

Munich Reinsurance Company  
Virtual Annual General Meeting  
2020

**Your invitation**

2020

## Cancellation of the Annual General Meeting with attendance in person

The Annual General Meeting of Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft in München (Munich Reinsurance Company), scheduled to be held on 29 April 2020 at the ICM – International Congress Center Munich, Am Messesee 6, 81829 München, the invitation to which was officially published in the Federal Gazette on 19 March 2020, is hereby cancelled. The invitation published in the Federal Gazette on 19 March 2020 is therefore null.

## Invitation to a Virtual Annual General Meeting without attendance in person by the shareholders

The Annual General Meeting is hereby being convened as a virtual meeting, without attendance in person by the shareholders or their proxies, at the same date and time and with the same agenda:

We hereby invite our shareholders to the 133rd Annual General Meeting, to be held as a Virtual Annual General Meeting on **Wednesday, 29 April 2020, at 10 a.m.**, at the offices of the Company, Königinstraße 107, 80802 Munich.

**Please note that neither shareholders nor their proxies may follow the Virtual Annual General Meeting in person at the offices of the Company.**

The Annual General Meeting will be held as a Virtual Annual General Meeting without attendance in person by the shareholders or their proxies, in accordance with Section 1(2) of the Act on Measures in Corporate Law, Cooperatives Law, Associations Law, Trust Law, and Real Estate Owner Law to Combat the Effects of the COVID-19 Pandemic dated 27 March 2020 (Federal Gazette I, p. 570; the “**COVID-19 Measures Act**”). For more details on shareholder and proxy rights, please see the “Further Details and Additional Information” section below, after the agenda and the reports on agenda items 6 and 7.

**An important notice in advance:** Even those shareholders who have already registered for the originally convened and now cancelled in-person Annual General Meeting, either for themselves or via a proxy, still have to re-register for this new, Virtual Annual General Meeting. Please see the information under “Prerequisites to exercising voting rights at the Virtual Annual General Meeting” below in this regard.

## Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft in München, Munich

This document is a translation of the original German version and is intended to be used for informational purposes only. While every effort has been made to ensure the accuracy and completeness of the translation, please note that the German original is binding.

# Agenda

- 1 Submission of the adopted Company financial statements, the approved consolidated financial statements, the combined management report for Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft in München and the Group, each for the 2019 financial year, the report of the Supervisory Board and the explanatory report on the information pursuant to Sections 289a(1) and 315a(1) of the German Commercial Code (HGB)**

These documents and the separate non-financial statement for Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft in München (hereinafter referred to as “Munich Reinsurance Company” or “the Company”) and the Group for the 2019 financial year are available on the internet at [www.munichre.com/agm](http://www.munichre.com/agm) (under “Documents”). They will also be available there during the Annual General Meeting.

The financial statements prepared by the Board of Management have already been approved by the Supervisory Board; the financial statements have thus been adopted. The Supervisory Board has also already approved the Group financial statements prepared by the Board of Management. In accordance with statutory provisions, there will therefore be no resolution in respect of this agenda item.

- 2 Resolution on the appropriation of the net retained profits from the 2019 financial year**

The Supervisory Board and the Board of Management propose that the net retained profits for 2019 of €1,414,315,037.80 be utilised as follows:

Payment of a dividend of €9.80 on each dividend-bearing, no-par value share	€1,386,313,860.40
Carried forward to new account	€28,001,177.40
<hr/>	
Net retained profits	€1,414,315,037.80

The proposal for the appropriation of the profit takes into account treasury shares held directly or indirectly by the Company on 31 December 2019. Pursuant to Section 71b of the German Stock Corporation Act (AktG), these treasury shares carry no dividend. By the time of the Annual General Meeting, the number of dividend-bearing shares may change through the further acquisition or disposal of treasury shares. In this case, a proposal for the appropriation of the profit with an unchanged dividend of €9.80 per dividend-bearing, no-par value share, suitably modified in the dividend and profits carried forward items, will be made to the Annual General Meeting.

Pursuant to Section 58(4) sentence 2 AktG, the right to the dividend becomes due on the third business day following the resolution of the Annual General Meeting. The dividends are thus scheduled to be paid out on 5 May 2020.

### **3 Resolution to approve the actions of the members of the Board of Management**

The Supervisory Board and the Board of Management propose that approval for the actions of the members of the Board of Management in the 2019 financial year be given for that period.

### **4 Resolution to approve the actions of the members of the Supervisory Board**

The Supervisory Board and the Board of Management propose that approval for the actions of the members of the Supervisory Board in the 2019 financial year be given for that period.

### **5 Resolution to elect a member of the Supervisory Board**

Pursuant to Sections 96(1) and 101(1) AktG and Sections 5 no. 1, 15(1) and (22) of the German Act on the Co-Determination of Employees in Cross-Border Mergers (MgVG) in conjunction with the Co-determination Agreement of Munich Reinsurance Company concluded between the managements of the Company and Münchener Rück Italia S.p.A. and the Special Negotiating Body dated 28 November/10 December/12 December 2008 (as amended on 15 December 2017, together with the minutes dated 26 July 2019 – hereinafter referred to as the “Co-Determination Agreement”) and pursuant to Article 10(1) of Munich Reinsurance Company’s Articles of Association, the Supervisory Board is to be composed of ten members elected by the shareholders at the Annual General Meeting and ten members elected by the employees.

Dr. Kurt Wilhelm Bock has stepped down as a member of the Supervisory Board of Munich Reinsurance Company effective as of the end of the Annual General Meeting on 29 April 2020.

The Supervisory Board proposes to elect

Mr. Carsten Spohr, Munich  
Chair of the Board of Management of Deutsche Lufthansa AG

as a shareholder member to the Supervisory Board for the remainder of Dr. Kurt Wilhelm Bock’s original term of office, namely until the end of the Annual General Meeting that votes on the approval of the 2023 financial year.

The election proposal of the Supervisory Board is based on the recommendation of the Nomination Committee, and takes into account the objectives set by the Supervisory Board regarding its composition, while simultaneously aiming to fulfil the competence profile of the full Board.

Women and men must each constitute at least 30 percent of the Supervisory Board of Munich Reinsurance Company (Section 96(3) AktG). According to the Co-Determination Agreement, the minimum share of 30 percent must be fulfilled separately on the employee side and on the shareholder side. Since the responsible bodies have elected five women and five men as the employee representatives to the Supervisory Board for the current term, the minimum share has been fulfilled on the employee side. By electing the proposed candi-

date to the Supervisory Board, the 30 percent minimum share for shareholders would also be fulfilled (four women and six men).

The annex to this invitation includes further information about the proposed Supervisory Board candidate, including a curriculum vitae.

## **6 Resolution on the authorisation to acquire and dispose of own shares, the possibility of excluding tender and subscription rights, the retirement of acquired treasury shares, and on the cancellation of the existing authorisation**

The authorisation to buy back and use own shares, issued by the Annual General Meeting on 25 April 2018, has already been in large part utilised by the 2018/2019 and 2019/2020 share buy-back programmes. A proposal to grant the Company a new authorisation to buy back own shares is therefore to be submitted to the Annual General Meeting.

The Supervisory Board and the Board of Management propose that the following resolutions be adopted:

- a) The Board of Management is authorised, with the Supervisory Board's approval, to buy back shares until and including 28 April 2023, up to a total amount of 10% of the share capital at the time the resolution is adopted. If at the time this authorisation is exercised the existing share capital is lower, that amount is to be deemed material. The authorisation may be exercised as a whole or in partial amounts, on one or more occasions and for one or more purposes. The shares may be acquired directly by the Company, by dependent companies or enterprises in which the Company has a majority shareholding (Group Companies), or by third parties acting for the Company or a Group Company. The shares acquired plus other treasury shares in the possession of the Company, or attributable to the Company pursuant to Sections 71d and 71e AktG may at no time amount to more than 10% of the share capital. The authorisation may not be used for trading in treasury shares.
- b) The shares will be acquired at the discretion of the Board of Management aa) via the stock exchange; or bb) via a public purchase offer to all shareholders; or cc) via a solicitation to all shareholders to submit sales offers (request to sell); or dd) via a public offer to all shareholders to exchange Munich Reinsurance Company shares for shares in another listed company as defined in Section 3(2) AktG.
  - aa) If the shares are bought back via the stock exchange, the purchase price (excluding incidental expenses) may not exceed by more than 10% or undercut by more than 20% the arithmetic mean of the closing price in Xetra trading on the Frankfurt Stock Exchange determined for Company shares with the same securities number on the last three days of trading prior to the commitment to purchase.
  - bb) If the shares are bought back via a public purchase offer, the purchase price per share or the upper and lower limits of the price range (excluding incidental expenses) may not exceed by more than 10% or undercut by more than 20% the arithmetic mean of the closing price determined in Xetra trading on the Frankfurt Stock Exchange for Company shares with the same securities number on the fifth, fourth and third trading days before the date on which the

offer is published. If after a public purchase offer there are significant deviations in the relevant share price, the offer may be adjusted. In this case, the basis for determining the purchase price or the purchase price range will be the arithmetic mean of the closing price determined in Xetra trading on the Frankfurt Stock Exchange for Company shares with the same securities number on the fifth, fourth and third trading days before the public announcement of the adjustment. The volume may be restricted. If the offer is oversubscribed, the shareholders' right to tender shares may be restricted to the extent that acceptance is based on the proportions of shares tendered (tender ratios). The Company may provide for preferred acceptance of small lots of shares (up to 100 shares tendered per shareholder). The purchase offer may provide for further conditions.

**cc)** If the Company publicly solicits offers to sell Munich Reinsurance Company shares, the Company may in its solicitation state a purchase price range within which offers may be submitted. The solicitation may provide for a submission period, terms and conditions, and the possibility of adjusting the purchase price range during the submission period if, after publication of the solicitation, significant share price fluctuations occur during the submission period. Upon acceptance, the final purchase price shall be determined from all the submitted sales offers. The purchase price (excluding incidental expenses) for each Company share may not exceed by more than 10% or undercut by more than 20% the arithmetic mean of the closing prices of Company shares in Xetra trading on the fifth, fourth and third trading days prior to the date on which the Company accepts the offers. If the number of Company shares offered for sale exceeds the total volume of shares the Company intended to acquire, the shareholders' right to tender shares may be restricted to the extent that acceptance is based on the proportions of tendered shares (tender ratios). The Company may provide for preferred acceptance of small lots of shares (up to 100 shares tendered per shareholder).

**dd)** In the case of a public offer to exchange Munich Reinsurance Company shares for shares in another listed company (Exchange Shares) as defined in Section 3(2) AktG, a certain exchange ratio may be specified or also determined by way of an auction procedure. A cash benefit may also be provided for as an additional payment to the exchange offered or as compensation for any fractional amounts. In each of these procedures for the exchange of shares, the exchange price or the applicable upper and lower limits of the price range in the form of one or more Exchange Shares and calculated fractional amounts, including any cash or fractional amounts (excluding incidental expenses), may not exceed by more than 10% or undercut by more than 20% the relevant value of Company shares. The basis for calculating the relevant value of each Company share and of each exchange share shall be the respective arithmetic mean of the closing price in Xetra trading on the Frankfurt Stock Exchange on the fifth, fourth and third trading days before the date on which the exchange offer is published. If the Exchange Shares are not traded in the Xetra trading system on the Frankfurt Stock Exchange, the basis shall be the closing prices quoted on the stock exchange having the highest average trading volume in respect of the Exchange Shares in the course of the preceding calendar year. If after a public exchange offer there are significant deviations in the relevant share price, the offer may be adjusted. In this case, the basis for the adjustment shall be the arithmetic mean closing price on the fifth, fourth and third

trading days before the date of the public announcement of the adjustment. The volume may be restricted. If the exchange offer is oversubscribed, the shareholders' right to tender shares may be restricted to the extent that acceptance is based on the proportions of shares tendered (tender ratios). The Company may provide for preferred acceptance of small lots of shares (up to 100 shares tendered per shareholder). The exchange offer may provide for further conditions.

- c) The Board of Management is empowered to use shares acquired on the basis of the aforementioned or previously granted authorisations or pursuant to Section 71d sentence 5 AktG for all legally admissible purposes, and in particular as follows:
- aa) They may be used for launching the Company's shares on foreign stock exchanges where they are not yet admitted to trading.
  - bb) They may be sold directly or indirectly in return for non-cash payment, in particular as part of offers to third parties in connection with mergers or acquisitions of companies or parts of companies, shareholdings or other assets. Selling in this regard may also include the granting of conversion or subscription rights or of warrants and the transferring of shares in conjunction with securities lending.
  - cc) They may be sold to third parties for cash other than via the stock exchange or via an offer to all shareholders.
  - dd) They may be used for the hedging of or delivery under conversion rights, warrants, or conversion obligations, in particular arising out of or in connection with convertible bonds or bonds with warrants issued by the Company or by one of its Group Companies. If treasury shares are offered to all shareholders, the number of shares to which holders of such conversion rights, warrants, or conversion obligations would be entitled as shareholders after exercising their conversion right or warrant or meeting their conversion obligation may also be offered to such holders of warrants or conversion rights/obligations.
  - ee) They can be offered to all shareholders in order to enable them to subscribe for treasury shares against full or partial assignment of their right to payment of the dividend arising out of the resolution on the appropriation of profits at the Annual General Meeting (scrip dividend).
  - ff) They may be retired without a further resolution of the Annual General Meeting being required. Any retirement may be limited to a portion of the repurchased shares. The Board of Management may determine that the shares can also be retired in a simplified process, without reducing the share capital, by adjusting the proportion of the Company's share capital represented by each of the remaining no-par-value shares. In this case, the Board of Management shall be authorised to adjust the number of no-par-value shares in the Articles of Association.
- d) The price at which the shares are launched on other stock exchanges in accordance with subitem c) aa) or sold to third parties in accordance with subitem c) cc) may not significantly undercut the opening stock price in Xetra trading on the Frankfurt Stock Exchange determined for Company shares with the same securities number

(excluding incidental costs) on the day the shares are launched or the binding agreement with the third party is concluded. In addition, in these cases the sum of the shares sold, together with any shares that may have been or will be sold or issued during the term of this authorisation by directly or indirectly excluding the shareholders' subscription rights, pursuant to Section 186(3) sentence 4 AktG, may not exceed a total of 10% of the share capital, either at the time this authorisation enters into force or when the shares are issued or sold.

- e) Should the Xetra trading system be replaced by a comparable successor system, the latter is also to take the place of the Xetra trading system for the purposes of this authorisation.
- f) The authorisations in accordance with subitem c) may be utilised one or more times, partially or wholly, individually or jointly; the authorisations in accordance with subitems c) bb), cc), or dd) may also be utilised by Group Companies, or by third parties acting for the Company or for Group Companies.
- g) Shareholders' subscription rights in respect of these repurchased shares shall be excluded insofar as the shares are used in accordance with the authorisations in subitems c) aa), bb), cc) or dd). If the own shares are used for the purpose mentioned in subitem c) ee), the Board of Management shall be authorised to exclude the right of subscription.

The utilised own shares subject to the exclusion of shareholder subscription rights may not represent more than 10% of the share capital, either at the time this authorisation takes effect or at the time the shares are used. This limit includes shares issued or sold, or to be issued, subject to the exclusion of shareholder rights based on other authorisations, during the term of this authorisation.

- h) The authorisation to buy back and use own shares granted by the Annual General Meeting on 25 April 2018 is cancelled as from the moment this new authorisation comes into effect.

**7 Resolution to authorise the issue of convertible bonds, bonds with warrants, profit participation rights or profit participation certificates (or combinations of such instruments) and of hybrid financial instruments, with the option of excluding subscription rights; to cancel the Contingent Capital 2015; to create a new contingent capital (Contingent Capital 2020); and to make the corresponding amendment to the Articles of Association**

The authorisation from the Annual General Meeting dated 23 April 2015 to issue convertible bonds, bonds with warrants, profit participation rights or profit participation certificates expires on 22 April 2020 and is to be renewed. The existing Contingent Capital Increase 2015 is to be cancelled and replaced by a new Contingent Capital Increase 2020.

The Supervisory Board and the Board of Management propose that the following resolution be adopted:



**a) Authorisation**

**aa) Period of authorisation, nominal amount, term to maturity, currency, issue by Group Companies, limit**

The Board of Management is authorised, with the consent of the Supervisory Board, to issue in one or more issues until and including 28 April 2025, subordinated or non-subordinated convertible bonds, bonds with warrants, profit participation rights, profit participation certificates or combinations of such instruments, with or without a limited term to maturity, which may grant the holders or creditors (hereinafter together "Holders") conversion rights, warrants or conversion obligations in respect of shares of the Company up to a maximum proportional amount of the share capital of €117m (this constitutes ca. 19.9% of the current share capital).

The authorisation includes the issue of subordinated financial instruments, without conversion rights, warrants or conversion obligations, to which Section 221 AktG applies due to their profit-based interest rate, loss-participation provisions, or for other reasons, and which do not fall under the legal category of profit participation rights, (as aforementioned and hereinafter "Hybrid Financial Instruments"; convertible bonds, bonds with warrants, profit participation rights, profit participation certificates (including combinations of such instruments) and Hybrid Financial Instruments together also referred to as "Bonds"). Hybrid Financial Instruments are to be used to create Tier 1 own-fund items under insurance supervisory regulations.

The total nominal amount of the Bonds to be issued under this authorisation may not exceed a maximum of €5bn.

The Bonds may be issued to bearer or registered. The Bonds may also be issued against contribution in kind. The Bonds may be denominated in Euros as well as in the legal currency of another OECD country, provided the equivalent amounts to those stated above in Euros are not exceeded. They may also be issued by Group Companies; in this case, the Board of Management is authorised to guarantee the Bonds on behalf of the Company and to grant the Holders of such Bonds conversion rights, warrants or conversion obligations on the Company's shares.

Fixed and/or variable interest rates may be payable on the Bonds.

Shares to be issued as a result of conversion rights, warrants or conversion obligations from Bonds issued under this authorisation may not exceed, together with own shares sold during the term of this authorisation and shares issued during the term of this authorisation from the current of future authorised capital, 30% of the share capital, either at the time this authorisation enters into force or at the time it is exercised.

**bb) Subscription rights, exclusion of subscription rights, limit**

Shareholders are generally entitled to a subscription right in respect of the Bonds. The Bonds may also be underwritten by one or more banks or equivalent institutions pursuant to Section 186(5), sentence 1 AktG subject to the obligation to offer them to the shareholders. If Bonds are issued by a Group Company, the Company must ensure

that the shareholders of Munich Reinsurance Company are granted subscription rights pursuant to the law in accordance with the previous sentence.

However, the Board of Management shall be authorised, with the consent of the Supervisory Board, to exclude shareholders' subscription rights to the Bonds in the following cases:

- (1) insofar as it is necessary in respect of fractional amounts resulting from the subscription ratio;
- (2) insofar as it is necessary to grant subscription rights to the holders of already issued bonds with conversion rights, warrants or conversion obligations in respect of shares of the Company to the extent to which they would be entitled as shareholders after exercising those rights or meeting the conversion obligations;
- (3) insofar as Bonds with conversion rights, warrants or conversion obligations are issued against cash and the issue price is not significantly below the Bonds' market value determined according to recognised principles of financial mathematics. However, this authorisation to exclude subscription rights applies only to Bonds with rights or obligations to convert into shares which do not represent more than 10% of the share capital, either at the time this authorisation enters into force or at the time it is exercised. This maximum limit shall include shares sold or issued, or to be issued, during the term of this authorisation on the basis of other authorisations with exclusion of subscription rights, directly or indirectly pursuant to Section 186(3) sentence 4 AktG;
- (4) insofar as Bonds without conversion rights or warrants or conversion obligations are issued against cash and the issue price is not significantly below the Bonds' market value determined according to recognised principles of financial mathematics, and insofar as they have features similar to debt instruments, i.e. they do not confer any entitlement to membership of the Company or to a share in the proceeds of liquidation, and the interest or return payable is not calculated on the basis of the amount of the profit for the year, the net retained profits or the dividend;
- (5) insofar as the Bonds are to be issued against contribution in kind, the exclusion of subscription rights – especially in the context of company mergers or in connection with the acquisition of companies or participations – is in the interests of the Company, and the value of the contribution in kind is proportionate to the Bonds' market value determined according to recognised principles of financial mathematics.

If Bonds are issued under this authorisation with conversion rights or warrants, or conversion obligations, and subscription rights are excluded, the shares issued to convert such Bonds may not represent more than 10% of the share capital, either at the time this authorisation enters into force or at the time it is exercised. This limit includes shares issued or sold, or to be issued, subject to the exclusion of shareholder rights based on other authorisations, during the term of this authorisation until the time it is exercised.

### **cc) Conversion rights, conversion obligations**

In the event of the issue of Bonds with conversion rights, the Holders may convert their Bonds into Company shares in accordance with the bond conditions. The proportional amount of share capital represented by the shares to be issued as a result of the conversion may not exceed the nominal amount of the Bonds, or the issue price if lower. The conversion ratio is determined by dividing the nominal amount, or the issue price if lower, of one Bond by the conversion price defined to acquire one Company share. The conversion ratio may be rounded up or down to a whole figure; in addition, a supplementary cash payment may be specified. Furthermore, the bond conditions may provide for fractional amounts to be combined and/or compensated for in cash. The bond conditions may also provide for a variable conversion ratio.

The bond conditions may include a conditional or unconditional obligation to convert, at maturity or at another date that may be determined by a future event that is still uncertain at the time of issue (Final Maturity), or entitle the Company at Final Maturity of the Bonds, in full or partial substitution for paying the amount due, to grant the Holders of the Bonds shares in the Company or in another company listed on a stock exchange (Company Right of Substitution).

In this case, the Company may be entitled bond conditions to compensate fully or partially in cash any difference between the nominal amount of the Bonds and the result obtained from multiplying a market price for the shares at the time of the exchange – such price to be more closely defined in the terms and conditions of the Bonds, but to be at least 50% of the share price relevant for the lower conversion price limit pursuant to subitem (ee) below – by the conversion ratio.

### **dd) Warrants**

In the event of a warrants issue, one or more warrants are to be attached to each Bond that entitles the Holder to subscribe for shares in Munich Reinsurance Company in accordance with the warrant conditions. The proportional amount of the share capital to be subscribed for per Bond may not exceed the nominal value of the Bond. The bond conditions may also stipulate that the number of shares subscribed for on exercise of the warrants is variable. The warrant conditions for Bonds with warrants denominated in Euros issued by the Company may stipulate that the exercise price can also be paid by transfer of Bonds ("trade-in") together with, if necessary, a cash payment.

### **ee) Conversion or warrant price, dilution**

The conversion or exercise price fixed for one share must be at least 50% of the average closing price of Munich Reinsurance Company shares in Xetra trading on the Frankfurt Stock Exchange (or equivalent successor system) on the ten trading days preceding the date of the Board of Management's final decision on the issue of the Bonds. In the case of subscription rights trading, the relevant days are those on which the subscription rights are traded on the Frankfurt Stock Exchange, with the exception of the last two days of subscription rights trading on the stock exchange.

If a conversion obligation or a Company Right of Substitution is provided for in accordance with subitem cc), the exercise or conversion price for one share can be the average closing price of Munich Reinsurance Company shares in Xetra trading on the Frankfurt Stock Exchange (or equivalent successor system) on the ten trading days preceding or following the Final Maturity date, even if such exercise or conversion price is below the minimum price stipulated in the previous paragraph. Sections 9(1) and 199(2) AktG remain unaffected.

Notwithstanding Section 9(1) AktG, the Bond conditions may contain a clause safeguarding against the dilution of stock for the event that during the conversion or exercise period the Company, in granting its shareholders subscription rights, either increases its capital or issues further Bonds with conversion rights, warrants or conversion obligations, and does not grant the Holders subscription rights to the extent to which they would have been entitled after exercising the conversion or exercise rights or after meeting the conversion obligations. The terms and conditions may also provide for the conversion/exercise price or the conversion/exercise ratio to be adjusted or cash components to be granted in the event of other measures being taken by the Company that might lead to a dilution in the value of the conversion rights, warrants or conversion obligations. The proportional amount of the share capital to be subscribed for per Bond may on no account exceed the nominal value of the Bond.

#### **ff) Other possible structures**

Subject to compliance with the above conditions, the Board of Management is authorised to determine all further details of the issue and terms and conditions of the Bonds or to establish such terms and conditions in agreement with the Group Company issuing the Bonds, particularly the issue price, the maturity and denomination, agreement of any subordination to other liabilities, the subscription or conversion ratio (such as a variable conversion ratio depending on the performance of the share price during the term or a conversion ratio based on a Bond issue price lower than the nominal value), fixing of an additional cash payment, compensation for or combination of fractional amounts, the exercise or conversion price (also whether, for example, the price is to be fixed on the issue of the Bonds or on the basis of future share prices within a defined band), and the exercise or conversion period. The conditions may also stipulate whether the Company's own shares, issuance of shares from authorised capital, payment of the equivalent value in cash or other securities listed on a stock exchange may be offered instead of fulfilment by way of contingent capital increase and, in the case of mandatory convertible bonds, how details of the performance, terms and fixing of the exercise or conversion price are to be determined.

#### **b) Contingent capital increase**

A contingent increase in the share capital by up to 117 million Euros, consisting of new registered no-par-value shares, is authorised (Contingent Capital 2020). The purpose of this contingent capital increase is to permit shares to be granted to the Holders of convertible bonds, bonds with warrants, profit participation rights or profit participation certificates (or combinations of such instruments) with conversion rights, warrants or conversion obligations, that are issued by the Company or a Group Company in accordance with the afore-

mentioned authorisation granted for the period from 29 April 2020 to the end of the day on 28 April 2025. The new shares are to be issued at the exercise and conversion price fixed in accordance with the criteria of the aforementioned authorisation. The increase in the share capital is to be carried out only to the extent that warrants or conversion rights under the aforementioned instruments are exercised, or conversion obligations under these instruments are fulfilled, and insofar as other means of fulfilment are not introduced. The issued shares are to participate in the profits as of the beginning of the financial year in which they are issued; as an exception the Board of Management may, with the approval of the Supervisory Board, decide that the new shares may also participate in the profits of a previous financial year for which a resolution on the appropriation of profits has not yet been made by the Annual General Meeting at the time of their issue. The Board of Management is authorised to decide on the further details of the contingent capital increase.

**c) Cancellation of Contingent Capital 2015**

No Bonds with conversion rights, warrants or conversion obligations in respect of Munich Reinsurance Company shares were issued on the basis of the authorisation granted by the Annual General Meeting on 23 April 2015. The Contingent Capital 2015 adopted by the Annual General Meeting on 23 April 2015 in the amount of €117m is cancelled.

**d) Amendment to the Articles of Association**

In Article 4 of the Articles of Association the existing paragraphs (2) und (3), containing the Authorised Capital 2015 which expired on 22 April 2020, and the Contingent Capital 2015 which was cancelled in subitem c), are cancelled. In Article 4 of the Articles of Association the following paragraph (2) shall be inserted:

“(2) A contingent increase in the share capital by up to 117 million Euros, consisting of new registered no-par-value shares, has been authorised. The purpose of this contingent capital increase is to permit shares to be granted to the holders of convertible bonds, bonds with warrants, profit participation rights or profit participation certificates (or combinations of such instruments) with conversion rights, warrants or conversion obligations, which are issued by the Company or a Group Company in accordance with the authorisation granted by the Annual General Meeting on 29 April 2020 for the period from 29 April 2020 to the end of the day on 28 April 2025. The increase in the share capital is to be carried out only to the extent that warrants or conversion rights under the aforementioned instruments are exercised, or conversion obligations under these instruments are fulfilled, and insofar as other means of fulfilment are not introduced. The issued shares are to participate in the profits as of the beginning of the financial year in which they are issued; as an exception the Board of Management may, with the approval of the Supervisory Board, decide that the new shares may also participate in the profits of a previous financial year for which a resolution on the appropriation of profits has not yet been made by the Annual General Meeting at the time of their issue. The Board of Management is authorised to decide on the further details of the contingent capital increase (Contingent Capital 2020).”

Article 4 paragraph (4) shall become Article 4 paragraph (3) of the Articles of Association.

## **8 Resolution on further amendments to the Articles of Association**

The German Act Implementing the Second Shareholders' Rights Directive (ARUG II) has entered into force on 1 January 2020. ARUG II contains, among other provisions, changes to the shareholders' register and to the Annual General Meeting, though they will largely only enter into force as of 3 September 2020 due to a transitional rule. In that regard, the Articles of Association need to be adjusted slightly to comply with these statutory provisions. Additionally, Article 8(1) sentence 2 of the Articles of Association is to be changed to clarify that Section 27(3) of the German Co-Determination Act (MitbestG) does not apply to Munich Reinsurance Company, which is subject to the MgVG.

The Supervisory Board and the Board of Management propose that the following resolutions be adopted:

- a) Article 3(3) sentence 1 of the Articles of Association is to be amended as follows:

The words "holders of shares" are to be replaced by the word "shareholders".

Article 3(3) sentence 1 of the Articles of Association will thus read as follows:

"The shareholders shall be obliged to disclose to the Company any information required by law relating to entry in the shareholders' register."

- b) Article 3(3) sentence 2 of the Articles of Association is to be amended as follows:

The words "as the holder" are to be deleted.

Article 3(3) sentence 2 of the Articles of Association will thus read as follows:

"Furthermore, they shall indicate the extent to which the shares actually belong to the person duly entered in the shareholders' register."

- c) Article 3(3) sentence 3 of the Articles of Association is to be deleted.

- d) Article 3(4) sentence 1 of the Articles of Association is to be reworded as follows:

"In relation to the Company, rights and obligations from shares exist only for and against the party registered in the shareholders' register."

- e) Article 3(4) sentence 2 of the Articles of Association is to be amended as follows:

The words "as a shareholder" are to be deleted.

Article 3(4) sentence 2 of the Articles of Association will thus read as follows:

“Entries under a person’s own name in respect of shares belonging to a third party shall be subject to the following conditions:”

- f) Article 3(5) of the Articles of Association is to be amended as follows:

The word “shareholders” is to be deleted and the word “exceed” [überschreiten] is to be replaced with the word “exceeds” [überschreitet].

Article 3(5) of the Articles of Association will read as follows:

“As long as and as far as entries in one’s own name for shares which belong to a third party exceed the maximum limit of 2% of the share capital as stated in the Articles of Association, the shares entered shall not carry any voting rights.”

- g) Article 3(6) of the Articles of Association is to be reworded as follows:

“The provisions of paragraphs (3) to (5) entered into force on 1 January 2010, and the respective current version applies as of that date to existing entries as well.”

- h) Article 6(3) of the Articles of Association is to be amended as follows:

The words “If shareholders are entered under their own name as being the holders of shares which belong to a third party exceeding 0.1% of the share capital as stated in the Articles of Association” shall be replaced by the words “If there is an entry in the shareholders’ register under one’s own name for shares which belong to a third party exceeding 0.1% of the share capital as stated in the Articles of Association”.

Article 6(3) of the Articles of Association will thus read as follows:

“If there is an entry in the shareholders’ register under one’s own name for shares which belong to a third party exceeding 0.1% of the share capital as stated in the Articles of Association, disclosure regarding the submitted shares pursuant to Article 3 (4) (b) of the Articles of Association must be made to the Company no later than three days prior to the Annual General Meeting.”

- i) Article 6(4) of the Articles of Association is to be deleted.

- j) Article 8(1) sentence 2 of the Articles of Association is to be amended as follows:

The words “by the member elected by the members of the Supervisory Board of shareholders pursuant to Section 27 (3) of the German Co-Determination Act (Mitbestimmungsgesetz)” are to be replaced by the words “by the other shareholder representative to the Supervisory Board on the committee as per Article 13(3) sentence 3 of these Articles of Association (Conference Committee).”

Article 8(1) sentence 2 of the Articles of Association will thus read as follows:

“In the event that he is unable to attend or is unwilling to chair the Meeting, the Chair shall be taken by another member of the Supervisory Board duly determined by the Chair of the Supervisory Board, or – in the absence of such an appointment – by the other shareholder representative to the Supervisory Board on the committee as per Article 13(3) sentence 3 of these Articles of Association (Conference Committee).”

The Board of Management is instructed to submit the above amendments to the Articles of Association under a) to i) for entry in the commercial register in such a way that the amendments are not entered before 3 September 2020.

The current Articles of Association are available on the Company's website at [www.munichre.com/agm](http://www.munichre.com/agm) (under “Documents”). They will also be available there during the Annual General Meeting.

## **Reports of the Board of Management on the exclusion of subscription rights proposed under agenda items 6 and 7 above (Section 186(4) sentence 2 in conjunction with Sections 71(1) no. 8 and 221(4) AktG)**

### **1. Report on agenda item 6**

The authorisation to buy back and utilise own shares, granted by the Annual General Meeting on 25 April 2018, has already been in large part utilised by the 2018/2019 and 2019/2020 share buy-back programmes. Therefore, the existing authorisation is to be replaced by a new authorisation, by way of the proposed resolution before you. The Company is again to be given the opportunity to buy back own shares up to a total amount of 10% of the Company's current share capital or the Company's existing share capital at the time this authorisation is exercised, whichever amount is the lower. The new authorisation is to be granted for a term of three years. The Company may purchase its own shares for any legally permissible purpose. This includes the purchase of own shares by dependent Group Companies or companies in which the Company has a majority shareholding – for example, for the purpose of using them in unit-linked insurance products for the relevant funds.

For this reason, the Company is to be enabled to buy back shares not only via the stock exchange but also through a public offer to shareholders of the Company or through a public solicitation to shareholders to submit an offer to sell Company shares. The Company is also to be given the possibility to offer not only cash but also shares in other listed companies by way of exchange, which for shareholders can be an attractive alternative to a public purchase offer. It gives the Company additional scope for optimally structuring share buy-backs, which is also in the interests of the shareholders.

Following a public offer to shareholders of the Company to sell or exchange their shares, or a public solicitation to shareholders to submit an offer to sell Company shares, if the number of Company shares tendered or offered for sale exceeds the total number of shares the Company intended to acquire, acquisition or acceptance will be effected by restricting the right of shareholders to tender shares based on the ratio of shares tendered or offered. This procedure will simplify the acquisition process. The preferred acceptance of small lots of shares (up to 100 shares tendered per shareholder) is also for simplification purposes.



Own shares which the Company buys back may be sold again via the stock exchange or a public offer to all shareholders. This embraces the statutory principle of equal treatment (Section 53a AktG).

Besides this, the Company may also limit shareholders' subscription rights and, pursuant to Section 186(3) sentence 4 AktG, may sell the Company's own shares to institutional investors, for example, or launch the shares on foreign stock exchanges. That is in the interests of the Company and puts it in a position to react quickly and flexibly to favourable stock market situations. The shares may only be sold at a price which does not significantly undercut the current stock market price. The Board of Management will endeavour – taking into account current market circumstances – to keep any discount on the stock market price as low as possible. It will only avail itself of this authorisation to exclude subscription rights in the sale of own shares insofar as – in conjunction with existing authorisations to issue shares with simplified subscription-right exclusions, namely from authorised capital or as a result of an issue of convertible bonds or bonds with warrants – the limit of 10% of the Company's share capital is not exceeded.

The authorisation is also designed to give the Company the option of having own shares available to offer as a consideration in connection with mergers, acquisitions of companies or the purchase of shareholdings. International competition and the globalisation of the economy also require this type of acquisition financing. The proposed authorisation is intended to give the Company the necessary scope to take quick and flexible advantage of opportunities that arise for acquiring companies or shareholdings, without placing a strain on its liquidity. This is reflected in the proposed exclusion of subscription rights. In determining the valuation ratios, the Board of Management will ensure the interests of the shareholders are appropriately considered. As a rule, when measuring the value of the shares offered as a consideration, it will take as a basis the stock market price of Company shares. However, a systematic coupling of the valuation to a stock market price is not provided for, in particular to prevent fluctuations in the share price from jeopardising negotiation outcomes once they have been reached. Disposals against non-cash payment are also to include indirect processing in which a bank or similar institution acts as an intermediary.

The Company will have the possibility to issue bonds with conversion rights, warrants or conversion obligations against both cash and non-cash payment. To service the resultant rights or obligations to subscribe for shares in the Company, it may be expedient to use own shares in part or in full, instead of a capital increase with an exclusion of shareholders' subscription rights. The authorisation also allows the possibility – in the event of own shares being sold by means of an offer to all shareholders – for shareholders' subscription rights to be partially excluded in favour of the holders of bonds with conversion rights or warrants, or conversion obligations. This enables the holders of conversion rights, warrants, or conversion obligations to be granted a subscription right as protection against dilution, instead of a reduction of the exercise or conversion price.

In addition, own shares may be used for a scrip dividend. With a scrip dividend using own shares, all shareholders are offered the option of relinquishing their right to receive the dividend pursuant to the resolution on the appropriation of profits adopted at the Annual General Meeting in exchange for own shares. The Board of Management is to be authorised in such cases to exclude the shareholders' subscription rights in full or in

part in order to create the best possible conditions for the payment of a scrip dividend.

A scrip dividend using own shares may be offered to all shareholders, while maintaining their subscription rights in keeping with the principle of equal treatment (Section 53a AktG). Only whole shares would be offered to shareholders for subscription; shareholders are required to receive payment of the cash dividend for the portion of the dividend that falls short of (or exceeds) the subscription price for a whole share, and can receive no shares in respect of such portion; no partial rights are offered and no arrangements are made for the trading of subscription rights or fragments thereof. The shareholders thus receive a proportional cash dividend instead of a subscription for own shares. This seems justified and appropriate.

In individual cases and depending on the capital market situation, it may be preferable to structure a scrip dividend in such a way that the Board of Management – while offering all shareholders entitled to the dividend own shares for subscription against relinquishment of their right to the dividend in keeping with the principle of equal treatment (Section 53a AktG) – formally excludes the shareholders' subscription rights in their entirety. Formally excluding subscription rights enables a scrip dividend to be paid under more flexible conditions. In view of the fact that own shares are offered to all shareholders and that excess portions of the dividend are paid out as a cash dividend, the exclusion of subscription rights is considered to be justified and appropriate.

As outlined above, the shares to be used are not only those shares acquired on the basis of this resolution. The authorisation is also intended to include shares acquired on previous occasions. It is advantageous for the Company and creates further flexibility to be able to use these own shares in the same way as those acquired on the basis of this new resolution.

The own shares utilised subject to the exclusion of shareholder subscription rights may not represent more than 10% of the share capital, either at the time this authorisation takes effect or at the time the shares are utilised. This limit includes shares issued or sold, or to be issued, subject to the exclusion of shareholder rights based on other authorisations, during the term of this authorisation.

We propose that own shares acquired on the basis of a resolution taken to authorise the repurchase of shares may be retired without requiring a new resolution of the Annual General Meeting. For this purpose, the Annual General Meeting will transfer the decision regarding the retirement of shares to the Board of Management. The Annual General Meeting can also authorise the Board of Management to retire no-par-value shares without reducing the share capital. The proposed authorisation provides for this option in addition to retirement with a share capital reduction. If own shares are retired without reducing the share capital, the proportion of the unchanged share capital represented by each of the other no-par-value shares automatically increases. The Board of Management is therefore also authorised to make the necessary amendment to the Articles of Association to take account of the resultant reduction in the number of no-par-value shares.

The Board of Management will report on the use of the authorisation at the Annual General Meeting.

## 2. Report on agenda item 7

Appropriate capitalisation is essential to the Company's development. By issuing convertible bonds, bonds with warrants, profit participation rights or profit participation certificates (including combinations thereof) and hybrid financial instruments which meet the prerequisites for Tier 1 own-fund items (together also "Bonds"), the Company can seize attractive financing opportunities on the market in order to inject capital into the business at low interest rates.

The current authorisation from 23 April 2015 to issue convertible bonds, bonds with warrants, profit participation rights or profit participation certificates expires on 22 April 2020. We therefore propose that the Annual General Meeting renew the authorisation with a new contingent capital increase. The authorisation scope for the Bonds is €5bn. The contingent capital increase envisaged for that purpose amounts to €117m (corresponding to 19.9% of the current share capital) and is to remain unchanged.

The proposed authorisation also includes the issue of Bonds that meet the prerequisites for Tier 1 own-fund items – for example, hybrid financial instruments (Tier 1 Bonds). These consist of officially approved own-fund items that are particularly important for (re-)insurance companies. The European own-fund requirements for insurance and reinsurance undertakings under Directive 2009/138/EC of 25 November 2009 (Solvency II Directive) require a sufficient level of own funds. Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 amending the Solvency II Directive contains detailed requirements for the recognition of subordinated bonds that can be issued to create own-fund items for meeting supervisory capital requirements.

Tier 1 Bonds issued to bolster own funds must feature a conversion obligation, write-down or similar loss-participation element in the event of a crisis. Tier 1 Bonds become part of the Company's capital resources even before they are converted, written-down or subjected to any other loss-participation element provided for in their conditions, since they may constitute regulatory own funds. It is in the Company's interest to have the necessary leeway to issue such instruments, in order to manage its capital effectively and fulfil the supervisory own-fund requirements.

### Shareholder subscription rights to the Bonds, authorisation to exclude subscription rights

The authorisation stipulates that shareholders generally have a subscription right to the Bonds. To simplify the process, use may be made of the option to have the Bonds underwritten by one or more banks or equivalent institutions pursuant to Section 186(5) sentence 1 AktG, subject to the obligation to offer them to the shareholders (an indirect subscription right within the meaning of Section 186(5) AktG).

The Board of Management is to be authorised to exclude the shareholders' statutory right to subscribe to the Bonds, though only under certain conditions and within more detailed limits.

### Exclusion of subscription rights for fractional amounts

With the consent of the Supervisory Board, the Board of Management is to be permitted to exclude subscription rights for fractional amounts.

Exclusion of subscription rights in such cases enables the amount of the issue to represent a practicable subscription ratio, thereby facilitating the processing of the capital measure. The Bonds corresponding to the fractional amounts excluded from the shareholders' subscription rights shall either be disposed of by sale on the stock exchange or otherwise utilised in such a way as to derive the best possible benefit for the Company.

#### Exclusion of subscription rights in favour of holders of convertible bonds, or bonds with warrants, that have already been issued

The exclusion of subscription rights in favour of the holders of bonds with warrants, conversion rights or conversion obligations provides a safeguard against the dilution of stock that should be granted to the holders of such bonds in accordance with market standards. The subscription rights may be granted to them instead of a reduction in the exercise or conversion price. This enables the Company to receive a larger injection of funds overall.

#### Exclusion of subscription rights when issuing Bonds with conversion rights, warrants or conversion obligations

Furthermore, pursuant to Article 186(3) sentence 4 AktG, the Board of Management is to be authorised, with the consent of the Supervisory Board, to exclude shareholders' subscription rights when issuing Bonds with conversion rights, warrants or conversion obligations if the bonds are issued for cash and the issue price for the bonds is not significantly lower than their market value.

This puts the Company in a position to seize on favourable stock market conditions and to quickly and flexibly issue Bonds at attractive terms. The ability to react quickly to market developments is an important factor in securing the best possible results from the issue. Favourable terms that correspond as closely as possible to market conditions can generally only be secured if the Company is not tied to them for an overly long offer period. In the case of rights issues, a considerable discount is usually required to guarantee the attractiveness of the terms and the likelihood of the issue's success over the entire offer period. Section 186(2) AktG allows the subscription price to be published (and, as such, the terms and conditions of the Bonds) up to the third day before the end of the subscription period. But, given the volatility of the stock markets, the market risk then stretches over several days – leading to discounts when determining the bond conditions and hence resulting in terms that are not close to market conditions.

Granting subscription rights involves significant uncertainty about how shareholders will react (subscription behaviour). This uncertainty makes an alternative placement with third parties more difficult, or at best involves additional expense. Moreover, granting subscription rights can lead to an unfavourable capital increase for the Company, because the length of the subscription period does not allow it to respond quickly to changes in market conditions.

Shareholders' interests are protected by the Bonds being issued on terms that are not substantially lower than their market value. The market value is to be determined using recognised principles of financial mathematics. When determining the price, the Board of Management will take into consideration the conditions then prevailing on the capital markets and keep the discount to market value as low as possible. A "bookbuilding process" can enable the terms and price to reflect market conditions, thus avoiding

the value being tangibly diluted. This process involves asking investors to place tenders on the basis of preliminary Bond terms, and to indicate their opinion as to the appropriate interest rate or other financial components. At the end of the bookbuilding period, the remaining terms – such as the interest rate – are then set on the basis of the tenders made by the investors, in accordance with market principles of supply and demand. This allows the issuing price for the Bonds to be set at market conditions. Such a bookbuilding process can allow the Company to ensure that the value of shares is not tangibly diluted by the exclusion of subscription rights.

This process means the computed market value of a subscription right would be practically zero, so that shareholders cannot suffer any significant economic disadvantage from the exclusion of subscription rights. Moreover, shareholders can maintain their share of the capital stock of the Company through purchases at virtually the same conditions via the stock market. This adequately protects their economic interests. The authorisation to exclude subscription rights pursuant to Section 186(3) sentence 4 AktG applies only to Bonds with rights or conversion obligations regarding shares representing a total of not more than 10% of the share capital – either with regard to the date on which the authorisation becomes effective or the date on which it is exercised. This limit includes shares issued or sold, or to be issued, subject to the exclusion of shareholder rights based on other authorisations, during the term of this authorisation until the time it is exercised. Through this limitation, account is taken of shareholders' need for protection against dilution of their stock.

#### Exclusion of subscription rights when issuing Bonds without conversion rights, warrants or conversion obligations

Section 186(3) sentence 4 AktG permits subscription rights to be excluded, inter alia when “the capital increase in return for contributions in cash does not exceed ten (10) percent of the share capital and the issue price is not significantly lower than the stock exchange price.” Although the permissible subscription rights exclusion of Section 186(3) sentence 4 AktG does not directly apply to bond issues without conversion rights, warrants or conversion obligations (including Tier 1 Bonds), it does allow the inference that the market can indeed bear an exclusion of subscription rights if the price-setting process ensures that the commercial value of the subscription right would be basically null, so that shareholders would not be appreciably disadvantaged by the exclusion.

Since the proposed authorisation ensures that the issue price (interest rate and issuing amount) would not be significantly lower than the actuarially calculated market value – for example, by using the aforementioned bookbuilding process – shareholders' interests would only be minimally affected, if at all.

Furthermore, if Bonds are to be issued without conversion rights, warrants or conversion obligations, the Board of Management would be authorised, with the approval of the Supervisory Board, to exclude all shareholder subscription rights only if such bonds are really legally similar to debt instruments – i.e. they do not include any proprietary rights or obligations that correspond to those which, by law, are associated with holding shares. As a result, such Bonds may not engender any membership in the Company, grant no share in the proceeds of liquidation or profits, and the interest or return payable may not be calculated on the basis of the amount of the profit for the year, the net retained profits or the dividend (no profit-based rates). A share in the proceeds of liquidation is not deemed granted even if

the Bonds do not have a fixed term and repayment is permitted only with the consent of the supervisory authorities. In determining the interest rate, it is permissible to make it conditional on the existence of a profit for the year, net retained profits, or dividend, and that interest may be paid out only from distributable items as determined by law at the time the Bond is issued or the interest is scheduled to be paid (profit-dependent interest).

Tier 1 Bonds feature loss participation and/or other equity-like characteristics. This risk feature is usually compensated through higher coupon payments, which can lead to a reduction of the Company's capacity for dividends. On the other hand, if subscription rights cannot be excluded when issuing such Tier 1 Bonds to raise capital, the Company may be subject to significant financial consequences. This applies particularly if they are to be issued rapidly to fulfil supervisory own-fund requirements. These are precisely the situations in which the Company needs to be able to issue instruments quickly and flexibly.

#### Exclusion of subscription rights when issuing Bonds against contribution in kind

Bonds may also be issued in return for contribution in kind insofar as this is in the Company's interest. In this case, the Board of Management is authorised, with the consent of the Supervisory Board, to exclude subscription rights for shareholders insofar as the value of the contribution in kind bears a reasonable relationship to the market value of the Bonds determined according to recognised principles of financial mathematics. This creates the opportunity to also use Bonds in individual cases as acquisition currency – for example, in connection with the acquisition of companies, parts of companies or other assets. Negotiations may give rise to the need to provide the consideration not in cash but in another form. The possibility of being able to offer Bonds as a consideration thus constitutes an advantage in competing for interesting acquisition objects and gives the necessary scope to exploit opportunities to acquire companies, parts of companies or other assets without placing a strain on liquidity. This may also be expedient from the point of view of achieving an optimal financing structure. The Board of Management will examine in each case whether to make use of the authorisation to issue convertible bonds or bonds with warrants against contribution in kind with exclusion of subscription rights. It will exclude subscription rights only if it is in the interests of the Company, and hence its shareholders, to do so.

#### Restriction of exclusion of subscription rights

Shares that are issued to convert options or warrants, or conversion obligations, from Bonds issued under this authorisation excluding subscription rights, may not exceed 10% of the share capital existing at the time the authorisation takes effect or is exercised. This limit includes shares issued or sold, or to be issued, based on other authorisations, during the term of this authorisation until the time it is exercised.

#### Contingent Capital Increase 2020

The purpose of the proposed contingent capital increase is to satisfy the conversion rights or warrants granted with the Bonds, or to satisfy conversion obligations in respect of Company shares. Other forms of performance may be used instead of these.

## Further details and additional information

The Board of Management has decided, with the approval of the Supervisory Board and in accordance with Section 1(2) of the COVID-19 Measures Act, to hold the Annual General Meeting as a Virtual Annual General Meeting without attendance in person by the shareholders or their proxies.

### Prerequisites for exercising voting rights at the Virtual Annual General Meeting

Pursuant to Article 6(2) of the Articles of Association, every shareholder who – in person or by proxy – has registered with the Company **by no later than 22 April 2020**, and is entered in the shareholders' register for the submitted shares at midnight at the end of 22 April 2020, may exercise their voting rights at the Virtual Annual General Meeting.

One way to register is via [www.munichre.com/register](http://www.munichre.com/register). Shareholders who are already registered in the shareholder portal use their shareholder number and the password they have personally chosen. All other shareholders registered in the shareholders' register will receive their shareholder number and an initial password by post, together with the letter of invitation to the Virtual Annual General Meeting.

Registration may also be made via the address

Münchener Rückversicherungs-Gesellschaft  
c/o Computershare Operations Center  
80249 München, Germany  
Fax: +49 89 3 09 03-7 46 75  
Email: [anmeldestelle@computershare.de](mailto:anmeldestelle@computershare.de)

using the registration form sent to shareholders. Further details of the registration procedure are provided on the registration form and on the above website.

Please note that postal service may be subject to delays given the current coronavirus pandemic. Registrations – for whatever reason – received by the Company later than 22 April 2020 will unfortunately not be accepted due to legal requirements. We therefore recommend registering electronically at [www.munichre.com/register](http://www.munichre.com/register), or by fax or email, if possible.

Shares are not blocked due to registration for the Virtual Annual General Meeting. Shareholders thus continue to be able to freely dispose of their shares even after they have successfully registered. The shares entered in the shareholders' register at midnight at the end of 22 April 2020 determine the right to vote at the Virtual Annual General Meeting. Requests for changes to the shareholders' register received by the Company between 23 April 2020 and midnight at the end of 29 April 2020 will only be effected in the Company's shareholders' register after the Virtual Annual General Meeting on 29 April 2020. **The last date for registration (Technical Record Date)** is therefore midnight at the end of 22 April 2020.

If shareholders are entered in the shareholders' register in their own name for shares that belong to a third party, pursuant to Article 3(5) of the Articles of Association the shares entered shall not carry any voting rights if the maximum limit of 2% of the share capital as stated in the Articles of Association is exceeded.

If an intermediary is entered in the shareholders' register, they may only exercise the voting rights for shares that do belong to them on the basis of an authorisation by the shareholder. The same applies to shareholders' associations, proxy advisors and persons to be treated as such pursuant to Section 135(8) AktG.

**Important notice:** Due to the cancellation of the in-person Annual General Meeting on 29 April 2020 at the ICM – International Congress Center Munich, the invitation to which was published in the Federal Gazette on 19 March 2020, any registrations by shareholders to attend the cancelled in-person Meeting are null. As a result, shareholders who have already registered for the cancelled in-person Annual General Meeting have to register for the Virtual Annual General Meeting anew, as described above.

### **Transmission of the Virtual Annual General Meeting on the internet and shareholder rights relating to the Virtual Annual General Meeting**

By entering their shareholder number and aforementioned password, shareholders can follow the entire meeting at [www.munichre.com/register](http://www.munichre.com/register). Proxies can do the same by entering the access number they received, and their corresponding password.

The opening of the Virtual Annual General Meeting by the Chair of the Meeting and the speech of the Chair of the Board of Management can be viewed live by the general public ([www.munichre.com/agm](http://www.munichre.com/agm)) and will be available after the Virtual Annual General Meeting as a recording.

Shareholders and their proxies who have registered for the Virtual Annual General Meeting, in accordance with the aforementioned process, are entitled to exercise their voting rights relating to the Virtual Annual General Meeting per postal vote, particularly via electronic communication, and to authorise the Company proxies or other proxies. Details about exercising voting rights and authorising proxies can be found in the following sections.

### **Procedure for voting by postal vote**

Shareholders may cast their votes in writing or by means of electronic communication (postal vote). Only shareholders registered no later than 22 April 2020 (as described above under "Prerequisites to exercising voting rights at the Virtual Annual General Meeting") are entitled – in person or by proxy – to exercise their voting rights by casting a postal vote. The number of shares entered in the shareholders' register at midnight at the end of 22 April 2020 also determines the voting rights to be exercised by postal vote.

The votes may be cast either electronically at [www.munichre.com/register](http://www.munichre.com/register) or on the registration form attached to the letter of invitation to the Virtual Annual General Meeting, which is to be returned to the above address. In order to cast votes electronically, shareholders already registered in the shareholder portal should use their shareholder number and the password they have personally chosen. All other shareholders entered in the shareholders' register will receive their shareholder number and an initial password by post, together with the letter of invitation to the Virtual Annual General Meeting. In order to cast votes electronically proxies use the access number they received, and their corresponding password.



Postal votes on the aforementioned registration form must be received by the Company at the address given above for registration, **no later than 22 April 2020**.

Postal Votes may be cast at [www.munichre.com/register](http://www.munichre.com/register) until counting of votes starts at the Virtual Annual General Meeting. Postal votes already cast may be changed until that point at [www.munichre.com/register](http://www.munichre.com/register). This also applies to postal votes already cast using the registration form (as described above). As stated above, the casting and changing of postal votes is subject to the prerequisite of having duly registered for the Virtual Annual General Meeting (as described above under "Prerequisites to exercising voting rights at the Virtual Annual General Meeting").

If, despite having already cast a postal vote, a shareholder decides to have the respective shares represented by a proxy, this is possible and will be deemed as revoking the vote cast by postal vote.

Should an individual vote not announced in the invitation take place on an agenda item, any postal vote cast for that item will apply to each subitem. The vote on agenda item 2 also applies in the event that the total amounts shown for the items "Payment of a dividend" and "Carried forward to new account" in the proposal for appropriation of profit are adjusted to accommodate a change in the number of shares with entitlement to dividends.

Duly authorised intermediaries, shareholders' associations, proxy advisors and other persons, companies and institutions to be treated as such pursuant to Section 135(8) AktG, may also cast postal votes within the above-mentioned deadlines. On request, the Company will provide them with an electronic voting channel or the corresponding registration forms.

**Important notice:** Due to the cancellation of the in-person Annual General Meeting on 29 April 2020 at the ICM – International Congress Center Munich, the invitation to which was published in the Federal Gazette on 19 March 2020, any postal votes already cast by shareholders for the cancelled in-person Meeting are null. For that reason, shareholders who have already cast postal votes for the cancelled in-person Annual General Meeting must cast their postal votes again, if they intend to also participate in postal voting at the Virtual Annual General Meeting.

### **Procedure for voting by proxy**

Shareholders may exercise their voting rights by postal vote through a proxy, such as an intermediary, a shareholders' association, proxy advisor, or other person, or by authorising one of the Company proxies. In all such cases, the shareholder or the proxy has to ensure timely registration for the Virtual Annual General Meeting (as indicated above under "Prerequisites to exercising voting rights at the Virtual Annual General Meeting").

Granting of proxies, their revocation, and proof of authorisation vis-à-vis the Company may be submitted to the address given above or electronically at [www.munichre.com/register](http://www.munichre.com/register) up to the day of the Virtual Annual General Meeting, i.e. by midnight at the end of 28 April 2020. On the day of the Virtual Annual General Meeting, this may be done online at [www.munichre.com/register](http://www.munichre.com/register), by fax to +49 89 3 0903-74675 or by email to [anmeldestelle@computershare.de](mailto:anmeldestelle@computershare.de). Pursuant to Section 134(3) sentence 3 AktG, the granting of proxies, their revocation, and proof of authorisation vis-à-vis the Company may be submitted in text form or electronically at [www.munichre.com/register](http://www.munichre.com/register).

Exceptions may apply regarding the granting of proxies to intermediaries, shareholders' associations, proxy advisors and other persons to be treated as such pursuant to Section 135(8) AktG, as well as regarding the revocation of such proxies.

Where a shareholder nominates more than one proxy, the Company may refuse one or more of them.

Shareholders may also have their voting rights from registered shares exercised at the Virtual Annual General Meeting by one of the proxies nominated by the Company. Subject to the above requirements, Company proxies may be appointed by means of the registration form sent to shareholders, or at [www.munichre.com/register](http://www.munichre.com/register). Company proxies will act solely in accordance with the instructions they receive from the shareholders. Should an individual vote not announced in the invitation take place on an agenda item, the instructions issued for that item will apply to each subitem. The instruction issued in respect of agenda item 2 also applies in the event that the total amounts shown for the items "Payment of a dividend" and "Carried forward to new account" in the proposal for appropriation of profit are adapted to accommodate a change in the number of shares with entitlement to dividends. Instructions issued to Company proxies via the internet may be changed on the day of the Virtual Annual General Meeting at [www.munichre.com/register](http://www.munichre.com/register) until counting of votes starts at the Virtual Annual General Meeting.

**Important notice:** Due to the cancellation of the in-person Annual General Meeting on 29 April 2020 at the ICM – International Congress Center Munich, the invitation to which was published in the Federal Gazette on 19 March 2020, any granting of proxies to Company proxies or other proxies, and any instructions to Company proxies, remain valid only if they also apply to the Virtual Annual General Meeting. As a result, shareholders who have already granted proxies or issued instructions that apply only to the cancelled in-person Annual General Meeting at the ICM – International Congress Center Munich, have to grant proxies or issue instructions again, if they are also to apply to the newly convened Virtual Annual General Meeting.

### **Shareholders' rights and options pursuant to Sections 122(2), 126(1) and 127 AktG, and Section 1(2) nos. 3 and 4 of the COVID-19 Measures Act**

#### **a) Requests for supplementary motions for the agenda pursuant to Section 122(2) AktG:**

Shareholders whose shares amount in aggregate to one-twentieth of the share capital or represent a proportional amount of €500,000 (this currently corresponds to 122,777 shares) may call for items to be included on the agenda and published. The relevant grounds or a proposal for a resolution must be attached to each new agenda item.

The applicants must furnish evidence that they have been holders of the shares for at least 90 days prior to the day the application is received and that they will continue to hold the shares until the decision of the Board of Management regarding the application. Section 70 AktG applies with respect to calculating the time the shares have been held. The date of receipt of the application is not taken into account. Deferment from a Sunday, Saturday or holiday onto an earlier or later working day is not possible. Sections 187 to 193 of the Civil Code (BGB) shall not be applied analogously.

The request must be sent in writing to the Company's Board of Management and must be received by the Company at least 14 days before the Virtual Annual General Meeting, namely **no later than 14 April 2020**. Please send your request to the following address:

Münchener Rückversicherungs-Gesellschaft  
– Board of Management –  
Postfach 401211  
80712 München, Germany

**b) Countermotions and nominations pursuant to Sections 126(1) and 127 AktG:**

Shareholders of the Company may submit countermotions to proposals by the Board of Management and/or the Supervisory Board regarding specific items on the agenda and also nominations for election of members of the Supervisory Board. All countermotions, nominations and other requests by shareholders relating to the Virtual Annual General Meeting should be sent to:

Münchener Rückversicherungs-Gesellschaft  
GCL1.4 – Annual General Meeting  
Postfach 401211  
80712 München, Germany  
Fax: +49 89 3891-72255  
Email: [shareholder@munichre.com](mailto:shareholder@munichre.com)

Countermotions and nominations of shareholders for the items on the agenda that have to be published and which have been received at the address indicated above by 14 April 2020 at the latest, will be posted on the internet at [www.munichre.com/agm](http://www.munichre.com/agm), together with the name of the shareholder and the relevant grounds that have to be made available. Any comments by the management will also be posted there.

**Important notice:** Due to the cancellation of the in-person Annual General Meeting on 29 April 2020 at the ICM – International Congress Center Munich, the invitation to which was published in the Federal Gazette on 19 March 2020, any shareholder countermotions or election proposals for the items on the agenda of the cancelled in-person Meeting are null. For this reason, shareholders must submit any countermotions or election proposals for the items on the agenda of the Virtual Annual General Meeting (again) in accordance with the procedure set out above.

**c) Possibility to ask questions, as per Section 1(2) no. 3 of the COVID-19 Measures Act:**

Shareholders and their proxies, except for the Company proxies, have the possibility to ask questions using electronic communication as per Section 1(2) no. 3 of the COVID-19 Measures Act. This possibility is open only to shareholders and their representatives who have registered to the Virtual Annual General Meeting in accordance with the procedure set out above.

Questions may only be submitted electronically at [www.munichre.com/register](http://www.munichre.com/register) until 12.00 noon on 27 April 2020. In order to submit questions electronically, shareholders already registered in the

shareholder portal use their shareholder number and the password they have personally chosen. All other shareholders registered in the shareholders' register will receive their shareholder number and an initial password by post, together with the invitation to the Virtual Annual General Meeting. Proxies use the access number they received, and their corresponding password in order to be able to submit questions electronically at [www.munichre.com/register](http://www.munichre.com/register). We ask for your understanding that we must reserve the right to summarise questions and, in the interests of all shareholders, select the questions that we will answer.

**d) Possibility of challenging resolutions by the Virtual Annual General Meeting, as per Section 1(2) no. 4 of the COVID-19 Measures Act:**

Shareholders who have exercised their voting rights by postal vote or via proxy may – themselves or by proxy – challenge resolutions by the Virtual Annual General Meeting at [www.munichre.com/register](http://www.munichre.com/register) using their aforementioned access data, notwithstanding Section 245 no. 1 AktG, without being present at the meeting in person.

**Total number of shares and voting rights**

At the date on which the Virtual Annual General Meeting was convened, the share capital of the Company amounted to €587,725,396.48, consisting of 144,317,861 no-par value shares, each carrying one vote. This total includes own shares held by the Company at the date on which the Virtual Annual General Meeting was convened. Pursuant to Section 71b of the AktG, the Company enjoys no rights from these shares. The total also includes shares carrying no voting rights at the date on which the Virtual Annual General Meeting was convened, pursuant to Section 67(2) sentence 2 AktG in conjunction with Article 3(5) of the Articles of Association.

**Information on the Company website**

Information pursuant to Section 124a AktG and other explanations regarding the aforementioned rights and options of shareholders are available on the Company's website at [www.munichre.com/aggm](http://www.munichre.com/aggm). The recorded results of the voting will also be published there at the end of the Virtual Annual General Meeting.

Munich, April 2020

The Board of Management

# Annex

## **Re: Agenda item 5 Resolution to elect a member of the Supervisory Board**

The Supervisory Board has chosen the candidate for election based on predetermined, objective criteria and the competence profile for the full Board, which is described in detail in the statement on corporate governance (including corporate governance reporting). The task of selecting the candidate and preparing the nomination was assigned to the Supervisory Board's Nomination Committee pursuant to the Rules of Procedure for the Supervisory Board.

The Nomination Committee drafted a requirement profile for selecting the candidate. In considering the nomination, the Nomination Committee was guided by the objectives determined by the Supervisory Board regarding its composition, and the set of criteria for candidates, among other criteria. A key criterion in selecting the candidate was to ensure availability on the Supervisory Board of the requisite knowledge, expertise and experience important for the task of advising on and monitoring the Company's business activities as a whole.

In addition, the Nomination Committee set high standards regarding the candidate's character. Key aspects here include a commitment to a long-term, sustained value creation. A further important criterion in the selection process is the personal independence of candidates, given that the members of the Supervisory Board represent the interests of all shareholders. The Supervisory Board considers the proposed candidate to be independent within the meaning of the German Corporate Governance Code ("GCGC"). This estimation is based both on Section 5.4.2 of the GCGC dated 7 February 2017 ("GCGC 2017") and on the recommendations C.6 and C.7 of the GCGC in the version approved by the government commission on 16 December 2019 and published in the Federal Gazette by the Ministry of Justice and Consumer Protection on 20 March 2020 ("GCGC 2020").

In selecting the candidate, due regard was paid to diversity on the Supervisory Board.

Further information on the candidate can be found on the following pages.



**Carsten Spohr**  
Munich, Germany

Chair of the Board of Management  
of Deutsche Lufthansa AG, Cologne

### Personal data

Date of birth: 16 December 1966  
Place of birth: Wanne-Eickel, Germany  
Nationality: German

### Education

1987 to 1991 Diploma in industrial engineering  
(Diplom-Wirtschaftsingenieur),  
University of Karlsruhe  
1991 to 1994 Commercial pilot licence,  
Lufthansa Verkehrsflieger-Schule  
in Bremen and Phoenix, Arizona

### Professional career

since May 2014 Chair of the Board of Management of  
Deutsche Lufthansa AG, Cologne  
2011 to 2014 Member of the Board of Management of  
Deutsche Lufthansa AG, Cologne and  
Chair of the Board of Management of  
Lufthansa Passage  
2007 to 2010 Chair of the Board of Management of  
Lufthansa Cargo AG, Frankfurt am Main  
2004 to 2007 Member of the divisional managing board  
of Lufthansa Passage Airlines  
2003 to 2004 Additional: Responsible for passenger  
strategy and the passenger shareholdings,  
Deutsche Lufthansa AG, Cologne  
2000 to 2003 Head of alliance management of the  
worldwide cooperation partners  
(Star Alliance and regional partners),  
Deutsche Lufthansa AG, Cologne  
1998 to 2000 Responsible for Lufthansa's  
regional partnerships in Europe,  
Deutsche Lufthansa AG, Cologne  
1996 to 1998 Consultant to the Chair of the  
Board of Management,  
Deutsche Lufthansa AG, Cologne  
1995 Head of central personnel marketing,  
Deutsche Lufthansa AG, Cologne  
1994 Trainee program,  
Deutsche Aerospace AG, Munich

## Memberships on other statutory Supervisory Boards

Lufthansa Technik AG (Chair), Hamburg \*)

\*) Seat held within Deutsche Lufthansa AG Group

## Memberships on comparable bodies of German and foreign business enterprises

None

## Other important activities

None

## Relevant knowledge, expertise and professional experience

Mr. Spohr has extensive experience in strategic and operational corporate management due to his many years of work as Chair of the Board of Management at the largest European aviation group. In addition, he enriches the Supervisory Board with technical expertise and international experience, among other things, from the management of the worldwide Lufthansa Group cooperation partners. He also brings extensive experience from many years of Supervisory Board activity to the work of the Supervisory Board, as well as valuable knowledge in the field of corporate governance.

As a financial expert, Mr. Spohr meets the standards of expertise in the areas of accounting or auditing set out in Section 100(5) first half-sentence AktG.

In the Supervisory Board's assessment, Mr. Spohr does not have any personal or business relations with Munich Reinsurance Company, its Group companies, the governing bodies of Munich Reinsurance Company, or with a shareholder holding a material interest in Munich Reinsurance Company, that would require disclosure under Section 5.4.1 of the GCGC 2017 or recommendation C.13 of GCGC 2020. Moreover, the Supervisory Board has satisfied itself that Mr. Spohr can devote the expected amount of time required.

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Münchener Rückversicherungs-Gesellschaft  
Königinstrasse 107, 80802 Munich, Germany

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All the facts and figures for the 2019 financial year can be found in our Group Annual Report. More at [www.munichre.com/annualreport2019](http://www.munichre.com/annualreport2019)

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