

Remuneration report

Remuneration system for the Board of Management

The remuneration system for the Board of Management focuses strongly on long-term objectives, and thus creates a pronounced incentive for sustainable corporate development. It complies with

- the recommendations of the German Corporate Governance Code, applicable since 5 May 2015,
- the provisions of the German Remuneration Regulation for Insurance Companies (VersVergV) of 18 April 2016, and ↗

– Article 275 of the Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II).

The full Supervisory Board decides on the remuneration system for the Board of Management, and reviews it regularly. The Personnel Committee of the Supervisory Board, comprising the Chairman of the Supervisory Board, one shareholder representative and one employee representative, prepares the resolutions for the full Supervisory Board.

Structure of the remuneration system for the Board of Management

Component	Share ¹	Assessment basis/ parameters	Corridor	Precondition for payment	Payment
Basic remuneration plus remuneration in kind/ fringe benefits	30%	Function, Responsibility, Length of service on Board	Fixed	Contractual stipulations	Monthly
Variable remuneration	70%	Corporate performance Result contribution of organisational unit(s) Personal performance			
30% annual performance (for 100% performance evaluation/ achievement of objectives)		Group objective Business-field objectives Divisional objectives Personal objectives Overall performance	0-200% (fully achieved = 100%)	Achievement of annual objectives	In the second year, on condition that 50% of the net amount paid out is invested by the Board member in Munich Re shares that must be held for at least a four-year period
70% multi-year performance (for 100% performance evaluation/ achievement of objectives)		Objectives for the fields of business – Reinsurance – ERGO – Munich Health ² Personal objectives Overall performance	0-200% (fully achieved = 100%)	Achievement of three-year objectives	In the fourth year, on condition that 25% of the net amount paid out is invested by the Board member in shares that must be held for at least a two-year period
Pension					
Defined contribution plan		Target overall direct remuneration ³	Pension contribution	> Retirement > Insured event > Premature termination	

1 For the variable remuneration, the share shown presupposes 100% performance evaluation/achievement of objectives.

2 The field of business/division Munich Health was disbanded as at 1 February 2017, so that no objectives have been set with effect from 2017.

3 Target overall direct remuneration comprises basic remuneration plus variable remuneration based on 100% performance evaluation/achievement of objectives.

Fixed components

The fixed components of remuneration comprise basic remuneration, plus remuneration in kind and fringe benefits.

Basic remuneration

The basic remuneration comprises a fixed cash compensation for the financial year, paid out as a monthly salary.

Remuneration in kind/fringe benefits

Remuneration in kind and fringe benefits include – in particular – company cars, insurance premiums and health screening examinations, and are reviewed against market practice at regular intervals. Income tax on the benefits in question is paid individually for each member of the Board of Management, with the Company bearing the amount due. Remuneration in kind and fringe benefits are disclosed in the Annual Report using expenditure as the basis of valuation.

Variable remuneration

The variable remuneration component is geared to the overall performance of the Group and defined divisional units, and to the personal performance of the individual members of the Board of Management. The amount depends on the extent to which the annually set objectives for annual and multi-year performance are met, and how the component “evaluation of overall performance” is assessed.

Processes have been laid down for specifying respective objectives and assessing their achievement. These processes require review by the external auditor, who checks the criteria for measuring the envisaged financial objectives and whether their achievement has been assessed in accordance with the guidelines established by the Company. The outcome is notified to the Supervisory Board.

Achievement of objectives and overall performance is measured at the end of the one-year and three-year periods in question, there being no adjustment of targets during

these periods. The corridor for the achievement of the individual objectives and for the overall annual and multi-year performance is 0–200%. Payouts are made at the end of the periods under consideration. With a view to promoting a management approach that takes due account of the Company’s long-term interests, the members of the Board of Management are obliged to invest a fixed part of the paid-out variable remuneration in Munich Reinsurance Company shares.

Annual objectives, multi-year objectives, overall performance evaluation and investment in shares together form a well-balanced and economic (i.e. strongly risk-based) incentive system, with great importance being attached to ensuring that the targets set for the members of the Board of Management do not have undesirable effects. No guaranteed variable salary components are granted.

Variable remuneration based on annual performance

Firstly, annual targets for the variable remuneration component geared to annual performance are set on the basis of the consolidated result of Munich Re (Group), the results from the reinsurance and ERGO fields of business, divisional results and personal performance. In addition, the Supervisory Board assesses overall performance – particularly performance not taken into account in the objectives – of the Board of Management as a whole and the individual Board members, and it also takes into account developments during the appraisal period that are beyond the influence of the Board. Full achievement of the annual objectives (100%) allows for payment of 30% of the overall target amount for variable remuneration.

The variable remuneration for annual performance is determined on the basis of evaluation by the full Supervisory Board and then paid out in the year after the one-year assessment period. Of the net payout amount, 50% must be invested in Munich Reinsurance Company shares that must be held for at least a four-year period.

Details of the assessment bases for the annual performance can be seen in the following table:

Variable remuneration based on annual performance

Category of objective	Share ¹	Assessment basis	Parameters
Collective contribution to corporate success	25%-60%		
Group objective		Derived from key performance indicators in external reporting and other important portfolio and performance data	Return on risk-adjusted capital, RORAC ²
Business-field objectives			
- Reinsurance		Value-based economic performance indicators: - Property-casualty reinsurance - Life reinsurance	Components of economic earnings ³ : - Value added - Value added by new business - Change in the value of in-force business
- ERGO		Value-based economic performance indicator	Economic earnings ³
Individual contribution to corporate success	20%-55%		
Divisional objectives		Value-based economic performance indicators: - Property-casualty reinsurance and Munich Health - Life reinsurance	Components of economic earnings ³ : - Value added - Value added by new business - Change in the value of in-force business
Personal objectives		Personal objectives per Board member	Special focal points such as - Pricing and cycle management - Client management - Innovation initiatives
Overall performance evaluation	20%	Overall performance of individual Board members and of the Board of Management as a whole	Assessment by Supervisory Board taking into account Section 87 of the Stock Corporation Act (AktG) and the German Corporate Governance Code

1 The objectives are weighted individually according to the responsibilities of the individual Board members.

2 Further information on RORAC is provided on page 47.

3 Further information on economic earnings is provided on page 46.

Variable remuneration based on multi-year performance

For the multi-year performance remuneration component, three-year targets based on the financial results of the reinsurance, ERGO and Munich Health fields of business and on individual performance are fixed every year. The Supervisory Board also assesses the overall performance of the whole Board of Management and the individual Board members. This allows for a response to developments during the three-year appraisal period that are beyond the influence of Board members, and which can also be taken into account along with performance not included in the agreement of objectives. Full achievement of the multi-year objectives (100%) allows for payment of 70% of the overall target amount for variable remuneration.

The variable remuneration for the multi-year performance is determined on the basis of evaluation by the full Supervisory Board and then paid out in the year after the three-year assessment period. Of the net payout amount, 25% must be invested in Munich Reinsurance Company shares that must be held for at least a two-year period.

Details of the assessment bases for the multi-year performance can be seen in the following table:

Variable remuneration based on multi-year performance

Category of objective	Share ¹	Assessment basis	Parameters
Collective contribution to corporate success	0%-60%		
Business-field objectives (three-year average)			
- Reinsurance		Value-based economic performance indicators: - Property-casualty reinsurance - Life reinsurance	Components of economic earnings ² : - Value added - Value added by new business - Change in the value of in-force business
- ERGO ³		Value-based economic performance indicator	Economic earnings ²
- Munich Health ³		Value-based economic performance indicator	Component of economic earnings ² : - Value added
Individual contribution to corporate success	20%-80%		
Personal objectives (three-year period)		Personal objectives per Board member	Special focal points such as - Strategic goals - Client management - Innovation initiatives - Digitalisation initiatives
Overall performance evaluation	20%	Overall performance of individual Board members and the Board of Management as a whole	Assessment by Supervisory Board taking into account Section 87 of the Stock Corporation Act (AktG) and the German Corporate Governance Code (incl. corporate responsibility)

1 The objectives are weighted individually according to the responsibilities of the individual Board members.

2 Further information on economic earnings is provided on page 46.

3 The business-field objective for Munich Health and for ERGO is an "individual contribution to corporate success" for the Board member responsible.

Weighting of remuneration components

In the case of 100% achievement of objectives, the weightings of the individual components in terms of total remuneration were as follows: basic remuneration 30%, variable remuneration 70%, of which 30% was based on annual performance and 70% on multi-year performance.

Continued payment of remuneration in the case of incapacity to work

In the case of temporary incapacity to work due to illness or for another cause beyond the Board member's control, the remuneration is paid until the end of the contract of employment. The Company may terminate the contract prematurely if Board members are incapacitated for a period of longer than 12 months and it is probable that they will be permanently unable to fully perform the duties conferred on them (permanent incapacity to work). In this event, the Board member will receive a disability pension.

Other remuneration

Stock option plan

No stock option plans or other incentive systems are in place for the Board of Management.

Remuneration for other board memberships

In the case of seats held on other boards, remuneration for board memberships must be paid over to the Company or is deducted in the course of regular remuneration computation. Exempted from this is remuneration for memberships explicitly classified by the Supervisory Board as private.

Severance cap and change of control

Members of the Board of Management appointed before 1 January 2017 have no contractual right to severance payments. If the Board member's activities on the Board are terminated prematurely without good cause, payments due may not exceed the equivalent of two years' total remuneration (three years total remuneration in the event of acquisition of a controlling interest or change of control within the meaning of Section 29 (2) of the Securities Acquisition and Takeover Act - WpÜG) and may not cover more than the remaining period of the employment contract. If the employment contract is terminated for good cause on grounds that are within the Board members control, no payments are made to the Board member. The calculation is based on the overall remuneration for the past financial year and, if necessary, on the probable overall remuneration for the current financial year.

Members of the Board of Management appointed for the first time after 1 January 2017 whose contracts are terminated by the Company without good cause will have a contractual right to a severance payment. Such payments may not exceed the equivalent of two years total remuneration, and are restricted by the remaining term of the Board member's contract. Total annual remuneration is calculated on the basis of fixed annual remuneration and the variable remuneration paid out for the prior full financial year before the contract was terminated; remuneration in kind, other ancillary benefits and contributions to occupational retirement schemes are

not taken into account. Payments received by a Board member during a period of notice and after termination of the appointment are offset against any severance payment. There will be no right to severance payments if the Board member's contract is terminated by the Company for good cause.

Pensions

Up to and including 2008, the members of the Board of Management were members of a defined benefit plan, providing for payment of a fixed pension amount.

As of 2009, newly appointed members of the Board have become members of a defined contribution plan. For this plan, the Company provides a pension contribution for each calendar year (contribution year) during the term of the employment contract. It uniformly amounts to 25.5% of the target overall direct remuneration (= basic remuneration + variable remuneration on the basis of 100% achievement of objectives). The pension contribution is paid over to an external pension insurer. The insurance benefits that result from the contribution payments constitute the Company's pension commitment to the Board member.

Board members appointed before 2009 were transferred to the new system. They kept their pension entitlement from the previous defined benefit plan (fixed amount in euros) existing at the date of transfer on 31 December 2008, which was maintained as a vested pension. For their service years as of 1 January 2009, they receive an incremental pension benefit based on the defined contribution plan.

The Supervisory Board determines the relevant target pension level for pension commitments from defined benefit plans and defined contribution plans – also considering length of service on the Board – and takes account of the resultant annual and long-term cost for the Company.

The members of the Board of Management are also members of the Munich Re pension scheme, which is a defined contribution plan.

Benefits on termination of employment

Board members appointed before 2006 and entitled to an occupational pension, disability pension, reduced occupational pension or improved vested benefits continue to receive their previous monthly basic remuneration for a period of six months after retiring or leaving the Company.

Occupational pension

Board members appointed for the first time before 1 April 2012 are entitled to an occupational pension on retiring from active service with the Company after reaching the age of 60 or, at the latest, at the end of the calendar year in which they turn 65.

Board members appointed for the first time as from 1 April 2012 are entitled to an occupational pension on retiring from active service with the Company after reaching the age of 62 or, at the latest, at the end of the calendar year in which they turn 67.

Benefit:

- In the case of defined contribution plans: Annuity based on the policy reserve or payment of the policy reserve as a lump sum.
- In the case of a combination between defined benefit plans and defined contribution plans: Vested pension from the defined benefit plan and annuity from the policy reserve under the defined contribution plan or payment of a lump sum.

Disability pension

Disability in this respect means that the member of the Board of Management is likely to be unable, or has already been unable, to exercise his or her position in the manner foreseen without health impairment for six months without interruption, as a result of illness, injury, or emaciation beyond what is normal for his or her age. The entitlement to a disability pension does not arise until expiry of remuneration payment obligations after a mutual agreement to terminate the employment contract, as a result of non-extension or revocation of their appointment to the Board or where the contract of employment has been terminated by the Company due to permanent incapacity.

Benefit:

- In the case of defined contribution plans: 80% of the insured occupational pension up to the age of 59 or 61, with subsequent occupational pension.
- In the case of a combination between defined benefit plans and defined contribution plans: Vested pension from the defined benefit plan and 80% of the insured occupational pension benefit up to age 59, with subsequent occupational pension based on the defined contribution plan.

Reduced occupational pension on early retirement

Board members appointed before 1 January 2017 are entitled to a reduced occupational pension on early retirement if the contract of employment is terminated as a result of non-extension or revocation of their appointment without the Board members having given cause for this through a gross violation of their duties, or at their own request. The precondition is that the Board members have already passed the age of 50, have been in the employment of the Company for more than ten years when the contract terminates, and have had their appointment to the Board of Management extended at least once.

Benefit:

- In the case of defined contribution plans: Annuity based on the policy reserve or payment of the policy reserve as a lump sum at the date the pension benefit is claimed.
- In the case of a combination between defined benefit plans and defined contribution plans: Entitlement of between 30% and 60% of pensionable basic remuneration, reduced by 2% for each year or part thereof short of the Board member's 65th birthday; the Company

assumes payment of the difference between the monthly occupational pension and the monthly incremental pension from the external insurance.

Members of the Board of Management appointed for the first time after 1 January 2017 do not have any entitlement to a reduced occupational pension on early retirement.

Vested benefits for occupational pension, disability pension and surviving dependants

Vested benefits are paid upon the Board member reaching the age of 60 or 62, in the case of disability, or in the event of the Board member's death.

Vested benefits under the Employers' Retirement Benefits Act (BetrAVG):

Board members have vested benefits under the Employers' Retirement Benefits Act if they leave the Company before reaching the age of 60 or 62 and the pension commitment has existed for at least five years previously.

Benefit:

- In the case of defined contribution plans: Annuity based on the policy reserve or payment of the policy reserve as a lump sum at the date the insured event occurs.
- In the case of a combination between defined benefit plans and defined contribution plans: The entitlement under the vested pension is a proportion of the vested pension based on the ratio of actual service with the Company to the period the Board member would have worked for the Company altogether up to the fixed retirement age (m/n-tel process, Section 2 (1) of the Employers' Retirement Benefits Act). The entitlement from the incremental pension comprises the pension benefits fully financed under the insurance contract up to the occurrence of the insured event based on the pension contributions made up to the date of leaving the Company (Section 2 (5a) of the Employers' Retirement Benefits Act). This entitlement is paid out as an annuity or a lump sum.

Provision for surviving dependants

In the event of the death of a Board member during active service, the surviving dependants receive the previous monthly basic remuneration for a period of six months if the deceased was appointed to the Board of Management before 2006. In the case of Board members appointed for the first time as from 2006, the previous monthly basic remuneration is paid to the beneficiaries for a period of three months. If the Board members death occurs after retirement, the surviving dependants receive the previous monthly occupational pension for a period of three months, provided the marriage/registration of the civil partnership took place and/or the child was born before the Board member started drawing the occupational pension. Surviving spouses and registered civil partners normally receive a pension amounting to 60% of the defined benefit or insured occupational pension; half orphans receive 20% and complete orphans 40%. The total amount may not exceed the occupational pension of the Board member. If the Board member's occupational pension was reduced owing to early retirement, benefits for surviving dependants are based on the reduced occupational pension.

Total remuneration of the Board of Management

The level of the target overall direct remuneration for the individual members of the Board of Management is set by the full Supervisory Board, acting on recommendations from the Supervisory Boards Personnel Committee. Criteria for the appropriateness of compensation are the respective Board member's duties, the Board member's personal performance, the performance of the Board as a whole, and the financial situation, performance and future prospects of Munich Re. Other criteria are the relevant comparative benchmarks for Board remuneration and the prevailing remuneration structure at Munich Reinsurance Company. The Supervisory Board takes account of the level of Board salaries in relation to the level of salaries paid to senior managers and to general staff members over a period of time, and also determines how senior managers and general staff (pay-scale and non-pay-scale employees) are to be classified for the purpose of this comparison. The consideration of what level of remuneration is appropriate also takes into account data from peer-group (DAX 30) companies. New Board members are placed at a level which allows sufficient potential for development of the remuneration in the first three years.

Board of management remuneration is disclosed under two different sets of rules, namely German Accounting Standard No. 17 (DRS 17, revised 2010) and the German Corporate Governance Code. There are therefore deviations in individual remuneration components and total remuneration.

Board of management remuneration under DRS 17

Under DRS 17, remuneration for annual performance 2016 is shown as the provisions set aside for that purpose taking into account the relevant additional/reduced expenditure for the previous year, since the performance on which the remuneration is based has been completed as at the balance sheet date and the requisite Board resolution is already foreseeable. Under DRS 17, remuneration for multi-year performance 2013–2015 is recognised in the year of payment, i.e. in 2016.

Fixed and variable remuneration components

The remuneration received by the members of Munich Reinsurance Company's Board of Management for fulfilling their duties in respect of the parent company and its subsidiaries is shown in the following table.

Remuneration of individual Board members as per DRS 17 (revised 2010)
(in accordance with Section 285 sentence 1 (9a) sentences 5-8 of the German Commercial Code (HGB) and
Section 314 (1) (6a) sentences 5-8 of the German Commercial Code)

Name	Financial year	Basic remuneration	Remuneration in kind/fringe benefits	Annual performance ¹	Multi-year performance ²	Other	Total
		€	€	€	€		
Nikolaus von Bomhard	2016	1,260,000	35,783	840,887	1,901,200		4,037,870
	2015	1,230,000	33,564	1,035,093	2,214,800		4,513,457
Giuseppina Albo	2016	555,000	21,959	364,293			941,252
	2015	487,500	96,010	439,538			1,023,048
Ludger Arnoldussen ³	2016	615,000	90,384	325,572	903,070		1,934,026
	2015	600,000	38,717	461,160	1,163,750		2,263,627
Thomas Blunck	2016	615,000	31,700	402,459	949,620		1,998,779
	2015	600,000	33,996	432,390	1,173,060		2,239,446
Doris Höpke	2016	555,000	33,356	519,462			1,107,818
	2015	487,500	29,884	312,925			830,309
Torsten Jeworrek	2016	885,000	37,801	601,187	1,410,465		2,934,453
	2015	870,000	182,311	737,803	1,745,625		3,535,739
Markus Rieß ⁴ (joined 16 September 2015) thereof for Munich Reinsurance Company	2016	976,250	115,717	567,351		1,500,000	3,159,318
		337,500	39,677	229,744		1,500,000	2,106,921
	2015	280,365	7,430	176,488		750,000	1,214,283
thereof for Munich Reinsurance Company		94,063	801	72,691		750,000	917,555
Peter Röder	2016	615,000	35,034	389,554	921,690		1,961,278
	2015	600,000	34,932	543,690	1,173,060		2,351,682
Jörg Schneider	2016	885,000	37,011	593,055	1,354,605		2,869,671
	2015	870,000	34,627	723,614	1,592,010		3,220,251
Joachim Wenning ³	2016	615,000	139,039	511,489	903,070		2,168,598
	2015	600,000	33,699	523,950	1,093,680		2,251,329
Total	2016	7,576,250	577,784	5,115,309	8,343,720	1,500,000	23,113,063
	2015	6,625,365	525,170	5,386,651	10,155,985	750,000	23,443,171

1 At the time of preparation of this report, no Supervisory Board resolution had yet been passed on the amounts to be paid for the 2016 annual performance. The amounts shown for annual performance remuneration are based on estimates, i.e. the relevant provisions and the additional/reduced expenditure for 2015. For the 2015 annual performance, a total of €192,471 less was paid out than had been reserved in the financial year 2015. The additional/reduced expenditure breaks down as follows: von Bomhard -€17,564, Albo -€22,420, Arnoldussen -€70,014, Blunck -€54,474, Höpke €22,182, Jeworrek -€23,021, Rieß -€17,214, Röder -€37,674, Schneider -€14,860, Wenning €42,588. This results in the following actual bonus payments for 2015: von Bomhard €972,930, Albo €412,913, Arnoldussen €411,600, Blunck €403,200, Höpke €283,238, Jeworrek €694,260, Rieß €159,274, Röder €483,000, Schneider €675,990, Wenning €546,000. The amounts shown for the annual performance 2015 comprise the respective provision for 2015 and the relevant additional/reduced expenditure for 2014.

2 The amounts paid out in 2016 were for multi-year performance 2013-2015, those paid out in 2015 were for 2012-2014.

3 Remuneration in kind/fringe benefits for 2016 including anniversary payments.

4 The compensation components that Markus Rieß received for his work at ERGO Group AG are included in the remuneration.

Remuneration in kind/fringe benefits for 2016 including expenditure for security.

Other: compensation, payable in four equal instalments, for the forfeited variable remuneration from the previous employer.

The following table shows the amounts payable for the variable remuneration.

Amounts payable for the variable remuneration of the individual Board members in the event of 100% performance evaluation as per DRS 17 (revised 2010), corridor 0-200%

Name			Annual	Multi-year	Total
	Set in	for	performance ^{1, 3}	performance ^{2, 3}	amounts payable
			€	€	€
Nikolaus von Bomhard ⁴	2016	2017	294,000	686,000	980,000
	2015	2016	882,000	2,058,000	2,940,000
Giuseppina Albo	2016	2017	430,500	1,004,500	1,435,000
	2015	2016	388,500	906,500	1,295,000
Ludger Arnoldussen	2016	2017	430,500	1,004,500	1,435,000
	2015	2016	430,500	1,004,500	1,435,000
Thomas Blunck	2016	2017	430,500	1,004,500	1,435,000
	2015	2016	430,500	1,004,500	1,435,000
Doris Höpke	2016	2017	430,500	1,004,500	1,435,000
	2015	2016	388,500	906,500	1,295,000
Torsten Jeworrek	2016	2017	619,500	1,445,500	2,065,000
	2015	2016	619,500	1,445,500	2,065,000
Markus Rieß ⁵ (joined 16 September 2015) thereof for Munich Reinsurance Company	2016	2017	592,125	1,381,625	1,973,750
			236,250	551,250	787,500
	2015	2016	592,125	1,381,625	1,973,750
thereof for Munich Reinsurance Company			236,250	551,250	787,500
Peter Röder	2016	2017	430,500	1,004,500	1,435,000
	2015	2016	430,500	1,004,500	1,435,000
Jörg Schneider	2016	2017	619,500	1,445,500	2,065,000
	2015	2016	619,500	1,445,500	2,065,000
Joachim Wenning	2016	2017	731,500	1,706,833	2,438,333
	2015	2016	430,500	1,004,500	1,435,000
Total	2016	2017	5,009,125	11,687,958	16,697,083
	2015	2016	5,212,125	12,161,625	17,373,750

- 1 At the time of preparation of this report, no Supervisory Board resolution had yet been passed on the amounts to be paid for 2016. The amounts shown for annual performance remuneration are based on estimates, i.e. the relevant provisions and the additional/reduced expenditure for 2015 posted in the table on page 35.
- 2 The remuneration set for multi-year performance for 2016 is payable in 2019, that for 2017 in 2020.
- 3 The information on the assessment bases and parameters on page 31 f. for the amounts set for 2016 also applies to the amounts set for 2017.
- 4 The amounts set for 2017 are granted pro rata temporis for a period of four months.
- 5 The compensation components that Markus Rieß received for his work at ERGO Group AG are included in the remuneration.

Pension entitlements

Personnel expenses of €6.5m (6.1m) were incurred in the financial year to finance the pension entitlements for active members of the Board of Management. Of these, €1.5m was apportionable to defined benefit plans and €5.0m to defined contribution plans. As a consequence of the risk transfer to an external insurer under the defined ↗

contribution system, the visible pension costs since 2009 are noticeably higher. The Company accepts this increase in order to avoid higher costs in future and to eliminate long-term pension-specific risks. The following defined benefits, present values, contribution rates and personnel expenses result for the individual members of the Board of Management:

Pension entitlements

Name	Financial year	Defined benefit plan		
		Defined benefit ¹ €/year	Present value of defined benefit as at 31 December	Personnel expenses for provisions ²
			€	€
Nikolaus von Bomhard ³	2016	407,100	16,653,577	287,233
	2015	407,100	15,054,562	527,633
Giuseppina Albo ^{4, 5}	2016	-	4,458	2,297
	2015	-	-	686
Ludger Arnoldussen ^{4, 6}	2016	157,500	4,003,478	357,138
	2015	157,500	3,311,629	393,528
Thomas Blunck ^{4, 6}	2016	120,000	3,184,449	160,734
	2015	120,000	2,705,000	180,249
Doris Höpke ^{4, 5}	2016	-	8,816	598
	2015	-	-	604
Torsten Jeworrek ^{4, 7}	2016	171,000	5,709,959	193,904
	2015	171,000	5,000,570	213,884
Markus Rieß ^{4, 8} (joined 16 September 2015) thereof for Munich Reinsurance Company	2016	-	14,319	10,370
	2015	-	14,319	10,370
thereof for Munich Reinsurance Company	2016	-	-	-
	2015	-	-	-
Peter Röder ^{4, 7}	2016	90,000	3,124,511	104,070
	2015	90,000	2,760,386	113,204
Jörg Schneider ^{4, 6}	2016	275,000	10,320,861	328,896
	2015	275,000	9,151,294	356,457
Joachim Wenning ^{4, 6}	2016	-	9,596	1,253
	2015	-	-	1,395
Total	2016	1,220,600	43,034,024	1,446,493
	2015	1,220,600	37,983,441	1,787,640

See table on [next page](#) for footnotes

Pension entitlements

Name	Financial year	Pension contribution rate for target total direct remuneration %	Entitlement as at 31 December € / year	Defined contribution plan	
				Present value of entitlement as at 31 December	Personnel expenses
				€	€
Nikolaus von Bomhard ³	2016	17.00	222,085	7,639,349	714,000
	2015	17.00	186,676	7,371,076	697,000
Giuseppina Albo ^{4, 5}	2016	25.50	33,081	- ⁹	471,750
	2015	25.50	17,442	- ⁹	414,375
Ludger Arnoldussen ^{4, 6}	2016	14.75	93,956	3,912,302	302,375
	2015	14.75	81,462	3,138,144	295,000
Thomas Blunck ^{4, 6}	2016	16.25	109,650	4,471,819	333,125
	2015	16.25	95,599	3,623,503	325,000
Doris Höpke ^{4, 5}	2016	25.50	40,733	- ⁹	471,750
	2015	25.50	24,428	- ⁹	414,375
Torsten Jeworrek ^{4, 7}	2016	19.50	182,894	7,601,747	575,250
	2015	19.50	158,167	6,092,019	565,500
Markus Rieß ^{4, 8} (joined 16 September 2015) thereof for Munich Reinsurance Company	2016	25.19	27,236	527,660 ¹⁰	743,125
		25.50	10,365	- ⁹	286,875
	2015	25.19	6,056	148,851 ¹⁰	213,026
thereof for Munich Reinsurance Company		25.50	2,261	- ⁹	79,953
Peter Röder ^{4, 7}	2016	20.25	126,480	5,349,033	415,125
	2015	20.25	105,744	4,159,381	405,000
Jörg Schneider ^{4, 6}	2016	16.50	151,171	6,356,425	486,750
	2015	16.50	131,119	5,119,359	478,500
Joachim Wenning ^{4, 6}	2016	25.50	132,163	- ⁹	522,750
	2015	25.50	113,759	- ⁹	510,000
Total	2016		1,119,449	35,858,335	5,036,000
	2015		920,452	29,652,333	4,317,776

- 1 In the case of Board members transferred from the old system to the new, the amount corresponds to the value of the annual vested pension at 31 December 2008.
- 2 Expenses for defined benefit plan, including provision for continued payment of salary for surviving dependants.
- 3 Entitled to an occupational pension in the event of premature or regular termination of employment.
- 4 Entitled to occupational pension in the event of termination of employment owing to disability.
- 5 Entitled to vested benefits under the Employers' Retirement Benefits Act in the event of premature or regular termination of employment.
- 6 Entitled to a reduced occupational pension on early retirement in the event of premature or regular termination of employment.
- 7 Entitled to a reduced occupational pension on early retirement in the event of premature termination of employment, and to an occupational pension in the event of regular termination of employment.
- 8 Entitled to vested benefits under the Employers' Retirement Benefits Act in the event of regular termination of employment.
- 9 Defined Contribution Plan within the meaning of IAS 19, Employee Benefits, so no present value shown.
- 10 Munich Reinsurance Company: see footnote 9; ERGO Group AG: No Defined Contribution Plan within the meaning of IAS 19, so present value shown.

Board of Management remuneration under the German Corporate Governance Code

As required by the provisions of the German Corporate Governance Code, the following tables show the benefits granted and remuneration paid out to individual members of the Board of Management in the year under review.

The basic remuneration, remuneration in kind/fringe benefits and pension expenses (sum of personnel expenses for defined benefit plans and defined

contribution plans) are in accordance with German Accounting Standard No. 17 (DRS 17). There are some deviations with regard to the variable remuneration for annual and multi-year performance.

The following tables show the benefits granted and the remuneration paid out in accordance with the German Corporate Governance Code.

Benefits granted in accordance with the German Corporate Governance Code

€	Nikolaus von Bomhard				Giuseppina Albo			
	Chairman of the Board of Management				Board member			
	2016	2016 (min)	2016 (max)	2015	2016	2016 (min)	2016 (max)	2015
Basic remuneration	1,260,000	1,260,000	1,260,000	1,230,000	555,000	555,000	555,000	487,500
Remuneration in kind/fringe benefits	35,783	35,783	35,783	33,564	21,959	21,959	21,959	96,010
Total	1,295,783	1,295,783	1,295,783	1,263,564	576,959	576,959	576,959	583,510
One-year variable remuneration								
Annual performance 2015				861,000				341,250
Annual performance 2016	882,000	0	1,764,000		388,500	0	777,000	
Multi-year variable remuneration								
Multi-year performance 2015-2017				2,009,000				796,250
Multi-year performance 2016-2018	2,058,000	0	4,116,000		906,500	0	1,813,000	
Other								
Total	4,235,783	1,295,783	7,175,783	4,133,564	1,871,959	576,959	3,166,959	1,721,010
Pension expenses	1,001,233	1,001,233	1,001,233	1,224,633	474,047	474,047	474,047	415,061
Total remuneration	5,237,016	2,297,016	8,177,016	5,358,197	2,346,006	1,051,006	3,641,006	2,136,071

€	Ludger Arnoldussen				Thomas Blunck			
	Board member				Board member			
	2016	2016 (min)	2016 (max)	2015	2016	2016 (min)	2016 (max)	2015
Basic remuneration	615,000	615,000	615,000	600,000	615,000	615,000	615,000	600,000
Remuneration in kind/fringe benefits	90,384	90,384	90,384	38,717	31,700	31,700	31,700	33,996
Total	705,384	705,384	705,384	638,717	646,700	646,700	646,700	633,996
One-year variable remuneration								
Annual performance 2015				420,000				420,000
Annual performance 2016	430,500	0	861,000		430,500	0	861,000	
Multi-year variable remuneration								
Multi-year performance 2015-2017				980,000				980,000
Multi-year performance 2016-2018	1,004,500	0	2,009,000		1,004,500	0	2,009,000	
Other								
Total	2,140,384	705,384	3,575,384	2,038,717	2,081,700	646,700	3,516,700	2,033,996
Pension expenses	659,513	659,513	659,513	688,528	493,859	493,859	493,859	505,249
Total remuneration	2,799,897	1,364,897	4,234,897	2,727,245	2,575,559	1,140,559	4,010,559	2,539,245

€	Doris Höpke				Torsten Jeworrek			
	Board member				Board member			
	2016	2016 (min)	2016 (max)	2015	2016	2016 (min)	2016 (max)	2015
Basic remuneration	555,000	555,000	555,000	487,500	885,000	885,000	885,000	870,000
Remuneration in kind/fringe benefits	33,356	33,356	33,356	29,884	37,801	37,801	37,801	182,311
Total	588,356	588,356	588,356	517,384	922,801	922,801	922,801	1,052,311
One-year variable remuneration								
Annual performance 2015				341,250				609,000
Annual performance 2016	388,500	0	777,000		619,500	0	1,239,000	
Multi-year variable remuneration								
Multi-year performance 2015-2017				796,250				1,421,000
Multi-year performance 2016-2018	906,500	0	1,813,000		1,445,500	0	2,891,000	
Other								
Total	1,883,356	588,356	3,178,356	1,654,884	2,987,801	922,801	5,052,801	3,082,311
Pension expenses	472,348	472,348	472,348	414,979	769,154	769,154	769,154	779,384
Total remuneration	2,355,704	1,060,704	3,650,704	2,069,863	3,756,955	1,691,955	5,821,955	3,861,695

Continued on next page

→	Markus Rieß							
	Total ¹				Board member (joined 16 September 2015) thereof for Munich Reinsurance Company			
€	2016	2016 (min)	2016 (max)	2015	2016	2016 (min)	2016 (max)	2015
Basic remuneration	976,250	976,250	976,250	280,365	337,500	337,500	337,500	94,063
Remuneration in kind/fringe benefits	115,717	115,717	115,717	7,430	39,677	39,677	39,677	801
Total	1,091,967	1,091,967	1,091,967	287,795	377,177	377,177	377,177	94,864
One-year variable remuneration								
Annual performance 2015				169,641				65,844
Annual performance 2016	592,125	0	1,184,250		236,250	0	472,500	
Multi-year variable remuneration								
Multi-year performance 2015-2017				395,828				153,635
Multi-year performance 2016-2018	1,381,625	0	2,763,250		551,250	0	1,102,500	
Other ²	1,500,000	1,500,000	1,500,000	750,000	1,500,000	1,500,000	1,500,000	750,000
Total	4,565,717	2,591,967	6,539,467	1,603,264	2,664,677	1,877,177	3,452,177	1,064,343
Pension expenses	753,495	753,495	753,495	213,026	297,245	297,245	297,245	79,953
Total remuneration	5,319,212	3,345,462	7,292,962	1,816,290	2,961,922	2,174,422	3,749,422	1,144,296

→	Peter Röder				Jörg Schneider			
	Board member				Board member			
€	2016	2016 (min)	2016 (max)	2015	2016	2016 (min)	2016 (max)	2015
Basic remuneration	615,000	615,000	615,000	600,000	885,000	885,000	885,000	870,000
Remuneration in kind/fringe benefits	35,034	35,034	35,034	34,932	37,011	37,011	37,011	34,627
Total	650,034	650,034	650,034	634,932	922,011	922,011	922,011	904,627
One-year variable remuneration								
Annual performance 2015				420,000				609,000
Annual performance 2016	430,500	0	861,000		619,500	0	1,239,000	
Multi-year variable remuneration								
Multi-year performance 2015-2017				980,000				1,421,000
Multi-year performance 2016-2018	1,004,500	0	2,009,000		1,445,500	0	2,891,000	
Other								
Total	2,085,034	650,034	3,520,034	2,034,932	2,987,011	922,011	5,052,011	2,934,627
Pension expenses	519,195	519,195	519,195	518,204	815,646	815,646	815,646	834,957
Total remuneration	2,604,229	1,169,229	4,039,229	2,553,136	3,802,657	1,737,657	5,867,657	3,769,584

→	Joachim Wenning			
	Board member			
€	2016	2016 (min)	2016 (max)	2015
Basic remuneration	615,000	615,000	615,000	600,000
Remuneration in kind/fringe benefits	139,039	139,039	139,039	33,699
Total	754,039	754,039	754,039	633,699
One-year variable remuneration				
Annual performance 2015				420,000
Annual performance 2016	430,500	0	861,000	
Multi-year variable remuneration				
Multi-year performance 2015-2017				980,000
Multi-year performance 2016-2018	1,004,500	0	2,009,000	
Other				
Total	2,189,039	754,039	3,624,039	2,033,699
Pension expenses	524,003	524,003	524,003	511,395
Total remuneration	2,713,042	1,278,042	4,148,042	2,545,094

1 The compensation components and pension contributions that Markus Rieß received for his work at ERGO Group AG are included in the total remuneration.
2 Markus Rieß: Compensation, payable in four equal instalments, for the forfeited variable remuneration from the previous employer.

Remuneration paid in accordance with the German Corporate Governance Code

€	Nikolaus von Bomhard Chairman of the Board of Management		Giuseppina Albo Board member		Ludger Arnoldussen Board member	
	2016	2015	2016	2015	2016	2015
Basic remuneration	1,260,000	1,230,000	555,000	487,500	615,000	600,000
Remuneration in kind/fringe benefits	35,783	33,564	21,959	96,010	90,384	38,717
Total	1,295,783	1,263,564	576,959	583,510	705,384	638,717
One-year variable remuneration						
Annual performance 2015 ¹		972,930		412,913		411,600
Annual performance 2016 ²	858,451		386,713		395,586	
Multi-year variable remuneration						
Multi-year performance 2013-2015 ¹		1,901,200		-		903,070
Multi-year performance 2014-2016 ³	1,757,473		176,609		869,456	
Other						
Total	3,911,707	4,137,694	1,140,281	996,423	1,970,426	1,953,387
Pension expenses	1,001,233	1,224,633	474,047	415,061	659,513	688,528
Total remuneration	4,912,940	5,362,327	1,614,328	1,411,484	2,629,939	2,641,915

€	Thomas Blunck Board member		Doris Höpke Board member		Torsten Jeworrek Board member	
	2016	2015	2016	2015	2016	2015
Basic remuneration	615,000	600,000	555,000	487,500	885,000	870,000
Remuneration in kind/fringe benefits	31,700	33,996	33,356	29,884	37,801	182,311
Total	646,700	633,996	588,356	517,384	922,801	1,052,311
One-year variable remuneration						
Annual performance 2015 ¹		403,200		283,238		694,260
Annual performance 2016 ²	456,933		497,280		624,208	
Multi-year variable remuneration						
Multi-year performance 2013-2015 ¹		949,620		-		1,410,465
Multi-year performance 2014-2016 ³	869,456		265,417		1,260,711	
Other						
Total	1,973,089	1,986,816	1,351,053	800,622	2,807,720	3,157,036
Pension expenses	493,859	505,249	472,348	414,979	769,154	779,384
Total remuneration	2,466,948	2,492,065	1,823,401	1,215,601	3,576,874	3,936,420

See table on next page for footnotes

→	Markus Rieß				Peter Röder	
	Board member (joined 16 Sept. 2015) thereof for Munich Reinsurance Company				Board member	
€	2016	2015	2016	2015	2016	2015
Basic remuneration	976,250	280,365	337,500	94,063	615,000	600,000
Remuneration in kind/fringe benefits	115,717	7,430	39,677	801	35,034	34,932
Total	1,091,967	287,795	377,177	94,864	650,034	634,932
One-year variable remuneration						
Annual performance 2015 ¹		159,274		73,745		483,000
Annual performance 2016 ²	584,565		228,690		427,228	
Multi-year variable remuneration						
Multi-year performance 2013-2015 ¹		-		-		921,690
Multi-year performance 2014-2016 ³	-		-		869,456	
Other ⁵	1,500,000	750,000	1,500,000	750,000		
Total	3,176,532	1,197,069	2,105,867	918,609	1,946,718	2,039,622
Pension expenses	753,495	213,026	297,245	79,953	519,195	518,204
Total remuneration	3,930,027	1,410,095	2,403,112	998,562	2,465,913	2,557,826

→	Jörg Schneider		Joachim Wenning	
	Board member		Board member	
€	2016	2015	2016	2015
Basic remuneration	885,000	870,000	615,000	600,000
Remuneration in kind/fringe benefits	37,011	34,627	139,039	33,699
Total	922,011	904,627	754,039	633,699
One-year variable remuneration				
Annual performance 2015 ¹		675,990		546,000
Annual performance 2016 ²	607,915		468,901	
Multi-year variable remuneration				
Multi-year performance 2013-2015 ¹		1,354,605		903,070
Multi-year performance 2014-2016 ³	1,243,091		869,456	
Other				
Total	2,773,017	2,935,222	2,092,396	2,082,769
Pension expenses	815,646	834,957	524,003	511,395
Total remuneration	3,588,663	3,770,179	2,616,399	2,594,164

- 1 In the Annual Report 2015, the amounts to be paid for the 2015 annual performance and multi-year performance 2013-2015 were recognised on the basis of the reserves, as no Supervisory Board resolution had yet been passed on the amounts to be paid for the actual bonus amounts. The Annual Report for 2016 shows the actual amounts set by the Supervisory Board and to be paid out for 2015.
- 2 At the time of preparation of this report, no Supervisory Board resolution had yet been passed on the amounts to be paid for the 2016 annual performance. The amount shown for the 2016 annual performance remuneration is based on estimates and the relevant provisions posted.
- 3 At the time of preparation of this report, no Supervisory Board resolution had yet been passed on the amounts to be paid for the 2014-2016 multi-year performance. The amount shown for the 2014-2016 multi-year performance remuneration is based on estimates and the relevant provisions posted.
- 4 The compensation components and occupational benefits that Markus Rieß received for his work at ERGO Group AG are included in the remuneration.
- 5 Markus Rieß: Compensation, payable in four equal instalments, for the forfeited variable remuneration from the previous employer.

Total remuneration of the Supervisory Board

The provisions in place since the financial year 2014 provide for fixed remuneration only. Each member of the Supervisory Board receives annual remuneration of €90,000. The Chairman of the Supervisory Board receives annual remuneration of €180,000, and the Deputy Chairman annual remuneration of €135,000.

Members of the Audit Committee each receive an additional €45,000; members of the Personnel Committee each receive an extra €27,000; and

members of the Standing Committee each receive an additional €13,500. The Chairs of these committees receive double the amounts stated for members. No additional remuneration is paid for serving on the Nomination Committee or the Conference Committee.

In addition, members of the Supervisory Board receive an attendance fee of €1,000 for each Supervisory Board meeting and each meeting of a Supervisory Board committee – with the exception of the Conference Committee.

Remuneration of Supervisory Board members in accordance with Article 15 of the Articles of Association¹

Name	Financial year	Annual €	Fixed remuneration ² For committee work	Total €
			€	
Bernd Pischetsrieder Chairman	2016	186,000	135,000	321,000
	2015	187,000	135,000	322,000
Marco Nörenberg Deputy Chairman	2016	141,000	13,500	154,500
	2015	142,000	13,500	155,500
Ann-Kristin Achleitner	2016	96,000	38,750	134,750
	2015	97,000	1,000	98,000
Clement B. Booth (from 27 April 2016)	2016	70,500	-	70,500
	2015	-	-	-
Frank Fassin	2016	96,000	-	96,000
	2015	97,000	-	97,000
Benita Ferrero-Waldner	2016	96,000	-	96,000
	2015	96,000	-	96,000
Christian Fuhrmann	2016	96,000	51,000	147,000
	2015	96,000	51,000	147,000
Ursula Gather	2016	95,000	-	95,000
	2015	96,000	-	96,000
Peter Gruss	2016	96,000	-	96,000
	2015	96,000	-	96,000
Gerd Häusler	2016	96,000	-	96,000
	2015	97,000	-	97,000
Anne Horstmann	2016	96,000	50,000	146,000
	2015	97,000	51,000	148,000
Ina Hosenfelder	2016	96,000	-	96,000
	2015	97,000	-	97,000
Henning Kagermann	2016	95,000	110,500	205,500
	2015	96,000	110,500	206,500
Wolfgang Mayrhuber	2016	95,000	42,500	137,500
	2015	97,000	42,500	139,500
Beate Mensch	2016	96,000	-	96,000
	2015	96,000	-	96,000
Ulrich Plottke	2016	96,000	-	96,000
	2015	97,000	-	97,000
Anton van Rossum (until 27 April 2016)	2016	33,000	17,000	50,000
	2015	95,000	51,000	146,000
Andrés Ruiz Feger	2016	96,000	13,500	109,500
	2015	97,000	13,500	110,500
Gabriele Sinz-Toporzyssek	2016	96,000	-	96,000
	2015	97,000	-	97,000
Ron Sommer	2016	96,000	-	96,000
	2015	97,000	-	97,000
Angelika Wirtz	2016	96,000	29,000	125,000
	2015	96,000	29,000	125,000
Total	2016	2,059,500	500,750	2,560,250
	2015	2,066,000	498,000	2,564,000

1 Plus value-added tax (USt) in each case, in accordance with Article 15 (6) of the Articles of Association.

2 Including attendance fees in each case, in accordance with Article 15 (4) of the Articles of Association.

Remuneration of Supervisory Board members for membership of supervisory boards at Munich Reinsurance Company subsidiaries, in accordance with the companies' respective Articles of Association¹

Name	Financial year	Annual ² €	Fixed remuneration	Total €
			For committee work ² €	
Frank Fassin	2016	35,000	-	35,000
	2015	29,822	-	29,822
Anne Horstmann	2016	52,500	7,500	60,000
	2015	44,110	5,932	50,042
Marco Nörenberg	2016	35,000	-	35,000
	2015	33,849	2,425	36,274
Ulrich Plottke	2016	35,000	17,500	52,500
	2015	21,575	10,260	31,835
Gabriele Sinz-Toporzyssek	2016	15,000	-	15,000
	2015	15,000	-	15,000
Total	2016	172,500	25,000	197,500
	2015	144,356	18,617	162,973

1 Plus value-added tax (UST) in each case, in accordance with the relevant provisions of the respective Group companies' Articles of Association.

2 Including attendance fees in each case insofar as provided for under the relevant provisions of the Articles of Association.