by Member State

The breakdown of the employee representatives as members of the Supervisory Board by Member State shall be determined in accordance with the following guidelines:

- 2.1. The mandates of the employee representatives on the Supervisory Board shall be split between the Member States of the European Union and the European Economic Area ("**EEA**") in which MR-Group companies and operations within the EU/EEA have employees ("**Member States**").
- 2.2. Every Member State in which at least 10% of the total number of "**MR-Group employees**" (as per Annex) are employed shall obtain a seat on the Supervisory Board. A Member State shall be entitled to a further seat for each additional complete 10%. The location at which employees are to primarily perform their duties pursuant to their employment contract shall determine the Member State to which they are allocated. In the event of an international assignment, the Member State to which the employee is assigned shall be the pertinent country for this purpose.

This shall apply only if at least one valid nomination from the Member State concerned has been submitted.
- 2.3. The remaining seats on the Supervisory Board shall be attributed to Germany ("seats attributed to Germany").
- 2.4. If the requirements of clause 2.2 are not met, either because no Member State other than Germany employs at least 10% of employees or because no other such Member State puts forward a valid nominee, one seat (i.e. one out of the current ten) shall be allocated to the EU/EEA countries other than Germany.

- 2.5. The number of employees shall be deemed to be the number of employees as at 31 December of the financial year preceding the dispatch of the Notification pursuant to clause 6.1 ("the cut-off date").
- 2.6. Any company that becomes a MR-Group company in the period between the cut-off date and the date of dispatch of the Notification pursuant to clause 6.1 shall participate in the election process if such company has any employees as at the cut-off date. The applicable number of employees shall be the number of employees as at the cut-off date. The same shall apply to mergers that become effective in the period between the cut-off date and the date of dispatch of the Notification pursuant to clause 6.1. The applicable number of employees shall be the number of employees as at the cut-off date and shall in such cases be allocated solely to the new legal entity or the legal entity that has taken over the other entity or entities. A MR-Group company in an EU/EEA Member State that has become a member of the EU/EEA in the period between the cut-off date and the date of dispatch of the Notification pursuant to clause 6.1 shall participate in the election process if such a company has employees as at the cut-off date. The applicable number of employees shall be the number of employees as at the cut-off date.
- 2.7. Companies that are part of MR-Group as at the cut-off date but cease to be part of MR-Group before the conclusion of the election pursuant to clause 11, and the delegates and Candidates from such companies, shall be excluded from participating in the election with immediate effect. The same shall apply to MR-Group companies in an EU/EEA Member State that leaves the EU/EEA in the period between the cut-off date and the conclusion of the election pursuant to clause 11.
- 2.8. Clauses 2.6 and 2.7 apply to EU/EEA operations accordingly.

3. Principles governing the allocation of seats

- 3.1. The fields of business shall be duly represented on the Supervisory Board by the employee representatives.
- 3.2. This is essentially achieved in that employees from the respective fields of business are members of the Supervisory Board. Where it is not possible for all fields of business to be taken into account by the EEB, the largest fields of business shall be given priority in the election.
- 3.3. At least 30% of the employee representatives on MR AG's Supervisory Board shall be employees of the reinsurance field of business. This quota shall include representatives of trade unions, senior executive staff and employees from EU/EEA countries other than Germany if they are employed at an MR-Group company in the reinsurance field of business.
- 3.4. One of the seats attributed to Germany shall be allocated to the senior executives of MR-Group.
- 3.5. A seat allocated to a country other than Germany may only be taken up by a non-senior-executive employee working outside Germany. The location where employees primarily perform their duties under their contract of employment shall determine the Member State to which they are allocated. In the event of an international assignment, the Member State to which the employee is assigned shall be the pertinent country for

this purpose. Subject to the provisions of clause 3.4, the provisions in this clause 3.5 apply accordingly with respect to the attribution of seats to Germany.

- 3.6. The number of representatives proposed by the German trade unions to be taken into account for the distribution of the German seats (“the union representatives”) shall be the number resulting from the statutory provisions of Sections 23 ff. of MgVG. Its application for such purposes is hereby agreed. The requirements of the Act on Equal Participation of Men and Women in Private-Sector and Public-Sector Management Positions (“the Gender Quota Act”) must be met separately for the election of the union representatives. If the election held in accordance with clause 11.4 b) bb) results in the requirements set out in clause 3.6 sentence 3 not being met, the number of union representatives shall be reduced accordingly pursuant to clause 3.6 sentence 1.

4. Election of employee representatives by the EEB

- 4.1. The employee representatives on the Supervisory Board shall be elected by the EEB if that task has not been transferred to a European Staff Council at MR-Group level in the course of reopened negotiations in accordance with clause 18.
- 4.2. The EEB shall be made up of representatives of German employee representative bodies and representatives of employees from the other Member States.
- 4.3. The EEB shall elect a Chair and a first and second Deputy Chair from among its ranks in accordance with clause 6.5. Rules of procedure should be established to set out the procedures to be followed, in particular for voting; such rules of procedure shall apply until otherwise resolved by the EEB.

5. Selecting the members of the EEB

5.1. Principles

In accordance with the following rules, at least one delegate to the EEB shall be designated from each Member State in which at least one employee is employed. A substitute delegate is to be elected for each delegate.

5.2. Number of delegates

- a) Each MR-Group company or EU/EEA operation with 50 or more employees shall appoint one delegate to the EEB.
- b) If the MR-Group company or EU/EEA operation concerned has 500 or more employees, two delegates shall be appointed.
- c) If the MR-Group company or EU/EEA operation concerned has 1,000 or more employees, three delegates shall be appointed.
- d) If the MR-Group company or EU/EEA operation concerned has 1,500 or more employees, four delegates shall be appointed.
- e) If the MR-Group company or EU/EEA operation concerned has 2,000 or more employees, five delegates shall be appointed.

- f) If the MR-Group company or EU/EEA operation concerned has 2,500 or more employees, six delegates shall be appointed.
- g) If the MR-Group company or EU/EEA operation concerned has 5,000 or more employees, seven delegates shall be appointed.
- h) If the MR-Group company or EU/EEA operation concerned has 10,000 or more employees, eight delegates shall be appointed.

Employees who undertake duties as employees at more than one MR-Group company or branch at the same time shall be attributed in equal parts to each such company or branch.

5.3. Election of delegates – general

- a) To be elected as a delegate for a company, a person must be an employee of that MR-Group company or an EU/EEA operation, be at least 18 years old and have been an employee of the company for at least six months.
- b) If more than one MR-Group company or EU/EEA operation in a Member State names the same delegate, that delegate must be an employee of one of the MR-Group companies or EU/EEA operations appointing the delegate. The delegate shall then cast all of the votes of the MR-Group companies and EU/EEA operations appointing him or her. Notwithstanding this, the joint delegate shall only count as one person when attending for the purposes of this Agreement.

5.4. Election or nomination of delegates in Germany

In Germany, the delegates of a MR-Group company or EU/EEA operation shall be elected by the General Staff Council or, should no such body exist, the Staff Council of the relevant company or EU/EEA operation concerned. Where lists are proposed for the election, the delegates shall be elected in the delegating bodies in accordance with the principles of proportional representation; otherwise, delegates shall be elected by majority vote. Elections based on proportional representation shall be carried out in accordance with the St. Laguë/Schepers procedure, unless otherwise decided unanimously. Notwithstanding clause 5.2, employees of German companies in MR-Group or German EU/EEA operations in which there is no Staff Council shall not nominate their own delegates but shall also be represented by the German delegates in accordance with clause 6.9.

5.5. Election or nomination of delegates from the EU/EEA outside Germany

In Member States (other than Germany) in which there are employee representative bodies (including union representatives) in MR-Group companies or EU/EEA operations, such bodies shall elect or nominate the respective delegates within the framework of their respective responsibilities. The election or nomination of the delegates from the MR-Group companies or EU/EEA operations shall be based on the respective national provisions for the election or nomination of members of a Special Negotiating Body for a cross-border merger and/or alternatively for the constitution of a Societas Europaea (SE). If necessary, the following shall also apply: Where there is more than one employee representative body in a company or EU/EEA operation, the employee representative body that represents the most employees shall be responsible. Notwithstanding clause 5.2, employees in Member States (other than Germany) in which there are no employee representative bodies shall not appoint their own delegates, but shall be represented in accordance with clause 6.9.

6. Initiation of the election/ convening the EEB/ resolutions

- 6.1. No earlier than twelve months and no later than eight months before the anticipated start of the term of office of the Supervisory Board members to be elected, the management of MR AG shall duly inform the Boards of Management of the MR-Group companies that have employees, the German employee representative bodies and Managerial Staff Committees and the German trade unions represented in the German MR-Group companies (where known) of the forthcoming end of the term of office of the elected Supervisory Board member and call for the election of delegates with due reference to the nominating rights under clause 9 of this Agreement ("the Notification").
- 6.2. The management of MR AG shall inform the German employee representative bodies and Managerial Staff Committees by dispatching the Notification. The Notification may be confined to the highest level of co-determination representation (currently the Group Staff Council of MR AG and the Group Staff Council of the ERGO Group) and the highest level of representation of managerial staff (currently the Managerial Staff Committee of MR AG and the Group Managerial Staff Committee of the ERGO Group), provided that the German Boards of Management of MR-Group companies are requested at the same time to forward the Notification immediately to the German employee representative bodies and German Managerial Staff Committees at their companies and to the employee representative bodies and Managerial Staff Committees at their EU/EEA operations. The management of MR AG shall also inform the highest level of representation at EU/EEA level (currently the ERGO Europa Forum). The Boards of Management of the MR-Group companies in the EU/EEA outside Germany shall immediately notify the employee representative bodies and Managerial Staff Committees at their MR-Group companies and EU/EEA operations.
- The Notification may be sent electronically. It need not be sent to MR-Group companies that have no employees within the meaning of this Agreement. The Notification shall be sent in German, along with a non-binding English translation. With the prior agreement of MR AG, recipients in the EU/EEA outside Germany may have the Notification translated into their local language. In such cases, MR AG will bear the translation costs.
- 6.3. The Board of Management of MR AG shall communicate the Notification to all EU/EEA operations in an appropriate manner, or request the relevant management to do so. This may be in the form of publication in the intranet or other electronic form.
- 6.4. The election or appointment of the delegates and any substitute delegates pursuant to clauses 5.3–5.5 shall take place within 16 weeks of dispatch of the Notification by the MR AG management in accordance with clause 6.1. The names of the delegates and the MR-Group company or EU/EEA operation appointing them must immediately be advised to the Chair of the Group Staff Council of MR AG and the head of the EU/EEA operation appointing the delegate. The Chair of the Group Staff Council of MR AG shall forward the names of the delegates to the MR AG management.
- 6.5. The first meeting of the EEB shall be convened by the Chair of MR AG's Group Staff Council. The meeting shall be convened at least two weeks before the meeting of the EEB. The form in which the meeting is convened shall be determined by the Chair of MR AG's Group Staff Council.

At the first meeting of the EEB, as a minimum the Chair, the two Deputy Chairs, and the members of the new Standing Committee shall be elected in accordance with clause 7.1.

The Chair, or a Deputy if the Chair is unavailable, shall handle the ongoing business of the EEB and represent the EEB in line with the resolutions it has passed. The Chair, or a Deputy if the Chair is unavailable, shall be authorised to receive any declarations to be given to the EEB.

Once elected, the Chair of the EEB shall be responsible for convening and chairing subsequent meetings of the EEB, the agendas for the meetings and determining the voting process for matters of procedure.

- 6.6. The EEB shall meet no later than two months prior to the anticipated start of the term of office of the Supervisory Board members to be elected. The EEB shall also meet if the deadline for the election or appointment of delegates referred to in clause 6.4 is missed. If a MR-Group company or EU/EEA operation or a Member State nominates no delegates, the EEB shall nevertheless take up its work and may elect the employee representatives on MR AG's Supervisory Board. Delegates elected or appointed after the deadline may nevertheless attend the EEB as members provided they have been nominated by the registration deadline pursuant to clause 6.9.
- 6.7. An election cannot be contested on the grounds of the complete or temporary absence of delegates despite due Notification in accordance with clause 6.1.
- 6.8. Furthermore, once its first meeting has taken place the composition of the EEB can no longer be challenged. This applies to delegates from all Member States.
- 6.9. The EEB shall pass resolutions by a simple majority of members attending (by headcount), unless otherwise provided for in this Agreement. If under the terms of this Agreement resolutions must be passed on the basis of both a majority of the members attending (by headcount) and weighted votes, the votes shall be weighted as follows. The number of votes cast by each delegate shall be equal to the number of employees working for the MR-Group company or EU/EEA operation that the delegate represents. Should a MR-Group company or EU/EEA operation send more than one delegate, each delegate shall be entitled to cast a proportion of the votes in accordance with sentence 3.

MR-Group employees of a Member State who are not represented by delegates shall be assigned to all the delegates of that Member State on the EEB in equal shares.

The number of votes to which a delegate is entitled is determined seven calendar days before the meeting of the EEB in question (the "registration deadline"). Should a registered delegate, or their substitute, fail to appear at the meeting or leave the meeting prematurely, the votes of such delegate or substitute shall be forfeit.
- 6.10. The meetings of the EEB are not public and delegates shall attend the meetings in person. The Chair may allow guests to attend.
- 6.11. At its own discretion, the EEB may call upon legal or other expertise required, although only after having obtained the prior agreement of MR AG.
- 6.12. All members of the EEB (including any substitute members) undertake to preserve the confidentiality of all confidential consultations and confidential information and company secrets, and in particular not to disclose any operational or business secrets. Confidentiality shall also be ensured if colleagues or experts are consulted.

Involvement of employees is only permissible to the extent necessary for the fulfilment of the EEB's duties.

7. Standing Committee

7.1. The EEB shall establish a Standing Committee. The Standing Committee of the EEB shall comprise fifteen members of the EEB, including the Chair and the Deputy Chairs. EEB shall elect the members of the Standing Committee and in each case two substitute members (stipulating the order in which they shall be called upon to attend). The substitute members shall be elected together with each member. For the purposes of the election, a simple majority of the votes of the members of the EEB present (by headcount) and also a simple majority of the employees they represent shall be required. In the event that more candidates achieve the required majorities than there are seats to be filled, the candidates who have received the most votes from the delegates attending (by headcount) shall be elected. In the event of a tie (by headcount), the result shall be determined by the number of employees represented by the votes. Should there still be a tie, a run-off ballot shall be held for the affected candidates.

Any member of the Standing Committee stepping down shall be replaced by a substitute member. This shall also apply if a member is unable to attend. If no substitute member is available for a member of the Standing Committee, the Standing Committee shall consist of the other members.

7.2. The Standing Committee shall be responsible for renegotiating or terminating this Agreement (clauses 18 and 19), appointing an arbitrator in accordance with clause 15.2, approving the list of criteria in accordance with clause 10.3, and setting up an Election Committee in accordance with clause 8.1.

7.3. The Standing Committee shall elect a Chair and a first and second Deputy Chair from among its ranks. The Chair, or a Deputy if the Chair is unavailable, shall perform the duties assigned under this Agreement, handle the ongoing business of the Standing Committee, and represent the Standing Committee in line with the resolutions it has passed. The Chair, or a Deputy if the Chair is unavailable, shall be authorised to receive any declarations to be given to the Standing Committee.

7.4. The Standing Committee shall pass resolutions by simple majority of members attending (by headcount). The Standing Committee shall be quorate if more than a half of its members take part in a resolution. Meetings shall be held in German. Interpretation and translation of material working documentation will be made available in up to two other languages, provided the Standing Committee deems this to be necessary.

7.5. After the election of employee representatives to the Supervisory Board of MR AG, the Standing Committee shall remain in office until a new Standing Committee is elected by the next EEB.

7.6. Clauses 6.10–6.12 apply accordingly.

8. Election Committee

- 8.1. Immediately following its election by the EEB, the Standing Committee shall set up from among its ranks an Election Committee for the ongoing election of the employee representatives on the Supervisory Board.
- 8.2. The Election Committee shall comprise five members of the Standing Committee, including the Chair of the EEB, of whom at least one should be an employee of MR AG, and at least one should come from an EU/EEA country other than Germany. In addition, the Standing Committee shall elect from among its ranks three substitute members (stipulating the order in which they shall be called upon to replace a member), of whom at least one should come from an EU/EEA country other than Germany. The substitute members shall generally take part in the meetings of the Election Committee. Any member of the Election Committee stepping down shall be replaced by a substitute member. This shall also apply if a member is unable to attend. If no substitute member is available for a member of the Election Committee, the Election Committee shall comprise the other members. A Candidate for the Supervisory Board may also be a member of the Election Committee.
- 8.3. The Election Committee shall elect a Chair and a first and second Deputy Chair from among its ranks. The Chair, or a Deputy if the Chair is unavailable, shall handle the ongoing business of the Election Committee and represent the Election Committee in line with the resolutions it has passed. The Chair, or a Deputy if the Chair is unavailable, shall be authorised to receive any declarations to be given to the Election Committee.
- 8.4. The Election Committee shall pass resolutions by simple majority of members attending (by headcount). The Election Committee shall be quorate if more than a half of its members take part in a resolution. Meetings of the Election Committee will be held in German. Interpretation and translation of material working documentation will be made available in up to two other languages, provided the Standing Committee deems this to be necessary.
- 8.5. The Election Committee shall examine the nominations of Candidates for election to the Supervisory Board in accordance with clause 10. The decision of the Election Committee on the admission of the nominated Candidates to the election shall be final. The Election Committee may set an appropriate deadline for the removal of a deficiency if such deficiency is capable of being remedied.
- 8.6. The Election Committee shall also be responsible for the organisation of the election of the employee representatives on the Supervisory Board unless otherwise provided for in this Agreement. This shall include holding the election (e.g. organising ballot papers and nominations, with ballot boxes and voting rooms if required), reserving rooms and arranging for interpreters in accordance with clause 8.4 sentence 4.
- 8.7. During the election, the Election Committee shall monitor and ensure compliance with this Co-Determination Agreement. The Election Committee shall then check and count the votes cast in the election and inform the Chair of the EEB of the results of the election.
- 8.8. Any resolutions passed shall be formally documented by the Election Committee. The Election Committee shall inform the EEB immediately about any such resolutions.
- 8.9. Clauses 6.10–6.12 shall apply accordingly.

9. Nominations for the election of the employee representatives on the Supervisory Board

- 9.1. In accordance with the following provisions, written nominations for employee representatives on the Supervisory Board ("Candidates") may be made by every Member State to which employee representative seats on the Supervisory Board may be allocated in line with clause 2. Such nominations shall be addressed to the Chair of MR AG's Group Staff Council before expiry of the period referred to in clause 6.4. The Chair shall forward the nominations to the Chair of the EEB immediately after its election. The Chair of the EEB shall forward the nominations to the Election Committee immediately after its election.
- 9.2. The nominations must specify the Candidate and a personal substitute member per Candidate. The nomination shall be accompanied by an acceptance of the nomination by the Candidate and by the respectively proposed substitute member. The substitute member should come from the same field of business as the Candidate; this shall not apply to nominees nominated by the trade unions. Nominations may be withdrawn within the period mentioned in clause 6.4. If a Candidate is nominated more than once, only the first nomination submitted (by date and time of receipt of nomination) shall be considered.
- 9.3. All employee representative bodies at all MR-Group companies and EU/EEA operations are entitled to submit written nominations to the Chair of MR AG's Group Staff Council. Clause 9.1 sentences 3 and 4 shall apply accordingly.
- 9.4. Where there is no employee representative body at a MR-Group company or EU/EEA operation, employees may submit written nominations to the Chair of MR AG's Group Staff Council. Such nominations must be signed by at least 20% of the employees of the relevant MR-Group company or EU/EEA operation, or by at least 50 employees of the relevant MR-Group company or EU/EEA operation. Clause 9.1 sentences 3 and 4 shall apply accordingly.
- 9.5. The trade unions located in the domestic territory and represented in the German MR-Group companies and the managerial staff committees in the MR-Group companies have the right to submit written nominations for their respective Supervisory Board seats pursuant to clauses 3.6 and 3.4. Such nominations must comprise at least twice as many nominees as there are seats to fill. Each trade union nomination should, individually, take account of the requirements of the Gender Quota Act.

10. List of criteria

- 10.1. Necessary aptitude, qualifications and experience shall be taken into account in the nominations and election for the mandate of a member of the Supervisory Board. In addition, the requirements of the Gender Quota Act must be fulfilled as follows: The minimum level of gender-based representation must be respected on both the employee side and the shareholder side respectively; clause 3.6 sentence 3 shall apply.

- 10.2. Further criteria for selecting Candidates are knowledge of primary insurance, reinsurance, investment, markets and clients, international experience and knowledge of foreign languages. Candidates should be focused on company interests, also in terms of safeguarding attractive jobs with a future in the long term.
- 10.3. By no later than 13 months before the scheduled commencement of the term of office of the Supervisory Board members to be elected, the Standing Committee of the EEB shall approve a list of criteria. The competence profile approved by the Supervisory Board shall be taken into proper consideration. The previous list of criteria shall remain in force until a new list of criteria is approved by the Standing Committee. Until the first list of criteria is drawn up by the Standing Committee, the list of criteria approved by the EEB at its meeting on 18 November 2013 shall apply. Legal and other current developments in the area of corporate governance must also be taken into account.

11. Election of the employee representatives on the Supervisory Board by the EEB

- 11.1. With regard to the election of the employee representatives on the Supervisory Board, the EEB shall be bound by the provisions of this Agreement.
- 11.2. For the purposes of the election, a three-fifths majority of the votes of the members of the EEB present (by headcount) and also a three-fifths majority of the employees they represent shall be required for each member of the Supervisory Board. In the event that more Candidates achieve the required majorities than there are seats to be filled, the Candidates who have received the most votes from the delegates attending (by headcount) shall be elected. In the event of a tie (by headcount), the result shall be determined by the number of employees represented by the votes. Should there still be a tie, a run-off ballot shall be held for the affected Candidates.
- 11.3. A personal substitute member shall be elected for each employee representative. Substitute members shall be automatically elected if the Candidate for whom they have been nominated is elected.
- 11.4. Elections shall be held in the following order:
 - a) First, the EEB elects representatives from an EU/EEA country other than Germany within the meaning of clauses 2.2 or 2.4 in conjunction with clause 3.5 sentences 1–3, taking into account clause 11.2.
 - b) The election of the senior executive representative on the Supervisory Board within the meaning of clause 3.4 and the union representatives pursuant to clause 3.6 by an "Assembly of the German members on the European Electoral Board" ("Assembly") shall then be held in accordance with the rules below.
 - aa) The senior executive representative shall be elected from the nominations submitted and admitted for the election in accordance with the principles of a majority vote and in compliance with clause 11.2.
 - bb) The union representatives shall be elected by list vote. In the event that only one nominee list is admitted for the election, the nominees shall be elected in accordance with their position on the list. If there is more than one nominee list admitted for the election, the election shall observe the principle of proportional representation in accordance with the St.Laguë/Schepers

procedure. In the event that the election result is such that the requirements of the Gender Quota Act are not met pursuant to clause 3.6 sentence 3, the following shall apply:

- aaa) The person named in the nominee list with the lowest number of votes who does not contribute to compliance with the requirements pursuant to clause 3.6 sentence 3 shall be replaced by the next not yet considered person on the same nominee list who contributes to compliance with the requirements pursuant to clause 3.6 sentence 3.
- bbb) In the event that such nominee list does not include any person who can contribute to compliance with the requirements pursuant to clause 3.6 sentence 3, the trade union seat concerned is transferred to the nominee list not yet considered with the next-highest number of votes and containing members who can contribute to compliance with the requirements pursuant to clause 3.6 sentence 3. In the event that the next-highest number of votes applies to more than one nominee list, the nominee list to which the trade union seat concerned is allocated shall be determined by lot.
- ccc) The procedure laid down under aaa) and bbb) shall continue until the requirements pursuant to clause 3.6 sentence 3 are met.
- ddd) In allocating the trade union seats in order to meet the requirements pursuant to clause 3.6 sentence 3, only those containing members of the individual nominee lists are to be considered who can contribute to compliance with the requirements pursuant to clause 3.6 sentence 3.
- eee) In the event that no other nominee list has containing members who can contribute to compliance with the requirements pursuant to clause 3.6 sentence 3, then clause 3.6 sentence 4 shall apply.

c) The EEB then elects the remaining employee representatives on the Supervisory Board.

11.5. The Chair of the EEB shall count the overall election result, including the election result of the senior executive representative and the union representatives.

11.6. In the event that, following conclusion of the election, it is ascertained that the minimum requirements pursuant to clause 3.3 (for representation of the reinsurance field of business) or clause 10.1 (gender quota) respectively are not met (the "Minimum Requirements"), the following shall apply:

The number of the Candidates elected in accordance with the rules set out above by which compliance with each of the Minimum Requirements respectively is missed shall be deemed not to have been elected and that number of Candidates shall not become members of the Supervisory Board. This rule shall be applied first to the Candidates elected in the last ballot who have not contributed to compliance with at least one of the Minimum Requirements. The order in which Candidates shall be deemed not to have been elected shall be determined in accordance with clause 11.2 sentences 2 to 4, which shall apply to the Candidates in reverse order of the number of votes they have received (by headcount) or, where the number of votes received is the same (by headcount), in reverse order of the number of employees the Candidates represent. In the event that this does not suffice to ensure compliance with each of the Minimum Requirements respectively,

the previous ballots shall be considered in the same way until the number of seats necessary for compliance with the Minimum Requirements are free.

After that, at least one new ballot is to be held as follows:

Only Candidates who are electable and who can contribute to compliance with at least one of the Minimum Requirements shall stand for election. The Candidate elected shall be that Candidate who fulfils the requirements of clause 11.2 and whose election – compared to the *status quo* – additionally contributes to compliance with at least one of the Minimum Requirements. Clause 11.5 shall apply accordingly.

In the event that none of the Candidates fulfils the requirements of clause 11.2 or that, even after the ballot, not all of the Minimum Requirements have been met, a further ballot must be held. Clause 11.6 subclause (4) and subclause (5) sentence 1 shall apply accordingly.

- 11.7. Minutes shall be kept of the negotiations, elections and resolutions of the EEB, signed by the Chair of the EEB and one other member. The minutes shall record the place and date of the elections and resolutions, those present, the election results, the wording of the resolutions, the results of the vote and the respective majorities by which the resolutions were passed and the elections held. The Chair of the EEB shall forward a copy of the minutes to the management of MR AG without delay.
- 11.8. The costs of holding the election, including any necessary translations and interpreting, shall be borne by MR AG. A (simultaneous) translation/interpretation into English will always be available. A translation into French, Spanish or Italian will be available on request to the hosting body (Chair of the Munich Re Group Staff Council or Chair of the EEB) by participating delegates at least seven days prior to the relevant meeting.
- 11.9. On conclusion of the election procedure, available seats shall be filled in accordance with the procedure set out in Section 104 of the German Stock Corporation Act (Aktiengesetz).

The same shall apply where an employee representative on the Supervisory Board and any substitute member cease to be members. Prior to the application for a judicial appointment pursuant to Section 104 of the German Stock Corporation Act, the applicant should consult the person who has exercised the nomination right in respect of the departing member.

12. Notice of the election of the employee representatives on the Supervisory Board

The election result shall be notified by the Chair of the EEB to the Board of Management of MR AG, the elected members and the elected substitute members. The Board of Management of MR AG shall notify all MR-Group companies and EU/EEA operations, employee representative bodies and Managerial Staff Committees of the results of the election in an appropriate manner, or ensure that such publication is made. This may be in the form of publication in the intranet or other electronic form. The Board of Management of MR AG shall also inform the German trade unions represented in the German MR-Group companies that submitted nominations for the elections. This can also be made in electronic form.

13. Term of office of Supervisory Board members

13.1. Supervisory Board members are appointed for a period up to the end of MR AG's Annual General Meeting at which the resolution is passed regarding whether to approve the actions of the Supervisory Board during the fourth financial year after the commencement of their term of office, not counting the financial year in which the term of office commences. The office of substitute member ends at the latest upon expiry of the term of office of the departing member of the Supervisory Board. Reappointments are permitted.

13.2. An employee representative must leave MR AG's Supervisory Board prior to the end of his or her term of office if they are no longer employed by a MR-Group company. This shall not apply to external union representatives.

13.3. In the event that an employee representative from the reinsurance field of business leaves the reinsurance field of business during his or her term of office, and by so doing causes the Minimum Requirement for representation on the Supervisory Board of the reinsurance field of business pursuant to clause 3.3 not to be met, that employee representative shall leave the Supervisory Board at the end of the month in question.

In the event that an employee representative from Germany is no longer employed primarily in a MR-Group company in Germany during a current term of office, that employee representative shall leave the Supervisory Board at the end of the month in question.

In the event that an employee representative from an EU/EEA country other than Germany is no longer employed primarily in a MR-Group company in an EU/EEA country other than Germany during a current term of office, that employee representative shall leave the Supervisory Board at the end of the month in question.

In the event that a senior executive representative loses his or her senior executive status during a current term of office, that senior executive representative shall leave the Supervisory Board at the end of the month in question.

In the event that an employee representative becomes a senior executive during a current term of office, such employee representative shall leave the Supervisory Board at the end of the month in question.

13.4. If an employee representative leaves before the end of the term of office, that representative's place on MR AG's Supervisory Board will be taken up by the appointed personal substitute member.

14. Removal from the Supervisory Board and contested elections

14.1. An employee or a personal substitute member may be removed from the Supervisory Board before their term of office ends. The EEB is responsible for removals in its last approved composition; clause 11.2 applies accordingly. The application for such a removal is based on the applicable national provisions; in the absence of such provisions, Section 26(1) of MgVG applies accordingly. If a member of the Supervisory Board is in serious breach of his or her duties, he or she shall be removed from the

Supervisory Board. Section 103 of the German Stock Corporation Act shall remain unaffected.

14.2. The election of an employee representative or personal substitute member on the Supervisory Board may be contested if material provisions relating to the voting right, eligibility or electoral procedure have been infringed and no rectification has ensued unless the results of the elections could have been neither altered nor affected by the infringement. The respective national legal provisions shall apply with regard to entitlement to apply. The EEB and MR AG's Board of Management are also entitled to make such an application. Challenges to contest the elections shall be lodged with at least one member of the arbitration tribunal within a month of the EEB's appointment resolution. A decision on the challenge to the election shall be made by the arbitration tribunal. An appeal may be lodged against the decision within a month of the arbitration tribunal's decision but no later than 12 months after the EEB's appointment resolution; the Labour Court (*Arbeitsgericht*) of Munich has sole jurisdiction. A decision by the arbitration tribunal shall be binding pending the entry into force of the ruling by the Labour Court.

15. Arbitration

15.1. Differences of opinion and disputes relating to the validity and interpretation of this Agreement shall, where legally admissible, be finally determined by an arbitration tribunal. The issue may be brought before the arbitration tribunal by the Supervisory Board, the Standing Council, the Standing Committee, or MR AG's Board of Management. The Standing Council is a body made up of the respective employee representatives on MR AG's Supervisory Board.

15.2. The arbitration tribunal shall be composed of three arbitrators. One arbitrator shall be nominated by MR AG's Board of Management and one by the Standing Committee. The nomination of an arbitrator by the Standing Committee shall be made during the election of employee representatives to the Supervisory Board. The two arbitrators shall then agree to appoint a third arbitrator as Chair. The arbitration tribunal shall be institutionalised for the Supervisory Board's term of office.

15.3. Should the two arbitrators fail to agree on a third arbitrator within three months of their nomination, the Chair of the Supervisory Board and the first deputy shall jointly reach a final decision. Should they be unable to agree, the third arbitrator shall be appointed by the Labour Court (*Arbeitsgericht*) of Munich.

15.4. Decisions by the arbitration tribunal shall be taken by simple majority. The place of arbitration is Munich. The arbitration proceedings shall be held in accordance with the Deutsche Institution für Schiedsgerichtsbarkeit e. V. (DIS) arbitration regulations. If conclusion of a separate arbitration agreement with MR AG should be necessary in this connection, the Chair of the Standing Committee is authorised to conclude such an agreement.

15.5. If decisions of the EEB, the Standing Committee, the Election Committee, the Standing Council and their respective Chairs (or their deputies) are challenged, such decisions shall remain in force until a contrary final decision has been made by the arbitration tribunal or a court.

16. Chair/ Deputies/ Labour Relations Director

- 16.1. The Supervisory Board shall elect, subject to its right of self-organisation, a Chair and one or more Deputy Chairs from among its members for the duration of their term of office on the Supervisory Board. The election of the Chair and the First Deputy shall be made by the Supervisory Board by a majority of two-thirds of the members of which it is to consist. The general provisions on requisite majorities shall apply to the election of other Deputy Chairs of the Supervisory Board.
- 16.2. If the Chair of the Supervisory Board or First Deputy nominated do not obtain the necessary majority in the election, the election of the Chair of the Supervisory Board and the First Deputy shall be put to a second vote. In that vote, the shareholder representatives of the Supervisory Board shall elect the Chair of the Supervisory Board, and the employee representatives of the Supervisory Board shall elect the First Deputy, by a majority of the votes cast in each case.
- 16.3. In the event of a Supervisory Board vote being tied, should a second vote on the same motion also result in a tie, the Chair of the Supervisory Board shall have a casting vote. Section 108(3) of the German Stock Corporation Act shall also apply to the casting of the second vote. The deputies have no entitlement to a casting vote.
- 16.4. One member of MR AG's Board of Management is responsible for personnel and welfare matters and human resources. This person currently carries the title of "Labour Relations Director".
- 16.5. The Supervisory Board appoints the members of MR AG's Board of Management in accordance with Section 84 of the German Stock Corporation Act by a majority of two-thirds of the votes cast. If the requisite majority is not obtained in the initial resolution, the Supervisory Board shall appoint the members of the Board of Management by a majority of the votes cast. The second resolution shall only be possible following a suitable period of reflection and after the issue has been dealt with in the competent committee, but is thereafter also possible by written consent in lieu of a meeting. The Committee shall, if necessary, meet immediately; "immediately" shall in general mean within three working days. This shall also apply accordingly to dismissal of a member of the Board of Management in accordance with Section 84 of the German Stock Corporation Act.

17. Rights and duties of the members of the Supervisory Board

- 17.1. The employee representatives on MR AG's Supervisory Board have the same rights and duties as the shareholder representatives.
- 17.2. All members of the Supervisory Board undertake to preserve the confidentiality of all confidential consultations and confidential information and company secrets, and in particular not to disclose any operational and business secrets. They shall use the available encryption techniques for the communication of confidential information by electronic mail. Confidentiality shall also be ensured if colleagues or experts are

consulted. This is only permissible, and then only to the extent necessary, for the fulfilment of their tasks.

- 17.3. The employee representatives shall be released from their professional duties in order to carry out their respective activities as members of MR AG's Supervisory Board with no reduction in their remuneration insofar as this is necessary for the due execution of their functions as employee representatives (including attending MR AG's Annual General Meeting and training and educational events relating to additional development needs in connection with Supervisory Board activities).
- 17.4. The employee representatives shall, where possible, prepare for each meeting of the Supervisory Board at a preliminary meeting. The Board of Management shall – if its presence is desired and in the event of its attendance at the meeting – be represented as a rule by the Chair of the Board of Management or the Board member responsible for personnel and welfare matters and human resources.
- 17.5. The working language on the Supervisory Board is German. Each employee representative may – where necessary – request that an interpreter is available at meetings of MR AG's Supervisory Board and of the respective preliminary meetings of the employee representatives, and that there is an English translation of the meeting agenda. MR AG shall bear the costs of interpretation and translation.

18. Reopening negotiations

- 18.1. In the following cases, negotiations on employee co-determination on the Supervisory Board shall be reopened at the behest of MR AG or the Standing Committee (by a resolution passed by the majority of its members):
- a) In the event of structural changes being planned at MR AG suitable to reduce employees' participatory rights.
 - b) In the event of plans to transfer MR AG's registered office to another Member State.
 - c) In the event that other fundamental re-structuring of the Group is planned, such as the disposal of the majority of MR AG's shares in ERGO Group AG to a party external to the Group.
 - d) In the event of the establishment of a European Staff Council at MR-Group level.
 - e) In the event that co-determination ends at ERGO Group AG.
 - f) In the event of any material change in the distribution of the number of employees employed in Germany and abroad. If fewer than 50% of all MR-Group employees are employed in Germany, this shall primarily constitute a material change.
 - g) In the event of a reduction in MR AG's Supervisory Board to fewer than 20 seats.
- 18.2. If negotiations are reopened, they shall be conducted between MR AG's Board of Management and the Standing Committee. If agreement is not reached in such negotiations, this Agreement shall apply until a new or amended agreement has been concluded. The right to terminate the Agreement in accordance with clause 19 shall remain unaffected.

19. Notice of cancellation/period in force

- 19.1. This Agreement may be terminated subject to twelve months' notice being given in writing to the respective end of the term of office of the Supervisory Board. The Agreement may be terminated by the Board of Management of MR AG or by the Standing Committee. Where no notice of termination is given, this Agreement shall be extended by five years in each case.
- 19.2. The Standing Committee and the Board of Management of MR AG may pass amendments to this Agreement during the period it is in force.
- 19.3. Following a notice of termination, the Board of Management of MR AG and the Standing Committee of the EEB shall open negotiations on a new agreement with an earnest intent to reach agreement. Should no new agreement have been reached on participation by the end of the period of notice, this Agreement shall be effective until a new or amended agreement has been concluded. The mandate of the employee representatives to MR AG's Supervisory Board ends only upon expiry of the term of office for which they have been elected.

20. Miscellaneous provisions

- 20.1. This Agreement shall be governed by the laws of the Federal Republic of Germany, excluding any provisions specifying that the laws of a different jurisdiction apply.
- 20.2. Amendments, addenda or substitutions to this Agreement must be made in writing and expressly refer to this Agreement in order to be effective. This shall also apply to waivers of the requirement regarding written form.
- 20.3. If any provisions or parts of provisions of this Agreement should be or become null and void, non-effective or non-executable, this shall not affect the validity of the remaining provisions. This shall apply in particular, if and insofar as individual provisions of this Agreement shall infringe mandatory law, irrespective of the importance or significance of the contractual provision to the Agreement. In place of the null and void, non-effective or non-executable regulation, such regulation shall apply as agreed that by place, time, extent and scope shall be closest to that intended by the contracting parties by the null and void, non-effective or non-executable provision. This shall also apply accordingly to any omissions.

20.4. **Entry into force of the Agreement**

This 2017 Agreement shall come into force when it has been signed by both parties.

Munich, 15.12.2017

Chair and Deputy Chairs of the Standing Committee of the European Electoral Board (EEB)
on behalf of the EEB

Munich, 8.12.2017

On behalf of Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft in München

Annex

Definitions:

“MR-Group employees” are employees of MR-Group companies and EU/EEA operations employed in the Member States of the European Union (EU) and the European Economic Area (EEA). “Employees“ means persons that have an employment relationship – even if the employee has several employers within MR-Group

- excluding members of the Board of Management and Board of Directors of the respective MR-Group companies;
- including senior executives; in Germany, senior executives are senior executives within the meaning of Section 5 (3) and (4) of the Works Constitution Act (BetrVG). In countries other than Germany, members of the Board of Management or Board of Directors of a MR-Group company pursuant to the law or the Articles of Association are considered as senior executives;
- including fixed-term employment contracts and trainees
- including part-time employees (incl. semi-retirement and parental leave)
- including dormant employment contracts
- including temporary staff employed for more than three months.

“Employee representative body” means, in Germany, any body representing the employees in accordance with the Works Constitution Act (BetrVG) (Staff Council, General Staff Council, Group Staff Council or a representative body constituted in accordance with Section 3(1) nos. 1–3 of the Works Constitution Act); and, outside Germany, any statutory body within a MR-Group company that represents the interests of the (non-executive) employees vis-à-vis management.

“ERGO Group” means ERGO Group AG and its direct and indirect subsidiaries.

“EU/EEA operations” means legally independent branches of MR AG and MR AG subsidiaries within the meaning of Section 2(3) of SEBG within the Member States, and also outside of the domicile of MR AG or the respective subsidiary.

“Member States”: see definition in clause 2.1.

“MR-Group” means MR AG and its direct and indirect subsidiaries within the meaning of Section 2 (3) of SEBG within the Member States.

“MR-Group companies” means the companies of MR-Group.

“SEAG” means the Act implementing Council Regulation (EC) No 2157/2001 of 8 October 2001 on the Statute for a European Company (SE) (SE implementation law – SEAG).

“SEBG” means the Act on the Participation of Employees in a European Company (SE Participation Act – SEBG).

“Field of business” means the combination of types of business activities within MR-Group. The current fields of business are reinsurance and primary insurance. For the purposes of this Agreement, Asset Management also counts as a field of business.

“Managerial Staff Committee” means, in Germany, the representatives of senior executive staff under the Executive Staff Council Act (SprAuG) (Managerial Staff Committee, Joint Managerial Staff Committee, Company Spokesperson Committee, Group Managerial Staff Committee) and, outside Germany, any committee within a MR-Group company that represents the interests of managers as against senior management.

“Standing Council” means a committee composed of the respective employee representatives on MR AG’s Supervisory Board.

The **“St.Laguë/Schepers procedure”** (or Webster’s method) is a highest averages method wherein the number of votes cast for different lists or candidates is divided by 1, 3, 5, 7, etc. (i.e. odd numbers) to determine the apportionment of mandates to different candidates or lists and award the seats successively to the lists or candidates that secure the highest resulting quotients.

“Assembly” means the delegates appointed by MR-Group companies registered in Germany and national EU/EEA operations.

(non-binding translation)

**Accompanying minutes to the Agreement on Employee Co-Determination at
Münchener Rückversicherungs-Gesellschaft
Aktiengesellschaft in München
(Munich Reinsurance Company Joint-Stock Company in Munich)**

Employee co-determination at Munich Reinsurance Company is governed by a Co-Determination Agreement, which was amended in the autumn of 2017. With respect to Section 10.3 of this Co-Determination Agreement 2017, the parties wish to express their joint understanding of this Agreement:

Different good corporate governance requirements apply to Munich Reinsurance Company, especially from the German Stock Corporation Act (Aktiengesetz) and the German Corporate Governance Code. Other good corporate governance rules applying to the Supervisory Board and its members are set out in detail in regulatory rules and directives. These include a list of criteria drawn up by the Supervisory Board for candidates/members of the Supervisory Board, the objectives set by the Supervisory Board for its composition, and the requirements of the Federal Financial Supervisory Authority (BaFin) concerning the fit and proper status of persons responsible for key functions or who carry out key functions. All these requirements and any other, especially binding legal requirements are covered by Section 10.3 of the Co-Determination Agreement and should be taken into proper account where legally possible.

Munich, [date]

Chair and Deputy Chairs of the Standing Committee of the European Electoral Board (EEB)
on behalf of the EEB

Munich, [date]

On behalf of Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft in München