

Remuneration report

The remuneration report describes the structure of the remuneration system for the Board of Management and Supervisory Board in the past financial year, and contains detailed information on the individual remuneration of the members of the Board of Management and Supervisory Board.

Remuneration of the members of the Board of Management in 2019

The full Supervisory Board decides on the remuneration system for the Board of Management, and reviews it regularly. The Remuneration Committee, which is responsible for all remuneration matters of the members of the Board of Management, prepared the corresponding resolutions for the full Supervisory Board in the reporting year. The Remuneration Committee is composed of two independent shareholder representatives and one employee representative.

The Personnel Committee is responsible for preparing the full Supervisory Board's resolutions on all other personnel matters relating to the Board of Management, in particular appointing and dismissing Board members and concluding Board members' contracts. It is composed of the Chairman of the Supervisory Board and one representative each of the shareholders and employees.

The remuneration system introduced in 2018 meets the relevant company and supervisory law requirements, including those of the German Corporate Governance Code.

Remuneration comprises fixed (non-performance-related) and variable (performance-related) components and a company pension scheme. Details are included in the following table:

Structure of the remuneration system for the members of the Board of Management

Component	Share ¹	Assessment basis/ Parameters	Corridor	Performance evaluation	
Basic remuneration plus remuneration in kind/fringe benefits	50%	Function, responsibility, Length of service on Board	Fixed		
Variable remuneration	50%	Corporate performance, Result of divisional unit, Personal performance			
30% annual bonus (for 100% performance evaluation)		IFRS consolidated result	Linear scaling 0-200% (fully achieved = 100%)	Achievement of annual objective	Evaluation of overall performance: Adjustment of achievement figures by the Supervisory Board, taking into account
Bonus scheme spanning one calendar year					- individual and collective management performance
70% multi-year bonus (for 100% performance evaluation)		Total shareholder return (TSR) of Munich Re shares compared with a defined peer group	Linear scaling ² : 0-200% 0% = lowest TSR value in the peer group comparison 200% = highest TSR value in the peer group comparison	Performance of Munich Re shares compared with peer group	- financial situation, performance and future prospects of the Company Loading/reduction of up to 20 percentage points
Bonus scheme spanning five calendar years		(Peer group: Allianz, AXA Generali, Hannover Re, SCOR, Swiss Re, Zurich Insurance Group)			
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.

² In light of the fact that the peer group is very small - with just seven companies (main competitors) - and comprises both primary and reinsurance companies, there are no further performance hurdles or thresholds. Moreover, to ensure sound and effective risk management, members of the Board of Management should not be encouraged to take excessive risks in an endeavour to achieve higher bonuses. The bonus amount must adequately reflect the performance of Munich Re shares compared with that of the peer group.

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

The equal shares of basic remuneration and variable remuneration provide for a balanced composition of overall remuneration as stipulated in the Solvency II regulations. In accordance with Solvency II, fixed and variable remuneration components must be in balance, so that the fixed component represents a sufficiently high proportion of the total remuneration and enables the undertaking to apply a flexible bonus policy, including the possibility of paying no variable remuneration at all. There should be no incentive for members of the Board of Management to engage in unreasonably excessive risk-taking in order to achieve higher bonuses.

Fixed remuneration

Fixed remuneration comprises basic remuneration plus remuneration in kind and fringe benefits (such as company cars and insurance policies). The salary tax on the remuneration in kind and fringe benefits is borne by Munich Re.

Variable remuneration

Assessment bases and link to corporate strategy

Variable remuneration comprises an annual and a multi-year component, both of which are related to future performance.

The exact target for the IFRS consolidated result used for the annual bonus, and the respective figures for a 0% and 200% achievement of objectives (linear scaling) are communicated externally. The target cannot be adjusted retroactively. After the assessment period has ended, the IFRS consolidated result achieved and the corresponding achievement of objectives are also disclosed.

As regards the total shareholder return (TSR) of Munich Re's shares used for the multi-year bonus, which is measured in relative terms in comparison with the peer group, the specific values for assessing the achievement of objectives will not be available until the end of the scheme. The lowest TSR figure in the peer group comparison is taken as 0% on the linear scaling, and the highest figure as 200%. After assessing the achievement of objectives, this too will be communicated together with the comparable values for the peer group. This ensures comprehensive transparency regarding the financial objectives.

As only one financial indicator each is used in the annual and multi-year bonus, the variable remuneration component is easier to understand. The IFRS consolidated result and TSR on Munich Re's shares in comparison with the peer group are two strategically relevant key indicators that form the basis of the variable remuneration. Both indicators can be influenced by the Board of Management.

Munich Re's business strategy is geared to profitable growth and successful positioning among our competitors. As an established result aggregate and relevant key figure for the capital market, the IFRS consolidated result takes account of the significance of high and stable earnings power in the annual variable remuneration component. The target for the IFRS consolidated result is based on annual planning figures, which in turn reflect Munich Re's strategic ambition.

Based on its long-term strategic orientation and economic management of the Group, Munich Re would like to sustainably create value for its shareholders in the form of TSR. TSR takes account of dividend payments as well as share price performance. A multi-year component based on an increase in TSR in comparison with our peer group makes up the largest portion of variable remuneration for the Board of Management. From Munich Re's point of view, the relative TSR is well suited for bringing in line the interests of shareholders and of the members of the Board of Management. The TSR over a period of several years reflects Munich Re's long-term performance not only in absolute terms, but also in relative terms. After all, above-average TSR development in comparison with the peer group is not conceivable in the long term without sustainably generating good results and creating value for our shareholders. Surpassing the performance of our peer group is in the interests of shareholders – even in a weak market environment.

As soon as the information on the achievement of objectives is available, as part of the overall performance evaluation the Supervisory Board can take into consideration both in the annual and multi-year bonus the performance of the individual members of the Board of Management and the Board of Management as a whole, along with Munich Re's financial situation, performance and future prospects. This is done by means of a loading or reduction of up to 20 percentage points on the relevant objective achieved.

In evaluating overall performance, in particular financial and non-financial criteria for the individual member's performance and the performance of the respective divisional unit/division and the field of business need to be taken into consideration. Other aspects, such as those relating to periods prior to the appraisal period in question, may also be taken into account. For this purpose, the Supervisory Board has compiled a set of criteria with the following examples of bonus-malus aspects:

Annual and multi-year bonus: Criteria for the evaluation of overall performance¹

Individual management performance	<ul style="list-style-type: none"> - Result of division/divisional unit, contribution to overall performance - Personal performance (qualitative and/or quantitative) - ESG (environmental, social and governance) criteria - Employee satisfaction - Consideration of special market circumstances or unexpected developments - Implementation of strategy, improvements in organisation and processes, innovation - Conduct (leadership, role model function, adherence to guidelines/compliance requirements, cooperation with colleagues and Supervisory Board)
Collective management performance	<ul style="list-style-type: none"> - Result of field of business (reinsurance and/or primary insurance) - ESG (environmental, social and governance) criteria - Employee satisfaction - Reaction to special market circumstances and unforeseeable developments
Financial situation, performance and future prospects of the Company	<ul style="list-style-type: none"> - Financial situation of the Company - Short-term and long-term profit prospects - Market environment (interest rates, situation in the industry, etc.)

¹ Further key aspects may also be taken into consideration.

Transparency is provided with regard to whether and for what reason loadings or reductions were applied and what they amounted to.

The evaluation of overall performance can also take into account factors that influence business development but are not reflected in the IFRS consolidated result and TSR. Therefore, in light of the aim of keeping the remuneration system simple and transparent, no further financial assessment bases are needed.

Targets/Achievement of objective for the annual bonus

The aim of the annual bonus is to achieve a high IFRS consolidated result. The chosen targets are challenging for the members of the Board of Management given the prevailing low-interest-rate policies and fierce competition in the insurance markets.

Targets for 2019

A target of €2,500m was set for 2019, with the following linear scaling for the 0–200% target corridor:

€1,800m = 0% achievement of objective
 €2,500m = 100% achievement of objective
 €3,200m = 200% achievement of objective

Achievement of objectives in 2019

At its meeting in March 2020, the Supervisory Board decides about the achievement of objectives in 2019 on the basis of the IFRS consolidated result and taking into account any loadings or reductions as part of the overall performance evaluation. As the editorial deadline for the Annual Report precedes the Supervisory Board meeting, this information could not be included in the remuneration report. However, it will be made available at www.munichre.com/board-of-management/remuneration on 18 March 2020.

Targets for 2020

A target of €2,800m was set for 2020, with the following linear scaling for the 0–200% target corridor:

€2,100m = 0% achievement of objective
 €2,800m = 100% achievement of objective
 €3,500m = 200% achievement of objective

Targets/Achievement of objective for the multi-year bonus

The objective of the multi-year bonus is the sustainable performance of Munich Re's shares in terms of TSR in comparison with the peer group. The companies in the peer group were selected based on comparable business activities and size. Furthermore, they must be listed on the stock exchange and subject to similar accounting standards as Munich Re, which is why the peer group only includes European primary insurance and reinsurance companies. The peer group comprises Allianz, AXA, Generali, Hannover Re, SCOR, Swiss Re and Zurich Insurance Group. It is the same peer group as for the analysts' conference.

The multi-year bonus spans five calendar years. In the first calendar year, the initial TSR is established, and at the end of the scheme, the end TSR is computed and compared in order to determine achievement of the objective. The calculations are based on reporting date figures.

The Supervisory Board set a target corridor of 0–200% with the following linear scaling:

Lowest TSR
 in peer group = 0% achievement of objective
 Highest TSR
 in peer group = 200% achievement of objective

Because the specific figures for assessing the achievement of objectives will not be available until the end of the scheme, they will be published alongside the target assessment.

Deferral

The run-time of the deferred multi-year bonus takes account of the nature and time horizon of the Company's business activities. The TSR in the multi-year bonus fully reflects the sustainable and long-term performance of Munich Re's shares, so that a further multi-year deferral period – which in turn is geared to share price performance – is neither expedient nor necessary. In the case of the annual bonus, a deferral period does not offer any significant added value either, as the annual bonus makes up only 15% of overall remuneration.

Limit to variable remuneration (malus) and clawback

Given that the Supervisory Board can take into account a loading or reduction of up to 20 percentage points on both the annual bonus and the multi-year bonus in order to reflect the achievements of the individual members of the Board of Management and the Board of Management as a whole, it has the option of reducing variable remuneration in the case of negative result contributions.

According to the employment contracts for members of the Board of Management appointed for the first time after 1 January 2017, all unpaid variable remuneration components are forfeited in the event of termination of a Board member's contract by the Company for good cause or in the event of relinquishment by a Board member of their appointment to the Board of Management without good cause.

In addition, all employment contracts of the members of the Board of Management provide for the right of the Company to implement any requirements by the supervisory authority to limit, cancel or not pay out variable remuneration in relation to the member of the Board of Management.

Contractual clawback provisions requiring reimbursement of variable remuneration components already paid out are triggered in the event of a serious breach of duty. All employment contracts of the members of the Board of Management include a provision according to which, in particular pursuant to Section 93 of the German Stock

Corporation Act (AktG), a member of the Board of Management is required to reimburse the Company for any damage attributable to them as a result of a breach of duty.

The contractual indemnity provision protects the Company; it is designed to safeguard the Company's assets in the event of a serious breach of duty. In the Company's view, an additional clawback provision for bonuses already paid is therefore not required.

Upper remuneration limits

The respective 0–200% target corridor defines an upper limit for variable remuneration paid to members of the Board of Management. Any higher achievement of objectives is capped at 200%; in this case, there is therefore also no loading as a result of the overall performance evaluation. There are caps on the maximum amounts of total remuneration and its variable components in accordance with the German Corporate Governance Code.

Share ownership of the members of the Board of Management

The current remuneration system does not require members of the Board of Management to invest in Company shares.

The TSR used in the multi-year bonus reflects the performance of Munich Re's shares, which ensures that the interests of the Board of Management are in line with those of our shareholders. From the Company's point of view, the continually increasing requirements in terms of insider trading law regarding the purchase and sale of shares and the rising number of inquiries – also in connection with share-based remuneration components – are compelling reasons to refrain from remuneration based on the obligation to purchase shares.

Most of the members of the Board of Management active in 2019 also hold a large number of Company shares. Moreover, participants in the multi-year performance plan 2017–2019, which will be paid out in 2020, are obliged to invest a portion of their bonus payments in Company shares.

Share ownership of the members of the Board of Management

Members of the Board of Management	Number of shares on 30.12.2019 ¹	XETRA closing price on 30.12.2019 ¹	Total value of shares on 30.12.2019 ¹	Total value of shares in % of basic remuneration for 2019
		€	€	%
Joachim Wenning	11,732	263.00	3,085,516.00	139
Thomas Blunck	4,541	263.00	1,194,283.00	111
Nicholas Gartside (since 18 March 2019)	0	263.00	0.00	0
Doris Höpke	3,830	263.00	1,007,290.00	94
Torsten Jeworrek	3,994	263.00	1,050,422.00	68
Christoph Jurecka	3,628	263.00	954,164.00	73
Hermann Pohlchristoph	223	263.00	58,649.00	5
Markus Rieß ²	3,346	263.00	879,998.00	33
Peter Röder	5,510	263.00	1,449,130.00	135

¹ Last trading day in 2019.

² As regards the overall value of the shares in relation to basic remuneration, the basic remuneration that Markus Rieß received for his work at ERGO Group AG was also taken into consideration.

Other

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 twelve 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.

No guaranteed variable remuneration (sign-on bonuses/recruitment bonuses)

As a matter of principle, the Company does not pay guaranteed variable remuneration to members of the Board of Management. We only pay sign-on/recruitment bonuses in exceptional cases and on production of corresponding evidence if a new member of the Board of Management forfeits a bonus by a previous employer. Compensation for forfeiting variable remuneration components paid by a previous employer is paid in several instalments and is tied to prerequisites for disbursement.

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 by the Company 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 this is shorter. If the employment contract is terminated for good cause on grounds that are within the Board member's 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 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 if this term is shorter. Annual remuneration is calculated on the basis of fixed annual remuneration and variable remuneration paid out for the prior full financial year before the contract was terminated; remuneration in kind, other fringe benefits and contributions to occupational retirement schemes are not taken into account. Payments received by a Board member during a period of notice after termination of the appointment are offset against any severance payment. There will be no right to severance payments in the event of extraordinary

termination of the Board member's contract by the Company for good cause.

As a matter of principle, the Company ensures that severance payments are related to performance achieved over the whole period of activity.

Stock option plans

No stock option plans or similar incentive schemes 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. Exempted from this is remuneration for memberships explicitly classified by the Supervisory Board as private.

External consultants

Munich Re does not use the services of external consultants to draft or implement remuneration systems for the Board of Management.

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 amount of the pension contribution takes into consideration the peer group (including DAX 30 companies) and the pension contributions for the employee groups below the level of the Board of Management. The pension contributions for the members of the Board of Management are 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 defined contribution plan. They kept their pension entitlement from the defined benefit plan (fixed amount in euros) existing at the date of transfer, 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.

Members of the Board of Management appointed for the first time before 1 January 2019 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 who are entitled to an occupational pension, disability pension, or reduced occupational pension on early retirement receive a pension in the amount of 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. 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. All members of the Board of Management must retire from active service no later than 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 of 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 their position for six months without interruption, as a result of illness, injury, or infirmity beyond what is normal for their age. The entitlement to a disability pension does not arise until expiry of remuneration payment obligations or continuation 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 of 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 having requested it. This applies where 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 of 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 German Company Pension Act (BetrAVG):

Board members are entitled to vested benefits under the German Company Pension Act if they leave the Company before reaching the age of 60 or 62 and the pension commitment has existed for at least three years (previously five years) at the time of departure.

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 of 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 Company Pension 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(5) of the Company Pension 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 continue to 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 and until 2018, the previous monthly basic remuneration is paid to the beneficiaries for a period of three months. If the Board member's death occurs after retirement, the surviving dependants of members of the Board of Management that were appointed for the first time before 2018 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 full 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

Amount of remuneration

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 Board's Remuneration Committee, and taking into account the responsibilities and performance of each member of the Board of Management, the performance of the full Board of Management and the situation, performance and future prospects of Munich Re. It takes into consideration whether the remuneration is standard practice and appropriate compared with other companies of the peer group (including DAX 30 companies). The target overall direct remuneration for the Chairman of the Board of Management is based on the median remuneration paid to the chairs of the boards of management of DAX 30 companies. In addition, the Supervisory Board takes into account the level of the salaries paid to the Board of Management in relation to the level of salaries paid to senior managers and to general staff members over time.

Pay ratios

In the reporting year, the target overall direct remuneration of the Chairman of the Board of Management was 37 (38) times the average target overall direct remuneration of all Company employees (excluding the Board of Management). The average target overall direct remuneration of all members of the Board of Management was 22 (24) times the average target overall direct remuneration of all employees (excluding the Board of Management).

Disclosure of Board of Management remuneration

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 the 2019 annual bonus is shown as the provisions set aside for that purpose taking into account any 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 2016–2018 is recognised in the year of payment, i.e. in 2019.

Fixed and variable remuneration components

The serving members of Munich Reinsurance Company's Board of Management in 2019 received remuneration totalling €23.8m (17.4m) for fulfilment of their duties in respect of the parent company and its subsidiaries in the financial year. Total remuneration thus shows an increase of around €6.4m compared with the previous year's figure, which was adjusted for the remuneration of a Board member who left the Board at the end of 31 December 2018. The increase in total remuneration is particularly due to the fact that the Board of Management has had an additional member since March 2019, and that a member appointed during the year in 2015 was included for the first time for the entire assessment period when calculating the multi-year remuneration. Moreover, the levels of target achievement for the variable remuneration components were higher than last year. Total remuneration received by the individual members of the Board of Management is shown in the table below.

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 HGB)

Name	Financial year	Basic remuneration	Remuneration in kind/fringe benefits	Annual bonus ¹	Multi-year performance ^{2,3}	Other	Total
		€	€	€	€		
Joachim Wenning	2019	2,225,000	40,963	867,750	773,465		3,907,178
	2018	2,225,000	39,201	692,736	646,800		3,603,737
Thomas Blunck	2019	1,075,000	33,913	419,250	793,555		2,321,718
	2018	1,075,000	33,797	367,717	637,000		2,113,514
Nicholas Gartside (since 18 March 2019) ⁴	2019	848,909	19,478	331,075		411,188	1,610,650
	2018						
Doris Höpke	2019	1,075,000	31,532	419,250	879,305		2,405,087
	2018	1,075,000	32,273	260,092	493,675		1,861,040
Torsten Jeworrek	2019	1,550,000	38,286	604,500	1,098,580		3,291,366
	2018	1,550,000	37,021	483,570	937,860		3,008,451
Christoph Jurecka	2019	1,300,000	30,041	507,000			1,837,041
	2018						
Hermann Pohlchristoph	2019	1,075,000	48,370	419,250			1,542,620
	2018	1,012,500	49,237	319,028			1,380,765
Markus Rieß ⁵	2019	2,675,000	119,459	165,750	1,666,785		4,626,994
		Thereof for Munich Reinsurance Company	425,000	23,888	165,750	667,013	
	2018	2,462,500	120,626	328,480	471,089		3,382,695
		Thereof for Munich Reinsurance Company	637,500	47,250	202,500	165,926	
Peter Röder	2019	1,075,000	30,446	419,250	763,420		2,288,116
	2018	1,075,000	31,713	326,820	637,000		2,070,533
Total	2019	12,898,909	392,488	4,153,075	5,975,110	411,188	23,830,770
	2018	10,475,000	343,868	2,778,443	3,823,424		17,420,735

- At the time of preparation of this report, no Supervisory Board resolution had yet been passed on the amounts to be paid for the 2019 annual bonus. The amounts shown for the annual bonus are based on estimates, i.e. the relevant provisions and any additional/reduced expenditure for the 2018 annual bonus. The amounts shown for the 2018 annual bonus comprise the respective provision for 2018 and the relevant additional/reduced expenditure for the 2017 annual performance. The actual bonus payments for 2018 can be seen in the remuneration tables "Remuneration paid in accordance with the German Corporate Governance Code" on pages 49 ff.
- The multi-year performance component paid annually until 2017 is geared to the success of the fields of business and personal performance of the members of the Board of Management, for which three-year objectives were agreed. In addition, the Supervisory Board assesses the overall performance 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. Payment is effected in the fourth year, with 25% of the net payout amount to be invested in Munich Reinsurance Company shares that must be held for at least a two-year period.
- The amounts paid out in 2019 were for multi-year performance 2016–2018, those paid out in 2018 were for 2015–2017.
- Other: Nicholas Gartside does not receive an employer-financed pension. By way of compensation for this, a conditional one-off payment will be made at the end of his appointment. In the event of his death or disability prior to the end of his term of office, this payment will be made pro rata temporis for the period until then.
- The compensation components that Markus Rieß received for his work at ERGO Group AG are included in the remuneration.

The variable remuneration amounts payable are listed in the table below.

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

Name	Set in	for	Annual bonus ^{1, 3}	Multi-year bonus ^{2, 3}	Total amounts payable
			€	€	€
Joachim Wenning	2019	2020	697,500	1,627,500	2,325,000
	2018	2019	667,500	1,557,500	2,225,000
Thomas Blunck	2019	2020	337,500	787,500	1,125,000
	2018	2019	322,500	752,500	1,075,000
Nicholas Gartside (since 18 March 2019)	2019	2020	337,500	787,500	1,125,000
	2018	2019	254,673	594,236	848,909
Doris Höpke	2019	2020	337,500	787,500	1,125,000
	2018	2019	322,500	752,500	1,075,000
Torsten Jeworrek	2019	2020	487,500	1,137,500	1,625,000
	2018	2019	465,000	1,085,000	1,550,000
Christoph Jurecka	2019	2020	450,000	1,050,000	1,500,000
	2018	2019	390,000	910,000	1,300,000
Hermann Pohlchristoph (until 30 April 2020)	2019	2020	107,500	250,833	358,333
	2018	2019	322,500	752,500	1,075,000
Markus Rieß ⁴	2019	2020	150,000	350,000	500,000
	2018	2019	127,500	297,500	425,000
Peter Röder	2019	2020	337,500	787,500	1,125,000
	2018	2019	322,500	752,500	1,075,000
Total	2019	2020	3,242,500	7,565,833	10,808,333
	2018	2019	3,194,673	7,454,236	10,648,909

1 The remuneration set for the annual bonus for 2019 is payable in 2020, that for 2020 in 2021.

2 The remuneration set for the multi-year bonus for 2019 is payable in 2023, that for 2020 in 2024.

3 Information on the assessment bases and targets for the amounts set for 2019 and 2020 is provided on pages 36 ff.

4 The ERGO Group AG remuneration system does not provide for a variable component. Markus Rieß thus only receives variable target amounts from Munich Reinsurance Company.

Pension entitlements

Personnel expenses of €5.7m (4.9m) were incurred in the financial year to finance the pension entitlements for members of the Board of Management active in 2019. Of these, €0.6m was apportionable to defined benefit plans and around €5.1m to defined contribution plans. As a consequence of the risk transfer to an external pension

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 ¹ €/year	Defined benefit plan	
			Present value of defined benefit as at 31 December	Provisions for personnel expenses ²
			€	€
Joachim Wenning ^{3,4}	2019	-	18,173	1,643
	2018	-	16,424	1,698
Thomas Blunck ^{3,4}	2019	120,000	4,424,945	211,946
	2018	120,000	3,693,367	189,535
Nicholas Gartside (since 18 March 2019) ⁵	2019	-	-	-
	2018	-	-	-
Doris Höpke ^{3,4}	2019	-	12,532	592
	2018	-	10,625	574
Torsten Jeworrek ^{3,6}	2019	171,000	7,316,522	249,534
	2018	171,000	6,437,429	225,482
Christoph Jurecka ^{3,7}	2019	-	-	-
	2018	-	-	-
Hermann Pohlchristoph ^{3,7}	2019	-	5,394	324
	2018	-	5,761	345
Markus Rieß ^{3,8} Thereof for Munich Reinsurance Company	2019	-	57,772	11,842
	2018	-	57,772	11,842
Thereof for Munich Reinsurance Company	2019	-	37,192	18,271
	2018	-	37,192	18,271
Peter Röder ^{3,6}	2019	90,000	3,569,324	119,178
	2018	90,000	3,164,789	107,050
Total	2019	381,000	15,404,662	595,059
	2018	381,000	13,365,587	542,955

See table on next page for footnotes.

Pension entitlements

Name	Financial year	Pension contribution rate for target overall direct remuneration	Defined contribution plan		
			Entitlement as at 31 December	Present value of entitlement as at 31 December	Personnel expenses
Joachim Wenning ^{3,4}	2019	25.50	239,933	- ⁹	1,134,750
	2018	25.50	201,663	- ⁹	1,134,750
Thomas Blunck ^{3,4}	2019	16.25	151,726	7,079,079	349,375
	2018	16.25	137,577	5,718,540	349,375
Nicholas Gartside (since 18 March 2019) ⁵	2019	-	-	-	-
	2018	-	-	-	-
Doris Höpke ^{3,4}	2019	25.50	94,836	- ⁹	548,250
	2018	25.50	76,800	- ⁹	548,250
Torsten Jeworrek ^{3,6}	2019	19.50	253,325	11,820,896	604,500
	2018	19.50	229,892	9,874,883	604,500
Christoph Jurecka ^{3,7}	2019	25.50	16,730	- ⁹	663,000
	2018	-	-	-	-
Hermann Pohlchristoph ^{3,7}	2019	25.50	35,165	- ⁹	548,250
	2018	25.50	21,356	- ⁹	516,375
Markus Rieß ^{3,8}	2019	25.14	92,977	2,272,938 ¹⁰	779,250
Thereof for Munich Reinsurance Company		25.50	33,351	- ⁹	216,750
	2018	25.19	70,802	1,207,233 ¹⁰	781,375
Thereof for Munich Reinsurance Company		25.50	27,380	- ⁹	325,125
Peter Röder ^{3,6}	2019	20.25	176,860	7,936,905	435,375
	2018	20.25	160,141	6,739,628	435,375
Total	2019		1,061,552	29,109,818	5,062,750
	2018		898,231	23,540,284	4,370,000

- 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 occupational pension in the event of termination of employment owing to incapacity to work.
- 4 Entitled to a reduced occupational pension on early retirement in the event of premature or regular termination of employment.
- 5 Nicholas Gartside does not receive an employer-financed pension. By way of compensation for this, a conditional one-off payment will be made at the end of his appointment. In the event of his death or disability prior to the end of his term of office, this payment will be made pro rata temporis for the period until then.
- 6 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.
- 7 Entitled to vested benefits under the Company Pension Act in the event of premature or regular termination of employment.
- 8 Entitled to vested benefits under the Company Pension Act in the event of premature termination as of 16 September 2020, or 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 annual and multi-year remuneration components.

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

€	Joachim Wenning				Thomas Blunck			
	Chairman of the Board of Management				Board member			
	2019	2019 (min)	2019 (max)	2018	2019	2019 (min)	2019 (max)	2018
Basic remuneration	2,225,000	2,225,000	2,225,000	2,225,000	1,075,000	1,075,000	1,075,000	1,075,000
Remuneration in kind/fringe benefits	40,963	40,963	40,963	39,201	33,913	33,913	33,913	33,797
Total	2,265,963	2,265,963	2,265,963	2,264,201	1,108,913	1,108,913	1,108,913	1,108,797
One-year variable remuneration								
Annual bonus 2018				667,500				322,500
Annual bonus 2019	667,500	0	1,335,000		322,500	0	645,000	
Multi-year variable remuneration								
Multi-year bonus 2018				1,557,500				752,500
Multi-year bonus 2019	1,557,500	0	3,115,000		752,500	0	1,505,000	
Other								
Total	4,490,963	2,265,963	6,715,963	4,489,201	2,183,913	1,108,913	3,258,913	2,183,797
Pension expenses	1,136,393	1,136,393	1,136,393	1,136,448	561,321	561,321	561,321	538,910
Total remuneration	5,627,356	3,402,356	7,852,356	5,625,649	2,745,234	1,670,234	3,820,234	2,722,707

€	Nicholas Gartside				Doris Höpke			
	Board member (since 18 March 2019)				Board member			
	2019	2019 (min)	2019 (max)	2018	2019	2019 (min)	2019 (max)	2018
Basic remuneration	848,909	848,909	848,909	-	1,075,000	1,075,000	1,075,000	1,075,000
Remuneration in kind/fringe benefits	19,478	19,478	19,478	-	31,532	31,532	31,532	32,273
Total	868,387	868,387	868,387	-	1,106,532	1,106,532	1,106,532	1,107,273
One-year variable remuneration								
Annual bonus 2018				-				322,500
Annual bonus 2019	254,673	0	509,346		322,500	0	645,000	
Multi-year variable remuneration								
Multi-year bonus 2018				-				752,500
Multi-year bonus 2019	594,236	0	1,188,472		752,500	0	1,505,000	
Other ¹	411,188	411,188	411,188					
Total	2,128,484	1,279,575	2,977,393	-	2,181,532	1,106,532	3,256,532	2,182,273
Pension expenses					548,842	548,842	548,842	548,824
Total remuneration	2,128,484	1,279,575	2,977,393	-	2,730,374	1,655,374	3,805,374	2,731,097

€	Torsten Jeworrek				Christoph Jurecka			
	Board member				Board member			
	2019	2019 (min)	2019 (max)	2018	2019	2019 (min)	2019 (max)	2018
Basic remuneration	1,550,000	1,550,000	1,550,000	1,550,000	1,300,000	1,300,000	1,300,000	-
Remuneration in kind/fringe benefits	38,286	38,286	38,286	37,021	30,041	30,041	30,041	-
Total	1,588,286	1,588,286	1,588,286	1,587,021	1,330,041	1,330,041	1,330,041	-
One-year variable remuneration								
Annual bonus 2018				465,000				-
Annual bonus 2019	465,000	0	930,000		390,000	0	780,000	
Multi-year variable remuneration								
Multi-year bonus 2018				1,085,000				-
Multi-year bonus 2019	1,085,000	0	2,170,000		910,000	0	1,820,000	
Other								
Total	3,138,286	1,588,286	4,688,286	3,137,021	2,630,041	1,330,041	3,930,041	-
Pension expenses	854,034	854,034	854,034	829,982	663,000	663,000	663,000	-
Total remuneration	3,992,320	2,442,320	5,542,320	3,967,003	3,293,041	1,993,041	4,593,041	-

Continued on next page.

→ Hermann Pohlchristoph				
Board member				
€	2019	2019 (min)	2019 (max)	2018
Basic remuneration	1,075,000	1,075,000	1,075,000	1,012,500
Remuneration in kind/fringe benefits	48,370	48,370	48,370	49,237
Total	1,123,370	1,123,370	1,123,370	1,061,737
One-year variable remuneration				
Annual bonus 2018				303,750
Annual bonus 2019	322,500	0	645,000	
Multi-year variable remuneration				
Multi-year bonus 2018				708,750
Multi-year bonus 2019	752,500	0	1,505,000	
Other				
Total	2,198,370	1,123,370	3,273,370	2,074,237
Pension expenses	548,574	548,574	548,574	516,720
Total remuneration	2,746,944	1,671,944	3,821,944	2,590,957

→ Markus Rieß					Board member thereof for Munich Reinsurance Company			
€	Total ²				2019	2019 (min.)	2019 (max.)	2018
	2019	2019 (min.)	2019 (max.)	2018	2019	2019 (min.)	2019 (max.)	2018
Basic remuneration	2,675,000	2,675,000	2,675,000	2,462,500	425,000	425,000	425,000	637,500
Remuneration in kind/fringe benefits	119,459	119,459	119,459	120,626	23,888	23,888	23,888	47,250
Total	2,794,459	2,794,459	2,794,459	2,583,126	448,888	448,888	448,888	684,750
One-year variable remuneration								
Annual bonus 2018				191,250				191,250
Annual bonus 2019	127,500	0	255,000		127,500	0	255,000	0
Multi-year variable remuneration								
Multi-year bonus 2018				446,250				446,250
Multi-year bonus 2019	297,500	0	595,000		297,500	0	595,000	0
Other								
Total	3,219,459	2,794,459	3,644,459	3,220,626	873,888	448,888	1,298,888	1,322,250
Pension expenses	791,092	791,092	791,092	799,646	228,592	228,592	228,592	343,396
Total remuneration	4,010,551	3,585,551	4,435,551	4,020,272	1,102,480	677,480	1,527,480	1,665,646

→ Peter Röder				
Board member				
€	2019	2019 (min)	2019 (max)	2018
Basic remuneration	1,075,000	1,075,000	1,075,000	1,075,000
Remuneration in kind/fringe benefits	30,446	30,446	30,446	31,713
Total	1,105,446	1,105,446	1,105,446	1,106,713
One-year variable remuneration				
Annual bonus 2018				322,500
Annual bonus 2019	322,500	0	645,000	
Multi-year variable remuneration				
Multi-year bonus 2018				752,500
Multi-year bonus 2019	752,500	0	1,505,000	
Other				
Total	2,180,446	1,105,446	3,255,446	2,181,713
Pension expenses	554,553	554,553	554,553	542,425
Total remuneration	2,734,999	1,659,999	3,809,999	2,724,138

- Nicholas Gartside does not receive an employer-financed pension. By way of compensation for this, a conditional one-off payment will be made at the end of his appointment. In the event of his death or disability prior to the end of his term of office, this payment will be made pro rata temporis for the period until then.
- Markus Rieß' remuneration also includes compensation components and pension expenses for work at ERGO Group AG.

Remuneration paid in accordance with the German Corporate Governance Code

€	Joachim Wenning			Thomas Blunck		
	Chairman of the Board of Management			Board member		
	2019	2018	Overall performance evaluation in %	2019	2018	Overall performance evaluation in %
Basic remuneration	2,225,000	2,225,000		1,075,000	1,075,000	
Remuneration in kind/fringe benefits	40,963	39,201		33,913	33,797	
Total	2,265,963	2,264,201		1,108,913	1,108,797	
One-year variable remuneration						
Annual bonus 2018 ¹		640,800	96		309,600	96
Annual bonus 2019 ²	867,750		130	419,250		130
Multi-year variable remuneration						
Multi-year performance 2016-2018 ^{1,3}		773,465	77		793,555	79
Multi-year performance 2017-2019 ^{3,4}	1,712,466		100	965,927		96
Other						
Total	4,846,179	3,678,466		2,494,090	2,211,952	
Pension expenses	1,136,393	1,136,448		561,321	538,910	
Total remuneration	5,982,572	4,814,914		3,055,411	2,750,862	

€	Nicholas Gartside			Doris Höpke		
	Board member (since 18 March 2019)			Board member		
	2019	2018	Overall performance evaluation in %	2019	2018	Overall performance evaluation in %
Basic remuneration	848,909	-		1,075,000	1,075,000	
Remuneration in kind/fringe benefits	19,478	-		31,532	32,273	
Total	868,387	-		1,106,532	1,107,273	
One-year variable remuneration						
Annual bonus 2018 ¹		-			309,600	96
Annual bonus 2019 ²	331,075		130	419,250		130
Multi-year variable remuneration						
Multi-year performance 2016-2018 ^{1,3}		-			879,305	97
Multi-year performance 2017-2019 ^{3,4}	-			965,927		96
Other ⁵	411,188					
Total	1,610,650	-		2,491,709	2,296,178	
Pension expenses	-	-		548,842	548,824	
Total remuneration	1,610,650	-		3,040,551	2,845,002	

See table on page 51 for footnotes.

→	Torsten Jeworrek			Christoph Jurecka		
	Board member			Board member		
€	2019	2018	Overall performance evaluation in %	2019	2018	Overall performance evaluation in %
Basic remuneration	1,550,000	1,550,000		1,300,000	-	
Remuneration in kind/fringe benefits	38,286	37,021		30,041	-	
Total	1,588,286	1,587,021		1,330,041	-	
One-year variable remuneration						
Annual bonus 2018 ¹		446,400	96		-	
Annual bonus 2019 ²	604,500		130	507,000		130
Multi-year variable remuneration						
Multi-year performance 2016-2018 ^{1,3}		1,098,580	76		-	
Multi-year performance 2017-2019 ^{3,4}	1,389,993		96	-		
Other						
Total	3,582,779	3,132,001		1,837,041	-	
Pension expenses	854,034	829,982		663,000	-	
Total remuneration	4,436,813	3,961,983		2,500,041	-	

→	Hermann Pohlchristoph		
	Board member		
€	2019	2018	Overall performance evaluation in %
Basic remuneration	1,075,000	1,012,500	
Remuneration in kind/fringe benefits	48,370	49,237	
Total	1,123,370	1,061,737	
One-year variable remuneration			
Annual bonus 2018 ¹		291,600	96
Annual bonus 2019 ²	419,250		130
Multi-year variable remuneration			
Multi-year performance 2016-2018 ^{1,3}		-	
Multi-year performance 2017-2019 ^{3,4}	581,127		96
Other			
Total	2,123,747	1,353,337	
Pension expenses	548,574	516,720	
Total remuneration	2,672,321	1,870,057	

See table on page 51 for footnotes.

		Markus Rieß			
		Board member			
		thereof for Munich Reinsurance Company			
		Overall performance evaluation in %			
€		Total ⁶			
	2019	2018	2019	2018	
Basic remuneration	2,675,000	2,462,500	425,000	637,500	
Remuneration in kind/fringe benefits	119,459	120,626	23,888	47,250	
Total	2,794,459	2,583,126	448,888	684,750	
One-year variable remuneration					
Annual bonus 2018 ¹		183,600		183,600	96
Annual bonus 2019 ²	165,750		165,750		130
Multi-year variable remuneration					
Multi-year performance 2016–2018 ^{1, 3}		1,666,785		667,013	121
Multi-year performance 2017–2019 ^{3, 4}	1,440,609		610,234		111
Other					
Total	4,400,818	4,433,511	1,224,872	1,535,363	
Pension expenses	791,092	799,646	228,592	343,396	
Total remuneration	5,191,910	5,233,157	1,453,464	1,878,759	

		Peter Röder			
		Board member			
		Overall performance evaluation in %			
€		2019	2018		
Basic remuneration		1,075,000	1,075,000		
Remuneration in kind/fringe benefits		30,446	31,713		
Total		1,105,446	1,106,713		
One-year variable remuneration					
Annual bonus 2018 ¹			309,600		96
Annual bonus 2019 ²		419,250			130
Multi-year variable remuneration					
Multi-year performance 2016–2018 ^{1, 3}			763,420		76
Multi-year performance 2017–2019 ^{3, 4}		965,927			96
Other					
Total		2,490,623	2,179,733		
Pension expenses		554,553	542,425		
Total remuneration		3,045,176	2,722,158		

- 1 In the 2018 Annual Report, the amounts to be paid for the 2018 annual performance and multi-year performance 2016–2018 were recognised on the basis of the reserves, as no Supervisory Board resolution had yet been passed on the actual bonus amounts to be paid. The Annual Report for 2019 shows the actual amounts set by the Supervisory Board and to be paid out for 2018.
- 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 2019 annual bonus, the amount shown is based on estimates and the relevant provisions posted.
- 3 The multi-year performance component paid annually until 2017 is geared to the success of the fields of business and personal performance of the members of the Board of Management, for which three-year objectives were agreed. In addition, the Supervisory Board assesses the overall performance 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. Payment is effected in the fourth year, with 25% of the net payout amount to be invested in Munich Reinsurance Company shares that must be held for at least a two-year period.
- 4 At the time of preparation of this report, no Supervisory Board resolution had yet been passed on the amounts to be paid for the 2017–2019 multi-year performance, the amount shown is based on estimates and the relevant provisions posted.
- 5 Nicholas Gartside does not receive an employer-financed pension. By way of compensation for this, a conditional one-off payment will be made at the end of his appointment. In the event of his death or disability prior to the end of his term of office, this payment will be made pro rata temporis for the period until then.
- 6 Markus Rieß' remuneration also includes compensation components and pension expenses for work at ERGO Group AG.

As an addendum to page 38 of the annual report:

Board of Management annual bonus – Achievement of objective in 2019

At its meeting on 17 March 2020, Munich Reinsurance Company's Supervisory Board passed a resolution on the 2019 annual bonus. An IFRS consolidated result of €2,707m was achieved in 2019; this constitutes 130% of the objective according to the established linear scaling. After evaluating the overall performance, the Supervisory Board decided, based on the pre-defined criteria, to undertake no loading or reduction of this amount.