



Dr. Nikolaus von Bomhard
Chairman of the Supervisory Board

Ladies and Gentlemen,

In the 2019 financial year, the Supervisory Board fulfilled all the tasks and duties incumbent upon it by law and under the Articles of Association and the rules of procedure. All members of the Supervisory Board and of the committees took part in over half of the respective meetings. In fact, the overall attendance for all members of the Supervisory Board was 100% in the reporting year. (For an overview on attendance of Supervisory Board Members at meetings of the Supervisory Board and at committee meetings, please refer to page 15 and www.munichre.com/supervisory-board.)

We monitored the Board of Management in its conduct of the business, and gave advice on all matters of importance for the Group. No inspection measures in accordance with Section 111(2) sentence 1 of the German Stock Corporation Act (AktG) were required at any time.

Collaboration between Supervisory Board and Board of Management

The Board of Management punctually and directly involved the Supervisory Board in all important business transactions and decisions of fundamental significance for the Group. In our meetings, we discussed the reports from the Board of Management in detail. Cooperation with the Board of Management was characterised in every regard by targeted and responsible action aimed at promoting the successful development of Munich Re. The Board of Management satisfied its reporting obligations towards the Supervisory Board in all respects, both verbally and in writing.

Outside of Supervisory Board meetings, the Board of Management informed us promptly and extensively about important events in the Group, such as developments during the renewals of property-casualty reinsurance treaties, the results of electing employee representatives to the Supervisory Board pursuant to the Co-Determination Agreement, and the decision regarding the investment by ERGO Group AG in the US start-up Next Insurance, Inc. The shareholder representatives and the employee representatives met regularly with the Chairman of the Board of Management for separate discussions in preparation for the meetings.

Between meetings, Bernd Pischetsrieder (until 30 April 2019) and I (from 30 April 2019) held regular discussions with the Chairman of the Board of Management, Joachim Wenning. We discussed questions of strategic orientation, risk management, compliance and Munich Re's current business situation. Also between meetings, the Chairman of the Audit Committee – Henning Kagermann until 30 April 2019 and Maximilian Zimmerer from 30 April 2019 – remained in close contact with Christoph Jurecka, the member of the Board of Management responsible for Group reporting.

Focal points of the meetings of the full Supervisory Board

There were six meetings of the Supervisory Board in the year under review. We regularly held in-depth discussions with the Board of Management about business performance and current topics, with a special focus on strategic considerations of the Board of Management with respect to the individual fields of business. The Board of Management reported to us regularly on Munich Re's

investments, addressing developments in the global economy and financial markets in detail, as well as their impact on the Group's assets, financial position and results. In addition, we advised the Board of Management on matters of strategic importance for the future of the Group, including its digitalisation, growth and investment strategies. The Supervisory Board also met regularly without the Board of Management. In addition to the above-mentioned issues, we dealt with the following topics at the individual meetings in 2019:

The meeting on 19 March focused among other things on the Company and Group financial statements for 2018, the combined management report, the separate Non-Financial (Group) Statement for 2018 and the Supervisory Board's motions for resolution by the 2019 Annual General Meeting. Furthermore, we conferred and took decisions regarding the evaluation of the 2018 annual bonuses and the consequent bonus payments to the individual members of the Board of Management. We also adopted a resolution on the change to the Board of Management's rules of procedure that had become necessary when the Board of Management was expanded to include the additional position of Chief Investment Officer. In addition, we considered reports on the Compliance Management System (CMS) and examined the implementation status of the ERGO Strategy Programme. Representatives of the German Federal Financial Supervisory Authority (BaFin) attended this meeting as guests as a matter of routine.

The meeting on 29 April dealt with matters involving the Board of Management, specifically the evaluation of the bonus payments to the individual members of the Board of Management and their multi-year performance for 2016–2018. In consideration of the composition of the Board from 30 April 2019, we also undertook a self-assessment of the members of the Supervisory Board concerning their knowledge of specific fields that are important for providing advice and supervision to Munich Re. Despite numerous new members having been elected to the Supervisory Board, it was possible to retain the previous year's good level of collective expertise on the Supervisory Board. The Supervisory Board thus possesses the appropriate diversity of qualifications, knowledge and experience to provide advice and supervision to Munich Re in a professional manner, taking account of the characteristics specific to the Company and the Group. Moreover, we received the Board of Management's report on the status of business performance in 2019. We also used the meeting to make last-minute preparations for the Annual General Meeting, which was held the next day.

Following the Annual General Meeting on 30 April 2019, there was a constituent meeting of the new Supervisory Board in which we held the election for the Chairman of the Supervisory Board and the Deputy Chair, and the election for members and chairs of the six Supervisory Board Committees.

On 16 July, we discussed in particular the planning for development of Munich Re's strategy and the Group's position with regard to the challenges posed by climate change. We were also informed about the projects to introduce the updated accounting standards IFRS 9 and IFRS 17.

On 16 October, the agenda included corporate governance issues: the resolutions concerning the Declaration of Conformity with the German Corporate Governance Code and the results of the year's efficiency review. Other topics covered included the submission of the Group-wide remuneration report for the 2018 financial year in line with Solvency II and the Remuneration Regulation for Insurance Companies (VersVergV). The Board of Management also informed us about the investment strategy under the new Chief Investment Officer appointed in the spring, and about the development of reinsurance business in North America. We also received information about significant changes affecting the Supervisory Board as a consequence of the new version of the German Corporate Governance Code and the Act Implementing the Second Shareholders' Rights Directive (ARUG II).

On 11 December, we made a decision about a change to the Board of Management. We also discussed and made a decision about the extension of an appointment to the Board of Management. Furthermore, we established the amount of remuneration for the Board of Management from 2020, as well as the assessment basis for variable remuneration for 2020. In preparation for ARUG II and the reform of the German Corporate Governance Code, and in order to enable flexible committee work, we decided to make changes to the rules of procedure for the Supervisory Board and the Audit Committee. In this regard, we transferred responsibility in accordance with Section 111a(2) of the Stock Corporation Act (AktG) to the Standing Committee to set up an internal

procedure to assess whether related party transactions are entered into in the ordinary course of business and concluded on normal market terms. We also slightly extended the catalogue of business transactions that require the approval of the Supervisory Board. In addition, we looked into the Group's risk strategy in the course of the report on Munich Re's risk situation by the Group Chief Risk Officer. Furthermore, the Board of Management reported on Group planning for the 2020 financial year, presented us with the Group human resources report, and explained the focus of human resources work in the Group. It also informed us about the Group's IT strategy.

By way of a resolution adopted by written consent, the IFRS Group target for the 2019 annual bonus decided by the Supervisory Board in December 2018 was approved in February 2019.

Work of the committees

There are six Supervisory Board committees. These are assigned certain matters for resolution, and also prepare the topics which are to be addressed and decided upon by the full Supervisory Board. At each Supervisory Board meeting, detailed information about the work of the committees was provided to the full Supervisory Board by the respective chairs of the committees.

Details of the tasks of the committees and their composition are included in the Statement on Corporate Governance on pages 18 ff. and on our website at www.munichre.com/supervisory-board.

The Personnel Committee held five meetings in the period under review. The Committee essentially prepared the resolutions on matters involving the Board of Management already mentioned in the report on the work of the full Supervisory Board, unless these fell under the remit of the Remuneration Committee. One focus of the Personnel Committee's work is the assessment of fitness and propriety requisite for the new appointment of a member of the Board of Management and the extension of the appointment of a member of the Board of Management. In addition, the Personnel Committee approved the assumption of mandates on supervisory, advisory and similar boards by members of the Board of Management. It also dealt with Group-wide succession planning, especially with regard to Board-level appointments. Furthermore, the Personnel Committee decided to abolish the existing framework for deferred compensation at the end of 2019 and to introduce a new system with effect from 1 April 2020.

The Remuneration Committee met five times in the period under review. In particular, it is responsible for preparing resolutions on matters involving the Board of Management – as already mentioned above when reporting on the work of the full Supervisory Board – as far as these resolutions concerned the amount of remuneration, the establishment of the assessment basis for variable remuneration and the corresponding evaluation, as well as the sections of the Board members' contracts relating to remuneration. In addition, it looked at current trends and developments regarding the company pension scheme for members of the Board of Management. In addition, it dealt with the fringe benefits for members of the Board of Management disclosed in the 2018 Group Annual Report.

At its four meetings, the Standing Committee dealt with the preparation of the respective Supervisory Board meetings and, in particular, with topics of corporate governance. In addition, the Standing Committee once again carried out a review of the efficiency of the Supervisory Board's work, and determined that overall the reporting by the Board of Management and the work of the Supervisory Board was efficient and appropriate. The Chairman of the Board of Management regularly provided information about the shareholder structure and the status of the share buy-back programme. The Standing Committee also dealt intensively with the separate Non-Financial (Group) Statement for 2018. On the basis of a corresponding resolution adopted by the full Supervisory Board, the Standing Committee commissioned Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft (EY), Munich, to perform a limited assurance engagement on the separate Non-Financial (Group) Statement for the 2019 financial year.

The Audit Committee held six meetings in the period under review. Five of these meetings were attended by the external auditor. In its meetings in February and March 2019, the Audit Committee discussed the Munich Reinsurance Company and Group financial statements, the combined management report, the auditor's reports and the Board of Management's proposal for the appropriation of the net retained profits for the 2018 financial year. The Committee also discussed in detail the material information underlying the quarterly reports for Q1 and

Q3 2019, and together with the auditor examined in detail the 2019 Half-Year Financial Report. The Committee heard regular reports on the key Solvency II figures and discussed the quarterly reporting to the Supervisory Authority in these meetings. Another key task of the Committee consisted in monitoring the Group's risk situation and risk management on an ongoing basis, and discussing its risk strategy: the Group Chief Risk Officer provided detailed verbal input at several meetings of the Committee in addition to the quarterly written reports submitted. The Head of the Actuarial Function presented the report of the actuarial function of Munich Re (Group) at one Committee meeting. Further issues discussed regularly were the internal control system and compliance topics. The Group Chief Auditor informed the members of the Committee in full about the outcome of the audits for 2018 and the audit planning for 2019. The Committee received regular updates on the current status of individual compliance issues and the progress of audits. Without the Board of Management being present, the members of the Committee took the opportunity to confer amongst themselves or with the Group Chief Auditor, the Group Chief Compliance Officer, the Group Chief Risk Officer and the external auditor on a regular basis. In addition, the Audit Committee and the external auditor exchanged views on selected topics on an ad-hoc basis between meetings. Furthermore, the Audit Committee closely reviewed and monitored the auditor's independence. It regularly called for reports on the auditor's new activities beyond the auditing of the annual financial statements and on the utilisation of the statutory limit for awarding such contracts. The auditor presented the Audit Committee with explanations of the key audit matters for the 2019 financial year. The Audit Committee also prepared a report for the full Supervisory Board on the appointment of the external auditor for the 2019 financial year, determined the main points of the audits, and set the auditor's fees. Following a resolution by the full Supervisory Board, the Chair of the Audit Committee commissioned KPMG Bayerische Treuhandgesellschaft Aktiengesellschaft Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft (KPMG), Munich, with the audit for the 2019 financial year, and also commissioned the auditor's review of the 2019 Half-Year Financial Report.

In addition, EY, which was selected as part of the invitation to tender for the audit mandate from the 2020 financial year, introduced itself and reported on the status of preparations for the change of auditor.

The Nomination Committee held two meetings in the period under review. After having already dealt intensively with succession planning for the Supervisory Board in six meetings in 2018, it handled the re-election of eight shareholder representatives and the election of two new candidates to the Supervisory Board in preparation for the Annual General Meeting on 30 April 2019. It also discussed the succession of the Chairman of the Supervisory Board and the Chair of the Audit Committee, and dealt with the future composition of the Supervisory Board committees. The Nomination Committee also intensively discussed the medium-term succession planning on the Supervisory Board.

There was again no need to convene the Conference Committee in the 2019 financial year.

Corporate governance and Declaration of Conformity

The Supervisory Board pays close attention to good corporate governance. Together with the Board of Management, we therefore published the Declaration of Conformity pursuant to Section 161 of the German Stock Corporation Act (AktG) in November 2019. The Company has complied and intends to continue to comply with all of the recommendations of the German Corporate Governance Code as amended on 7 February 2017. We confirmed our assessment that all 20 members of the Supervisory Board are to be regarded as independent and that they do not have any relevant conflicts of interests.

For details, see the Statement of Corporate Governance on pages 16 ff.

Munich Re hosted an introductory event for new members of the Supervisory Board, where experts gave presentations on the topics corporate governance, Board remuneration, investments, accounting and risk management. In addition, members of the Supervisory Board were also offered an internal information event in 2019 by way of further training. Almost all took the opportunity to learn more about selected topics in the areas of reinsurance, Group controlling, and big data. The Company also provided the members of the Supervisory Board with electronic training material for self-study. Before they took up their appointments, new members of the Supervisory Board also received selected informational material to prepare for their new role.

In our role as Chairman of the Supervisory Board, Bernd Pischetsrieder (until 30 April 2019) and I (from 30 April 2019) held discussions on topics relevant to the Supervisory Board with investors and proxy advisors as part of an ongoing dialogue with investors. The focus of the discussions held by Dr. Pischetsrieder was the election of shareholder representatives to the Supervisory Board by the 2019 Annual General Meeting. The discussions that I held served primarily to exchange information across the full range of topics falling within the responsibility of the Supervisory Board.

Changes on the Board of Management

The Company's Board of Management was expanded with effect from 18 March 2019 to include the position of Chief Investment Officer. In this function, Nicholas Gartside is responsible for all of the asset management of Munich Re (Group).

For personal reasons, Hermann Pohlchristoph is not extending his appointment that expires on 30 April 2020, and will leave the Company. Achim Kassow has been appointed as his successor with effect from 1 May 2020, and he will take over responsibility for the Asia Pacific and Africa division and for the central divisions Central Procurement and Services.

Changes on the Supervisory Board

The term of office of the Supervisory Board members expired at the end of the Annual General Meeting on 30 April 2019. The shareholder representatives Bernd Pischetsrieder and Henning Kagermann left the Supervisory Board. We would like to thank Dr. Pischetsrieder for his immense commitment to Munich Re during his 17 years as a member of the Supervisory Board, including six years as Chairman. During this time, he successfully monitored and supervised Munich Re with great responsibility and foresight. We would also like to express our thanks to Professor Kagermann for his many years of valuable and constructive support, especially during his time as Chairman of the Audit Committee.

Christian Fuhrmann, Marco Nörenberg, Andrés Ruiz Feger, Ina Hosenfelder, Beate Mensch and Angelika Wirtz stepped down from their roles as employee representatives on the Supervisory Board. The Supervisory Board would like to thank all departing members for their expert advice, with which they accompanied and supervised Munich Re in a committed manner, in some cases over many years.

Karl-Heinz Streibich and I were newly elected to the Supervisory Board by the Annual General Meeting. On the basis of the Co-Determination Agreement, Ruth Brown, Stephan Eberl, Eva-Maria Haiduk, Stefan Kaindl, Gabriele Mücke and Manfred Rassy were elected to the Supervisory Board by the responsible bodies. The periods of office of the new and re-elected members of the Supervisory Board commenced at the end of the Annual General Meeting.

Further general information on corporate governance can be found in the Statement of Corporate Governance on pages 16 ff.

Company and Group financial statements for 2019, Solvency II reporting and non-financial information

The auditor KPMG duly audited the annual financial statements of Munich Reinsurance Company, the Group financial statements and the combined management report as at 31 December 2019, and issued them with an unqualified auditor's opinion. The German Public Auditor responsible for the engagement is Dr. Frank Ellenbürger. He first took charge of the audit of the Company and Group financial statements for the financial year ending 31 December 2013.

The above-mentioned reports and the Board of Management's proposal for appropriation of the net retained profits were submitted to the members of the Supervisory Board. On 21 February 2020, the Audit Committee intensively discussed the preliminary year-end figures as at 31 December 2019, along with the Board of Management's proposal for appropriation of the net retained profits. At its meeting on 26 February 2020, the Supervisory Board also intensively discussed the preliminary year-end figures as at 31 December 2019, along with the Board of Management's proposal for appropriation of the net retained profits. On 16 March 2020, the Audit Committee prepared the Supervisory Board's resolution on the adoption of the Company financial statements and the approval of the Group financial statements. To this end, the Audit Committee examined the annual and consolidated financial statements and the combined management report in advance. It discussed these at length with the external auditor present at

the meeting, and gave detailed consideration to the auditor's reports. The Audit Committee paid particular attention to the key audit matters described in the auditor's opinion, including audit activity. The Chair of the Audit Committee briefed the full Supervisory Board about the outcome of its consultations at the balance sheet meeting. In its March meeting, the Audit Committee discussed the preliminary key figures under Solvency II reporting – and the Solvency II ratio in particular – and reported on this to the full Supervisory Board.

The full Supervisory Board also checked the financial statements of Munich Reinsurance Company and the Group, and the combined management report. The auditor's reports were available to all members of the Supervisory Board and were discussed in detail at the balance sheet meeting of the Supervisory Board on 17 March 2020 in the presence of the external auditor. The auditor reported on the scope, the main points, and the key results of the audit, going into particular detail on the key audit (please refer to the auditor's report on page 185) and the audit activity conducted. There were no reports of material weaknesses in the internal control system or the risk management system.

On the basis of this comprehensive examination, the Supervisory Board raised no objections concerning the outcome of the external audit. It approved the Company and Group financial statements on 17 March 2020. The financial statements were thus adopted. Having carefully weighed all relevant aspects, the Supervisory Board followed the proposal of the Board of Management for appropriation of the net retained profits.

The Standing Committee received the separate Non-Financial (Group) Statement for the 2019 financial year. The Standing Committee considered the Statement on 17 March 2020. Also on 17 March 2020, the full Supervisory Board examined the separate Non-Financial (Group) Statement, taking due consideration of the external auditor's findings, and approved it.

Words of thanks to the Board of Management and employees

The Supervisory Board wishes to thank all members of the Board of Management and staff worldwide. With their work and commitment, they have contributed to a successful result for Munich Re.

Munich, 17 March 2020

For the Supervisory Board



Nikolaus von Bomhard
Chairman

Attendance of Supervisory Board Members at meetings of the Supervisory Board of Munich Reinsurance Company and its committees in 2019

Members of the Supervisory Board	Supervisory Board	Participation quota Supervisory Board	Personnel Committee	Remuneration Committee	Standing Committee	Audit Committee	Nomination Committee
Bernd Pischetsrieder ¹	2/2	100%	3/3	3/3	1/1	2/2	1/1
Nikolaus von Bomhard ²	4/4	100%	2/2		3/3	4/4	1/1
Marco Nörenberg ¹	2/2	100%			1/1		
Anne Horstmann	6/6	100%			3/3	2/2	
Ann-Kristin Achleitner	6/6	100%		5/5		6/6	2/2
Kurt Wilhelm Bock	6/6	100%			3/3		1/1
Clement Booth	6/6	100%					
Ruth Brown ²	4/4	100%					
Stephan Eberl ²	4/4	100%	2/2	2/2	3/3		
Frank Fassin	6/6	100%					
Benita Ferrero-Waldner	6/6	100%					
Christian Fuhrmann ¹	2/2	100%				2/2	
Ursula Gather	6/6	100%					
Gerd Häusler	6/6	100%			4/4		
Eva-Maria Haiduk ²	4/4	100%				2/2	
Ina Hosenfelder ¹	2/2	100%			4/4		
Renata Jungo Brüngger	6/6	100%	2/2	2/2			
Henning Kagermann ¹	2/2	100%	3/3		1/1	2/2	1/1
Stefan Kaindl ²	4/4	100%				4/4	
Beate Mensch ¹	2/2	100%					
Gabriele Mücke ²	4/4	100%					
Ulrich Plottke	6/6	100%				4/4	
Manfred Rassy ²	4/4	100%					
Andrés Ruiz Feger ¹	2/2	100%			1/1		
Gabriele Sinz-Toporzysek	6/6	100%					
Karl-Heinz Streibich ²	4/4	100%					
Angelika Wirtz ¹	2/2	100%	3/3	3/3			
Maximilian Zimmerer	6/6	100%				4/4	
Participation quota (average)		100%	100%	100%	100%	100%	100%

- 1 Member of the Supervisory Board until 30 April 2019.
2 Member of the Supervisory Board from 30 April 2019.