

Munich Re – Annual General Meeting 2025

Fact Book on Agenda Item 7

Disclaimer:

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Revised remuneration system for the Members of the Board of Management as of 1 January 2026

- The enhanced remuneration system for the Board of Management ("BoM") will be submitted to the AGM 2025 for approval.
- In 2024, the Supervisory Board reviewed the remuneration system applicable since 1 January 2021, taking into account recommendations from investors and proxy advisors.
- The remuneration system resolved by the Supervisory Board, which is to be implemented as of 1 January 2026, essentially comprises the following amendments:
 - Annual bonus: Broaden to at least two quantitative performance criteria
 - Multi-year bonus: Implement a payout hurdle and greater consideration of outperformance
 - Minor adjustments regarding the earliest retirement date
 - Adjust the maximum remuneration
- Further information on the review carried out and the amendments adopted can be found in the following slides.

Remuneration system for Members of the BoM as of 2026

Summary of significant changes

Remuneration system 2021	Components	Remuneration system 2026
<ul style="list-style-type: none">Only one quantitative performance criterion: IFRS net resultPerformance criterion and scaling already defined in the remuneration system	Annual bonus	<ul style="list-style-type: none">At least two quantitative performance criteriaSpecific performance criteria, weighting and scaling are to be defined by the Supervisory Board prior to the start of a given financial year
<ul style="list-style-type: none">Munich Re within peer groupNo payout hurdleMaximum target achievement: 200%	Multi-year bonus (TSR component)	<ul style="list-style-type: none">Munich Re outside of peer groupPayout hurdle of 50% target achievementGreater consideration of outperformance: maximum target achievement of up to 250%
<ul style="list-style-type: none">Retirement at the earliest after reaching the age of 60/62	Company pension scheme (if provided)	<ul style="list-style-type: none">Retirement at the earliest at the beginning of the calendar year of turning 60/62
<ul style="list-style-type: none">Chair of the BoM: €9.5mOrdinary Member of the BoM: € 7m	Maximum remuneration	<ul style="list-style-type: none">Chair of the BoM: €12mOrdinary Member of the BoM: € 9m

Review of the remuneration system and decisions (1/3)

Component	Discussion point	Decisions of the Supervisory Board	Rationale/further details
Basic remuneration	Share of Basic remuneration (50%)	Continuation of the existing ratio of fixed to variable remuneration components	<ul style="list-style-type: none"> → Current weighting allows for flexible, performance-related bonus policy, with the option of paying no variable remuneration → Incentives to take excessive risks are avoided
Annual bonus (AB)	KPIs for AB	AB to comprise a minimum of two KPIs – allowing for greater flexibility in setting the targets	<ul style="list-style-type: none"> → At least two quantitative targets which <ul style="list-style-type: none"> ➢ incentivise operational success within the set strategic framework ➢ are linked to the externally communicated ambition → For the time being: IFRS net result to remain an integral part of annual targets → Targets and their weightings will be published at the start of the financial year
Multi-year bonus (MYB)	Relative TSR component	Making TSR component more ambitious by introducing a payout hurdle – greater consideration of outperformance	<ul style="list-style-type: none"> → Enhancing ambition of the TSR component by introducing a payout hurdle of at least 50% target achievement → So far: Munich Re is included when determining the 0% and 200% values, i.e. when determining the lowest or highest TSR value, the TSR value of Munich Re is also taken into account in addition to the TSR values of the peers → In future: Munich Re is not included when determining the 0% and 200% values, i.e. only the TSR values of the peer group are taken into account → Recognition of Munich Re's performance up to a maximum of 250% to take greater account of outperformance and maintain the material value of the bonus plan
	Peer group for relative TSR component	Peer group remains unchanged; still option to adjust the composition of the peer group, if necessary	<ul style="list-style-type: none"> → Analysis shows that peer group remains appropriate → Well-balanced peer group composition <ul style="list-style-type: none"> ➢ Companies included are also individually considered to be competitors ➢ All fields of business and segments of Munich Re are represented
	KPIs for MYB	Already sufficient KPIs in MYB	<ul style="list-style-type: none"> → MYB already includes multiple metrics (80% TSR, 20% ESG target(s))

Review of the remuneration system and decisions (2/3)

Component	Discussion point	Decisions of the Supervisory Board	Rationale/further details
Overall performance assessment for AB and MYB	Scope of the discretionary component of AB and MYB	Discretionary component appropriate; continued commitment to full transparency regarding usage	<ul style="list-style-type: none"> → Discretionary component forms integral part of AB and MYB → Allows Supervisory Board to assess performance not included in targets and to take exceptional developments into account → Used very cautiously (most recently in 2016) → Provision of full transparency in remuneration report regarding loadings and deductions, including amounts and reasons
	Extent of the shareholding obligation of the CEO	Current shareholding obligation still considered appropriate	<ul style="list-style-type: none"> → Current shareholding obligation and TSR component of the MYB ensure proper alignment of the interests of the shareholders and the Members of the BoM → CEO and other Members of the BoM voluntarily hold significantly more shares than required
Shareholding obligation	Shareholding obligation (Share Ownership Guidelines)	Minor adjustments for clarification	<ul style="list-style-type: none"> → If the applicable level of share ownership for a period has already been reached and the basic remuneration has remained unchanged, the shareholding obligation is deemed fulfilled even if no longer met due to fluctuations in the share price <ul style="list-style-type: none"> ➤ Clarification that this rule does only apply if the Member of the BoM has not sold any shares in the meantime

Review of the remuneration system and decisions (3/3)

Component	Discussion point	Decisions of the Supervisory Board	Rationale/further details
Employer-financed pension scheme	Pension contributions and pension benefits	Pension contributions and benefits remain unchanged	<ul style="list-style-type: none"> → Since 2021, no employer-financed occupational pension scheme has been offered to new Members of the BoM → Only four of the ten Members of the BoM take part in a pension scheme, meaning the matter will be settled in due course → Current contracts can only be amended by mutual agreement → A reduction of the pension contribution would require compensation. The costs for the Company would therefore remain the same.
	Earliest entitlement to occupational pension	Slight adjustment to the earliest entitlement to occupational pension	<ul style="list-style-type: none"> → So far: retirement at the earliest after reaching the age of 60/62 → In future: Retirement at the earliest at the beginning of the calendar year of turning 60/62 → This provides flexibility in succession planning → No additional costs for the Company due to insurance-based defined contribution pension commitment

Remuneration system for Members of the BoM as of 2026 (without company pension scheme; changes in green)¹

Relative share	Component	Performance criteria	Target corridor	Evaluation	Payment (form, time)	
Fixed remuneration	~ 49%	Basic remuneration			Cash remuneration, monthly	
	~ 1%	Regular fringe benefits/remuneration in kind				
Variable remuneration (100% evaluation)	~ 15%	Annual bonus (AB)	At least two quantitative performance criteria which ⇨ incentivise operational success within the set strategic framework ⇨ are linked to the externally communicated ambition (For the time being, the IFRS net result remains an integral part of the annual targets; other performance criteria can include: <ul style="list-style-type: none"> sub-metrics of the IFRS net result assessment bases that focus on a specific region or segment and are to be taken into account in a special way) The performance criteria, including weighting and scaling, are defined by the Supervisory Board prior to the start of the financial year and subsequently published.	Scaling 0–200% 100% = full achievement of targets	Achievement of annual target Overall performance evaluation for AB + MYB (bonus/malus aspects) Supervisory Board may adjust target achievement taking into account individual and collective management performance by loading/reduction of up to 10 pp in each case on the basis of <ul style="list-style-type: none"> ESG criteria Success and performance criteria (including situation, performance and future prospects of the Munich Re Group) 	Cash remuneration, in the year after the one-year plan term
	~ 35% (thereof ~ 28% TSR, ~ 7% ESG)	Multi-year bonus (MYB) Term: 4 years	80% Total Shareholder Return ("TSR") of Munich Re shares in comparison to a defined peer group (Peer group: Allianz, AXA, Generali, Hannover Re, SCOR, Swiss Re, Zurich Insurance Group) ⇨ To be reviewed and updated as necessary by the Supervisory Board	Linear scaling 0–250% 0% = lowest TSR value of peer group 200% = highest TSR value of peer group ⇨ In future, Munich Re's TSR shall no longer be taken into account in determining the 0% and 200% values. Payout hurdle: Target achievement by at least 50%	TSR performance of Munich Re shares in comparison to peer group	Cash remuneration, in the year after the four-year plan term
			20% ESG-Target(s)	Scaling 0–200% 100% = full achievement of targets	Achievement of multi-year target(s)	
No subsequent adjustment of target values/comparative parameters for annual and multi-year bonus						
100%	Target overall remuneration (overall remuneration for 100% evaluation of the variable remuneration components)					
Maximum remuneration: The defined maximum remuneration for the BoM function groups Chair (€12m) and Ordinary Member (€9m) limits the respective overall remuneration allocable to a financial year.						

¹ Members of the BoM who joined the Board by 1 January 2019 have the same remuneration system and additionally a defined contribution company pension scheme. Only four of the ten Members of the BoM are eligible to a pension scheme.

Remuneration system for Members of the BoM as of 2026 (changes to content in green)

Company pension scheme	
Implementation	Defined contribution pension commitment via an insurance plan (Members of the BoM who joined the Board before 2009 also have a vested pension based on a defined benefit plan)
Pension contribution	Annual contribution ranging from 16.25% to 25.5% of the target overall direct remuneration (= basic remuneration + variable remuneration on the basis of 100% overall evaluation) during the term of the employment contract; contribution is paid to an external pension insurer
Retirement	60 or 62, 67 at the latest At the earliest, at the beginning of the calendar year in which the Member of the BoM reaches the age of 60 or 62; at the latest, at the end of the calendar year in which they turn 67
Types of benefits	<ul style="list-style-type: none"> → Old-age pension (optional: lump-sum payment of the policy reserve) → Disability pension → (80% of the insured old-age pension) → Surviving dependants' pension (60% of the insured pension for spouses and registered civil partners, 20/40% of the insured pension for half-/full orphans)
Amount of benefit	Insurance benefit arising out of contributions paid, or the vested pension
Temporarily increased benefits (individual Members of the BoM with corresponding special contractual agreements)	<ul style="list-style-type: none"> → For the first 6 or 3 months after retirement, a pension in the amount of their previous monthly basic remuneration → For the first 6 or 3 months after the death of a Member of the BoM, a surviving dependants' pension in the amount of the previous monthly basic remuneration (death prior to retirement) or in the amount of the previous pension benefit (death after retirement)
Vested pension entitlement on leaving the service of the Company	Vested pension entitlement to old-age pension, disability pension and surviving dependants' pension under the German Company Pension Act
Reduced pension on early retirement (Members of the BoM who joined the Board before 2017 and are not yet entitled to old-age pension)	If the contract of employment is terminated by the Company without good cause, the Member of the BoM is more than 50 years old, has been with the Company for more than 10 years and the appointment to the BoM has been extended at least once

Remuneration system for Members of the BoM as of 2026 (editorial changes only)

Further components and elements of the structure	
Assessment of appropriateness of overall remuneration	<ul style="list-style-type: none"> → In comparison with the market: DAX40 companies → Within the Company: upper management and staff overall (also over time)
Irregular and/or event-related fringe benefits/remuneration in kind	<ul style="list-style-type: none"> → For new Members of the BoM, e.g. costs in connection with relocation may be paid and payments in respect of bonuses from a previous employer that have been forfeited may be made → Additional appropriate payments customary in the market may arise or be agreed in connection with the premature termination of service on the BoM and in the event of service at more than one place of work
Shareholding obligation (Share Ownership Guidelines)	<p>100% of the annual gross basic remuneration</p> <ul style="list-style-type: none"> → During the period of service on the BoM → Five-year build-up phase → Regular review by the Company
Remuneration for seats held on other board	To be paid over to the Company
Malus/Clawback	Retention and reclaim of variable remuneration possible
Severance payment cap	Two years' remuneration, but no more than remaining term of the contract of employment
Optional: post-contractual non-competition agreement	Severance payments are taken into account in compensation for the period of competitive restriction

Illustration of current relative TSR component – example TSR 2018-2021

The specific values used to measure the target achievement are determined at the end of the plan term:
Linear scaling 0–200%: 0% = lowest TSR value of Peer Group *and* Munich Re
 200% = highest TSR value of Peer Group *and* Munich Re

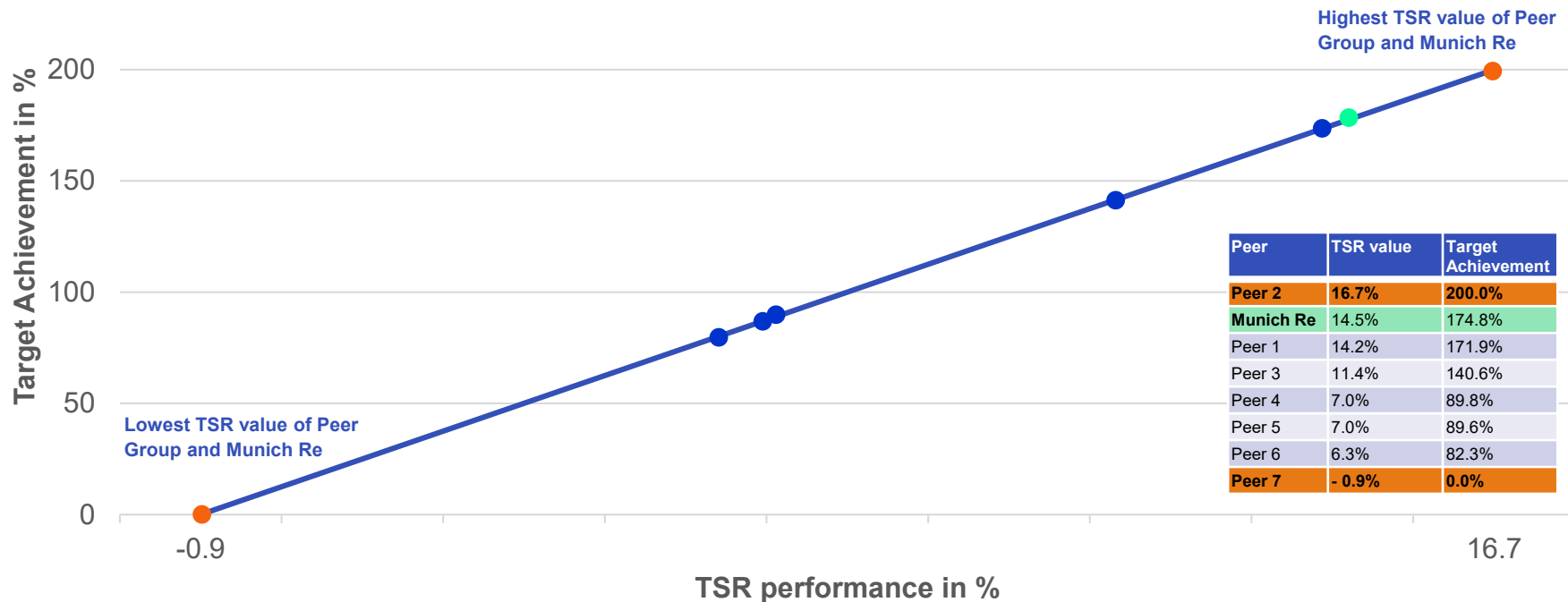


Illustration of future relative TSR component – example TSR 2018-2021

The specific values used to measure the target achievement are determined at the end of the plan term:
Linear scaling 0–200%: 0% = lowest TSR value of Peer Group
 200% = highest TSR value of Peer Group

Incentivisation of Munich Re's outperformance up to +50% (i.e. if TSR value of Munich Re is higher than highest TSR value of Peer Group) – linear scaling up to 250% target achievement

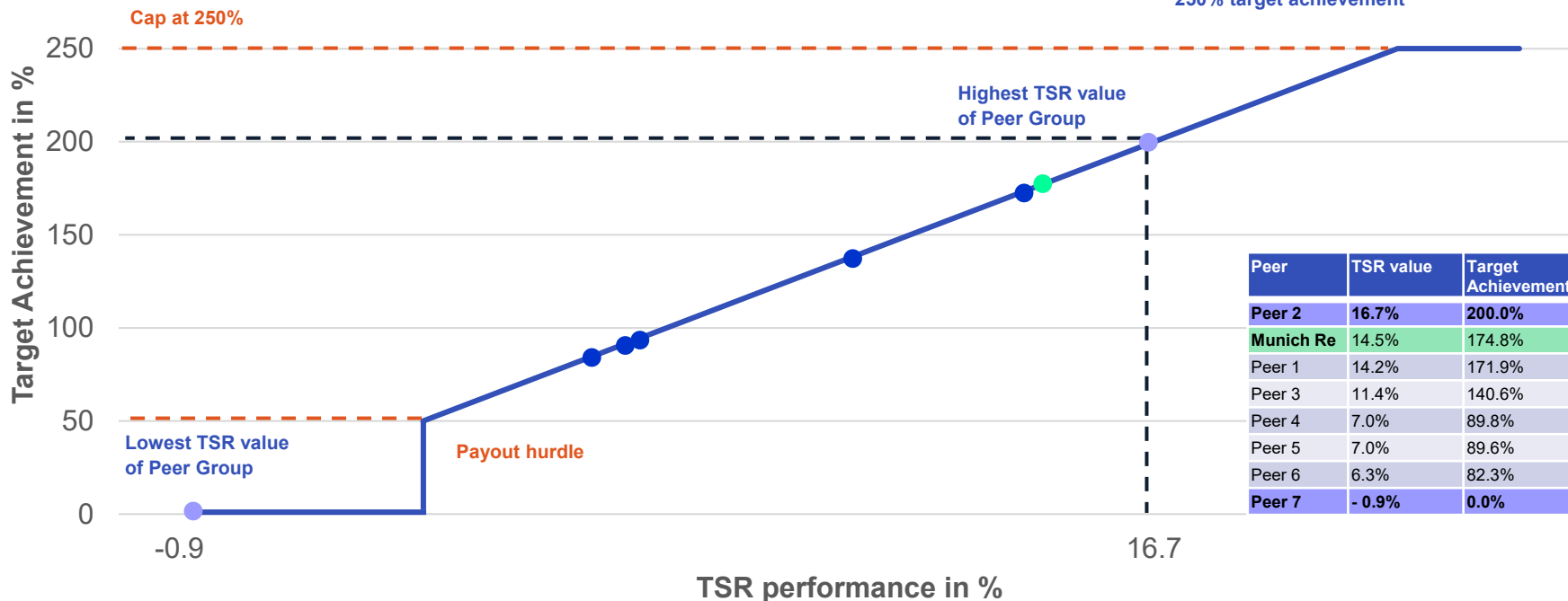


Illustration of current relative TSR component – example TSR 2019-2022

The specific values used to measure the target achievement are determined at the end of the plan term:

Linear scaling 0–200%: 0% = lowest TSR value of Peer Group *and* Munich Re

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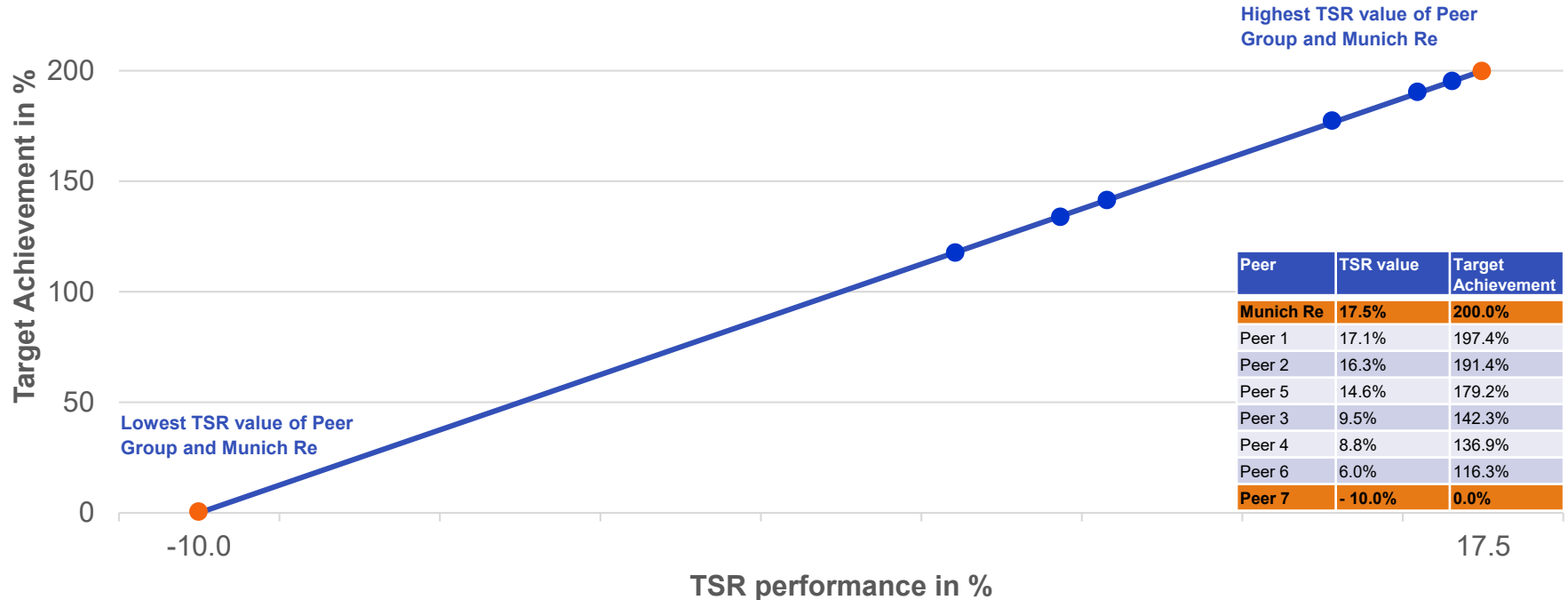
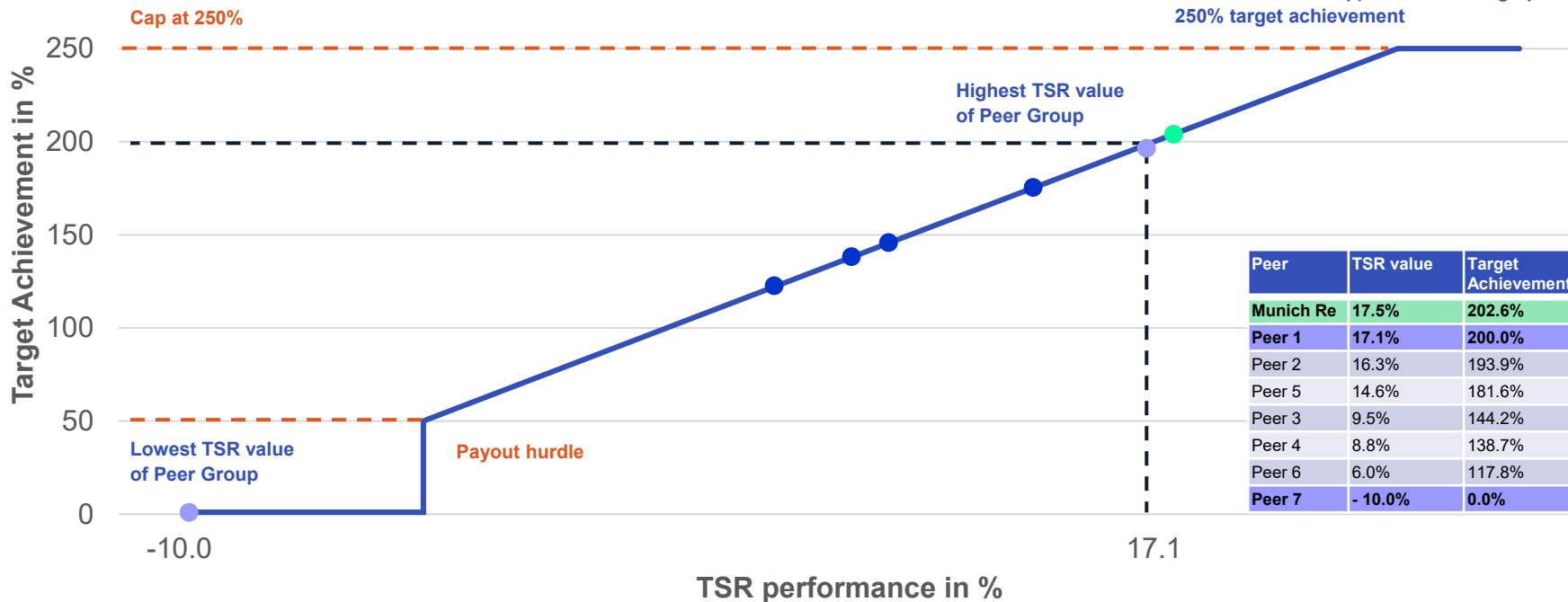


Illustration of future relative TSR component – example TSR 2019-2022

The specific values used to measure the target achievement are determined at the end of the plan term:
Linear scaling 0–200%: 0% = lowest TSR value of Peer Group
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Incentivisation of Munich Re's outperformance up to +50% (i.e. if TSR value of Munich Re is higher than highest TSR value of Peer Group) – linear scaling up to 250% target achievement



Rationale for the relative TSR component based on minimum target achievement

- In order to structure the TSR component ambitiously, a **payout hurdle** will be introduced, whereby a bonus will only be paid if the **target achievement** is **at least 50%**. To achieve 50%, the TSR performance must be significantly better than that of the last-ranked company.
- It is considered more appropriate to base bonus payments on a minimum target achievement (e.g. 50%) than on the median:
 - Bonus payments starting from the median place greater focus on “**ranking**” than on “**relative performance**”. From Munich Re’s perspective a methodology which compares the TSR performances of the companies and uses them as the basis for bonus payments is a more accurate indicator of performance and therefore more meaningful than a ranking.
 - The bonus payout will be aligned with Munich Re’s **performance**, with higher bonuses awarded for top performance and lower bonuses for below-average performance. The key factor is the company’s performance in relation to its peers. In the event of **underperformance**, the **payout hurdle** applies, or only a minimal bonus amount will be payable.
 - If bonuses were to be paid from the **median**, this might encourage the Members of the BoM to take **excessive risks** in order to achieve or maximise bonuses.
 - A payout from the median might result in a 0.1% TSR **deviation** determining, if a bonus payment is granted in a given year. Furthermore, **no** bonus might be paid, even if **value has been created** for shareholders and the performance has been strong.
 - Bonus payments starting from the median only appear to be meaningful if the peer group **comprises significantly more companies** (e.g. 20 or more). Munich Re believes that the current peer group, comprising the seven main European competitors with comparable business activity and size, is still the most suitable one.

Criteria for the evaluation of overall performance (1/2): Consideration of additional ESG criteria within AB and MYB

ESG criteria which are particularly relevant for the Munich Re Group (loading/reduction of up to 10 percentage points), e.g.

Ecological aspects

- Reduction of the CO2 footprint in line with the Munich Re Group's climate strategy (covering assets, liabilities and own emissions)

Governance aspects

- Leadership quality
- Diversity
- Adherence to guidelines/compliance requirements
- Governance functions properly established
- Cyber security



Social aspects

- Access to healthcare and corporate health initiatives
- Training costs and days
- Sickness rate

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), e.g.

Collective management performance

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

Situation, performance and future prospects of the Munich Re Group

- Economic situation of the Munich Re Group
- 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
- Individual performance (qualitative and/or quantitative)
- Consideration of special market circumstances or unexpected developments
- Implementation of strategy, improvements in organisation and processes, innovation