



Munich Re – Annual General Meeting 2021 Fact Book for Investors on Agenda Items 6 - 8

Disclaimer

This is a non-binding overview of the agenda items 6 - 8 of the Annual General Meeting of Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft in München ("Munich Re") on 28 April 2021. This overview is provided to investors for information purposes only. No liability is assumed for the completeness and correctness of this summary. Only the German-language version of the invitation to the 2021 Annual General Meeting of Munich Re is legally binding.

Agenda Items covered in this Fact Book

Agenda Item 6	Resolution on the approval of the remuneration system for members of the Board of Management	p. 3–6
Agenda Item 7	Resolution on the amendment of the remuneration and on the remuneration system for the members of the Supervisory Board, and corresponding amendment to Article 15 of the Articles of Association	p. 7
Agenda Item 8	Resolution to cancel the Authorised Capital 2017, to create a new Authorised Capital 2021 with the authorisation to exclude subscription rights, and to amend Article 4(1) of the Articles of Association	p. 8–9

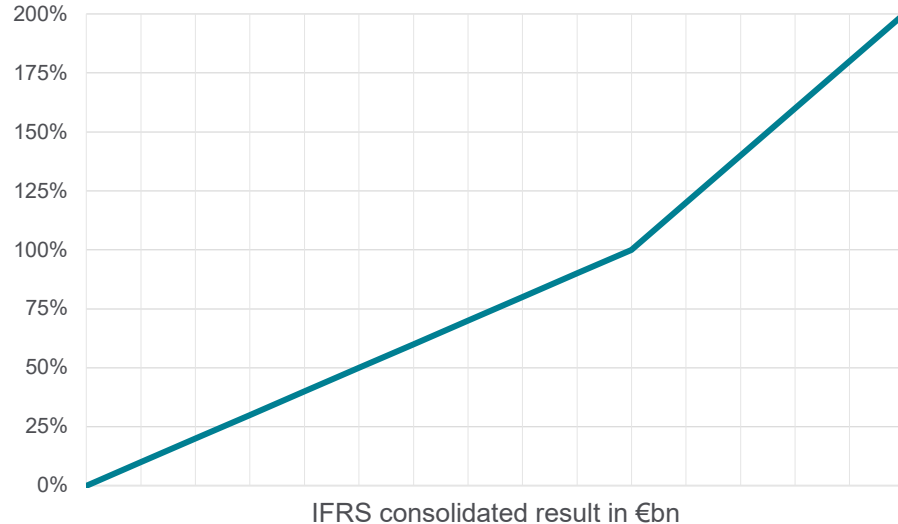
Resolution on the approval of the remuneration system for members of the Board of Management

Relative share	Component	Performance criteria	Target corridor	Evaluation	Payment (form, time)	Further components		
Fixed remuneration	~ 49%	Basic remuneration	<ul style="list-style-type: none"> Function Responsibility Length of service on Board 	-	-	Cash remuneration, monthly	Shareholding obligation (Share Ownership Guidelines) <ul style="list-style-type: none"> 100% of annual gross basic remuneration during the period of service on the BoM 5-year build-up phase or 2 years if service on the BoM commenced before 2019 obligation to provide proof 	
	~ 1%	Regular fringe benefits/remuneration in kind	As of 1 January 2021, no employer-financed pension scheme for new members of the Board of Management and members of the Board of Management who were members of the Board before 2021 and decided within the scope of their voting rights to switch to the new system					
Variable remuneration (100% evaluation)	~ 15%	Annual bonus (AB)	IFRS consolidated result	Scaling 0–100%/100–200% 0% = T - (2*X) 100% = T 200% = T + X T = Target in €m X = Deviation in €m (T and X determined annually)	Achievement of annual target	Overall performance assessment for AB + MYB (bonus/malus aspects) Adjustment of target achievement by Supervisory Board, taking into account individual and collective management performance	Cash remuneration, in the year after the one-year plan term	Assessment of appropriateness of total remuneration <ul style="list-style-type: none"> in comparison with the market → DAX30 companies within the Company → upper management and staff overall (also over time) Malus/Clawback → retention and compensation of variable remuneration possible Remuneration for seats held on other boards → to be paid over to Company Severance payment cap → two years' remuneration, no more than remaining term of the Board member's contract if that term is shorter
	~ 35%	Multi-year bonus (MYB) Term: 4 years	Total Shareholder Return (TSR) of Munich Re shares in comparison with a defined peer group (as of 2022: 80%) (Peer group: Allianz, AXA, Generali, Hannover Re, SCOR, Swiss Re, Zurich Insurance Group)	Linear scaling 0–200% 0% = lowest TSR in peer group 200% = highest TSR in peer group	Performance of Munich Re shares in comparison with peer group	<ul style="list-style-type: none"> Loading/reduction of up to 10 pp based on ESG criteria Loading/reduction of up to 10 pp based on success and performance criteria (including situation, performance and future prospects of the Company) 	Cash remuneration, in the year after the four-year plan term	
	(as of 2022: thereof ~ 28% TSR, ~ 7% ESG)		New as of 2022: 20% ESG-Target(s)	Scaling 0–200% 100% = Target	Achievement of multi-year target(s)			
	No subsequent adjustment of target values/comparative parameters for annual and multi-year bonus							
100%	Target overall remuneration (total remuneration for 100% evaluation of the variable remuneration components)					In the event of post-contractual non-competition agreement → severance payments are taken into account in compensation for the period of competitive restriction		
The defined maximum remuneration for the BoM function groups Chair (€9.5m) and ordinary member (€7.0m) limits the overall remuneration (including irregular/event-related fringe benefits, e.g. removal costs, compensation for bonuses forfeited at previous employers) allocable to a financial year.								

Annual bonus – Change of scaling

New scaling as of 2021

Target achievement



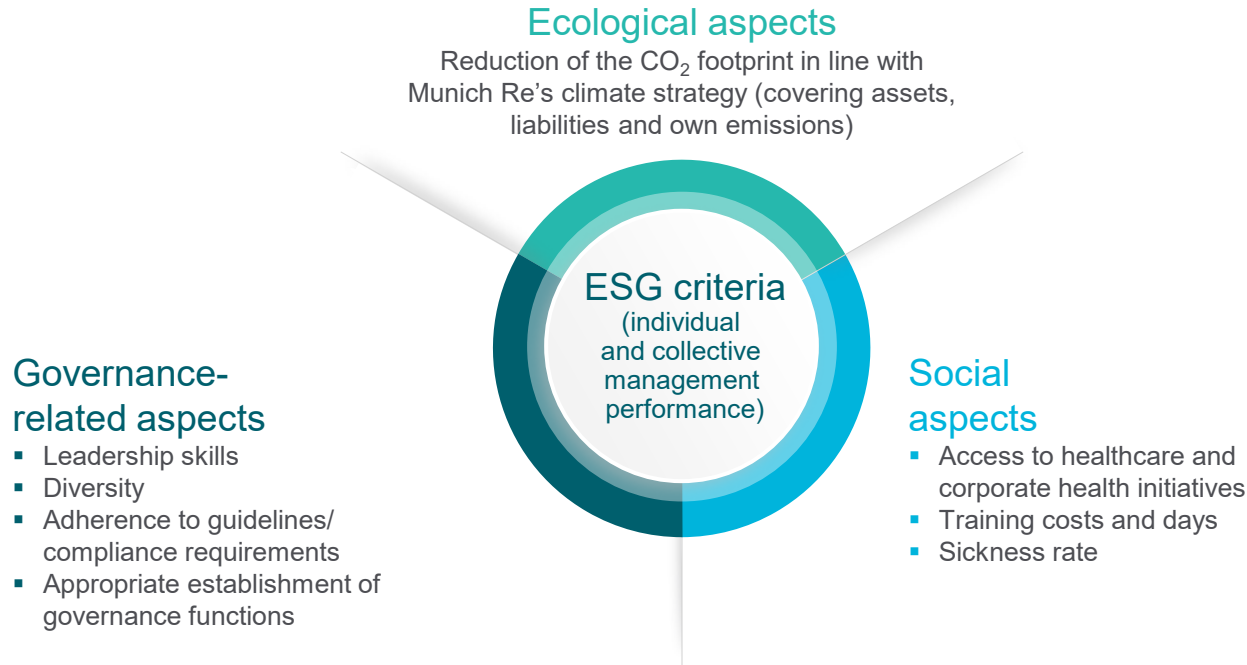
Rationale for change of scaling

- Linear scaling always appears appropriate when business-inherent earnings volatilities are symmetrical in nature. At Munich Re, however, they are highly asymmetrical.
- The asymmetry in earnings is mainly driven by:
 - The natural asymmetry of the business model – positive deviations are limited, negative deviations can be much more pronounced
 - Munich Re Group's steering approach – Particularly prudent reserving methods

Therefore, the former scaling will be replaced by a new scaling where the range between 0% and 100% will be twice as high as the one between 100% and 200%

Criteria for the evaluation of overall performance (1/2): Stronger focus on ESG topics with precise criteria

ESG criteria (loading/reduction of up to 10 percentage points)



Criteria for the evaluation of overall performance (2/2): Discretionary evaluation of success and performance using adequate criteria

Success and performance criteria (loading/reduction of up to 10 percentage points)

Collective management performance

- Result of field of business (reinsurance and/or primary insurance)
- Reaction to special market circumstances and unforeseeable developments

Situation, success and future prospects of the Company

- Financial situation of the Company
- Short-term and long-term profit prospects
- Market environment (interest rates, situation in the industry, etc.)



Individual management performance

- Result of division/divisional unit, contribution to overall performance
- Personal performance (qualitative and/or quantitative)
- Consideration of special market circumstances or unexpected developments
- Implementation of strategy, improvements in organisation and processes, innovation

Remuneration of members of the Supervisory Board from 1 January 2022

- The annual fixed remuneration of Supervisory Board Members is to be increased from €100,000 to €105,000 from 1 January 2022. Munich Re last increased remuneration for the members of the Supervisory Board with effect from the 2019 financial year.
- In order to take account of the additional workload and the increased demands particularly on the Members of the Audit Committee and the Chairman of the Supervisory Board, the remuneration of the Members of the Audit Committee and the Chairman of the Supervisory Board is also to be raised. The remuneration for the Chairman of the Supervisory Board is to be increased from €220,000 to €241,500 and the remuneration for Members of the Audit Committee from €55,000 to €63,000. The remuneration of the other committees shall only increase proportionally to the basic remuneration. The remuneration of the Chairs of the committees will remain unchanged at double the amount paid to ordinary members.

Cancellation of the Authorised Capital 2017 and Creation of a new Authorised Capital 2021

Volume of the existing Authorised Capital 2017

- Cancellation of the existing Authorised Capital 2017 in the amount of €280,000,000, corresponding to 47.64% of the share capital¹
- The Authorised Capital 2015 for employee shares² expired on 22 April 2020 and was not renewed

Volume of the new Authorised Capital 2021

- Creation of a new Authorised Capital 2021³ in the amount of €117,500,000, corresponding to approx. **20%** of the share capital
- Joint upper limit³ for new shares from Contingent Capital 2020 and Authorised Capital 2021: **30%** of the share capital, see p. 9

Term

- 5 years

Limit on exclusion of subscription rights

- Total maximum³ of **10%** of the share capital
- Shares issued under exclusion of subscription rights based on other authorisations (e.g. from contingent capital or utilisation of own shares) are offset³ against this volume

¹ Restricted to a maximum of 33% by supplementary resolution of the Board of Management. ² The Authorised Capital 2015 had a volume of €10m, corresponding to 1.7% of the share capital. ³ The new Authorised Capital 2021, the joint upper limit and the limit on exclusion of subscription rights (incl. offsetting) will be included in the articles of association.

Joint upper limit for capital authorisations (authorised capital and contingent capital) and Rationale

Authorisation

Contingent Capital 2020

Authorised Capital 2021

Maximum volume

19.9%
of the share capital

20%
of the share capital

Joint upper limit

Overall maximum of **30%**
of the share capital for new shares from the
Contingent Capital 2020 and the Authorised Capital 2021

Rationale

The Authorised Capital 2021 is intended to enable the Company, faced with ever-changing markets, to act quickly and flexibly in the interests of the Company and its shareholders. Since decisions on fulfilling capital requirements usually need to be made quickly, it is important that the Company will not be bound to the regular Annual General Meeting cycle in this respect, or by the long periods required for preparing extraordinary general meetings. The legislator has acknowledged this need through the tool of authorised capital. The most typical uses for authorised capital are to strengthen the equity capital base and to finance the acquisition of shareholdings. There are no concrete plans at present to use the Authorised Capital 2021. Such anticipatory resolutions, featuring the possibility to exclude subscription rights, are common. The Board of Management will carefully examine each case as to whether the utilisation of the Authorised Capital 2021 is in the interests of the Company and its shareholders. The Board of Management will report to the Annual General Meeting about any use of the Authorised Capital 2021.