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Munich Reinsurance Company

Remuneration system for Members of the Board of Management from 1 January 2026

Contents

1	Procedure for defining, reviewing and implementing the remuneration system	3
2	Principles for structuring the remuneration system	3
3	Overview of the remuneration system with and without company pension scheme	4
3.1	Remuneration system without company pension scheme	5
3.2	Remuneration system with company pension scheme	6
3.3	Further components and elements of the structure	8
4	Remuneration components in detail	8
4.1	Fixed remuneration	8
4.1.1	Basic remuneration	8
4.1.2	Regular fringe benefits/remuneration in kind	8
4.2	Variable remuneration	8
4.2.1	Performance criteria and link to corporate strategy	8
4.2.2	Full and pro-rate granting	9
4.2.3	Annual bonus	9
4.2.4	Multi-year bonus	9
4.2.5	Overall performance evaluation for annual and multi-year bonuses	10
4.2.6	Amount of variable remuneration components to be awarded	11
4.2.7	Limits of variable remuneration	11
5	Determining target overall remuneration	12
5.1	Horizontal benchmarking	12
5.2	Vertical benchmarking	12
5.3	Definition of target overall remuneration	12
6	Maximum remuneration	12
7	No guaranteed variable remuneration (sign-on/recruitment bonuses)	12
8	Irregular/event-related benefits	12
9	Shareholding obligation (Share Ownership Guidelines)	13
10	Stock option plans	13
11	Board memberships and remuneration for board memberships	13
12	Retention (malus) and reclaim (clawback) of variable remuneration	13
13	Continued payment of remuneration in the case of incapacity to work	13
14	Remuneration-related legal transactions	13
14.1	Terms of the contracts for Members of the Board of Management	13
14.2	Conditions for termination of the contract of employment	14
14.3	Payments on termination of contract	14
15	Company pension scheme	14
15.1	Temporarily increased benefits at the beginning of retirement/upon leaving the Board of Management	15
15.2	Old-age pension	15
15.3	Disability pension	15
15.4	Reduced pension on early retirement	15
15.5	Vested pension entitlement under the German Company Pension Act	15
15.6	Provision for surviving dependants	15
15.6.1	Temporarily increased benefits	15
15.6.2	Benefits in standard cases	16

Remuneration system for Members of the Board of Management of Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft in München (“Munich Re”) from 1 January 2026

1 Procedure for defining, reviewing and implementing the remuneration system

The Supervisory Board approves the remuneration system for the Board of Management. The Remuneration Committee of the Supervisory Board supports the Supervisory Board and prepares resolutions which the Supervisory Board discusses in detail and decides on. The Remuneration Committee is composed of two shareholder representatives, both of whom are independent within the meaning of the German Corporate Governance Code (“GCGC”), and one employee representative. External remuneration consultants are not used.

The Board of Management remuneration system resolved by the Supervisory Board is submitted to the Annual General Meeting for approval. If the presented remuneration system is not approved by the Annual General Meeting, a revised remuneration system is submitted for approval at the latest at the next Annual General Meeting. On resubmission, all material changes and the extent to which the vote and comments of the shareholders have been taken into account explained. The resolution adopted at the Annual General Meeting and the remuneration system will be published without undue delay on the Company’s website and made publicly accessible free of charge for the period during which the system is in force, and in any event for a minimum of 10 years.

The remuneration system is reviewed by the Supervisory Board on a regular basis. The Remuneration Committee prepares the review and, if necessary, recommends changes, which the Supervisory Board discusses and decides on. The remuneration system is resubmitted to the Annual General Meeting for approval whenever it is changed significantly, in any event at least every four years.

The rules in the German Stock Corporation Act and the recommendations in the GCGC on handling conflicts of interest among Supervisory Board Members are also complied with in the definition, implementation and review of the remuneration system. The report of the Supervisory Board to the Annual General Meeting must include any identified conflicts of interest and how they were handled. Should any Member of the Remuneration Committee or Supervisory Board have a conflict of interest, such Member may not take part in the discussion and vote.

If necessary in the interest of the long-term good of the Company, the Supervisory Board may in exceptional circumstances temporarily deviate from the defined remuneration system. This could be the case if the Company’s long-term viability and profitability could be impaired, e.g. in a serious financial or corporate crisis. Deviations are possible in both remuneration structure and amount and in individual remuneration components. If necessary – on the recommendation of the Remuneration Committee – the Supervisory Board decides whether exceptional circumstances pertain in the above context and on the specific deviations. The Supervisory Board will document in its resolution why the deviation is necessary in the interest of the long-term good of the Company. Any deviation would be made transparent in the remuneration report for the relevant financial year.

2 Principles for structuring the remuneration system

It is important for the structure of the remuneration system to be straightforward and clear so that the shareholders, other stakeholders and the general public can understand the principles on which the remuneration of the Members of the Board of Management is based.

All relevant corporate and supervisory requirements are observed, in particular the German Stock Corporation Act and Article 275 of Delegated Regulation (EU) 2015/35 relating to Solvency II, as well as the recommendations in the GCGC.

The business strategy pursued by the Munich Re Group (= Munich Re and its affiliated group companies) is geared to profitable growth and successful positioning among its competitors. With its strategically relevant performance indicators that can be influenced by the Board of Management in its annual and multi-year bonuses, the remuneration system for the Board of Management promotes achievement of the business strategy and the sustained, long-term appreciation in the Munich Re Group’s value. At the same time, in accordance with sound and effective risk management, Members of the Board of Management are discouraged from taking excessive risks in an endeavour to achieve higher bonuses. The overall aim is to ensure that the remuneration system aligns the interests of the shareholders with those of the Members of the Board of Management.

Another important aspect is the consistency of the Board of Management’s remuneration system with that of other management to guarantee that all decision-makers pursue the same objectives.

3 Overview of the remuneration system with and without company pension scheme

Remuneration of the Members of the Board of Management is composed of fixed and variable components, which together constitute the overall remuneration. The fixed and variable remuneration components are balanced.

The remuneration system for Members of the Board of Management who joined or join the Board after 1 January 2019 does not provide for a company pension scheme. However, Members of the Board of Management who joined the Board by 1 January 2019 are still granted a company pension scheme.

The relative proportions of the remuneration components of the remuneration system without a company pension scheme differ from those of the remuneration system with a company pension scheme. The relative shares also differ for Members of the Board of Management with a defined benefit pension scheme.

3.1 Remuneration system without company pension scheme

FIXED REMUNERATION	49% Basic remuneration → Function/responsibility/length of service on Board of Management Payment form/time: Cash remuneration, monthly
	1% Regular fringe benefits/remuneration in kind
VARIABLE REMUNERATION (100% evaluation)	<p>50% Thereof 30% (15% of overall remuneration)</p> <p>Annual bonus</p> <p>At least two quantitative performance criteria which</p> <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, the IFRS net result remains an integral part of the annual targets; other performance criteria can include, e.g. <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) <p>The performance criteria, including weighting and scaling, are defined by the Supervisory Board prior to the start of the financial year and subsequently published.</p> <p>Target corridor: 0-200%, 100% = full target achievement</p> <p>Evaluation: Achievement of annual targets</p>
	<p>Thereof 70% (35% of overall remuneration, thereof 28% TSR, 7% ESG)</p> <p>Multi-year bonus (Term: 4 years)</p> <p>80% Total Shareholder Return (TSR) of Munich Re shares in comparison to a defined peer group</p> <p>Peer group: Allianz, AXA, Generali, Hannover Re, SCOR, Swiss Re, Zurich Insurance Group → To be reviewed and updated as necessary by the Supervisory Board</p> <p>Linear scaling 0-250% 0% = lowest TSR value in peer group 200% = highest TSR value in peer group Up to 250% for outperformance of peer group</p> <p>Payout hurdle: at least 50% target achievement</p> <p>Evaluation: TSR performance of Munich Re shares in comparison to peer group</p> <p>20% ESG target(s)</p> <p>The specific ESG targets, including weighting and scaling, are defined by the Supervisory Board prior to the start of the financial year and subsequently published.</p> <p>Target corridor: 0-200%, 100% = full target achievement</p> <p>Evaluation: Achievement of multi-year target(s)</p>
	<p>Overall performance evaluation (bonus/malus aspects)</p> <p>Supervisory Board may adjust target achievement taking into account individual and collective management performance by loading/reduction of up to 10pp in each case on the basis of</p> <ul style="list-style-type: none"> → ESG criteria → Success and performance criteria (including the situation, performance and future prospects of Munich Re Group) <p>to evaluate performance not included in the targets and to take account of exceptional developments.</p>
	<p>Payment form/time: Cash remuneration, in the year after the respective plan term</p> <p>No subsequent adjustment of target values/comparative parameters</p>
100%	Target overall remuneration (overall remuneration for 100% evaluation of the variable remuneration components)
	<p>Maximum remuneration</p> <p>The defined maximum remuneration for the Board of Management function groups Chair (€12m) and Ordinary Member (€9m) limits the respective overall remuneration allocable to a financial year.</p>

The percentages for the shares of the remuneration are approximate and may vary slightly.

3.2 Remuneration system with company pension scheme

FIXED REMUNERATION	39%	Basic remuneration → Function/responsibility/length of service on Board of Management Payment form/time: Cash remuneration, monthly
	1%	Regular fringe benefits/remuneration in kind
	20%	Defined contribution company pension scheme → Old-age pension/reduced pension on early retirement → Disability pension → Surviving dependants' pension
VARIABLE REMUNERATION (100% evaluation)	40%	<p>Thereof 30% (12% of overall remuneration)</p> <p>Annual bonus</p> <p>At least two quantitative performance criteria which</p> <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, the IFRS net result remains an integral part of the annual targets; other performance criteria can include, e.g. <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) <p>The performance criteria, including weighting and scaling, are defined by the Supervisory Board prior to the start of the financial year and subsequently published.</p> <p>Target corridor: 0-200%, 100% = full target achievement</p> <p>Evaluation: Achievement of annual targets</p>
		<p>Thereof 70% (28% of overall remuneration, thereof 22.4% TSR, 5.6% ESG)</p> <p>Multi-year bonus (Term: 4 years)</p> <p>80% Total Shareholder Return (TSR) of Munich Re shares in comparison to a defined peer group</p> <p>Peer group: Allianz, AXA, Generali, Hannover Re, SCOR, Swiss Re, Zurich Insurance Group → To be reviewed and updated as necessary by the Supervisory Board</p> <p>Linear scaling 0-250% 0% = lowest TSR value in peer group 200% = highest TSR value in peer group Up to 250% for outperformance of peer group</p> <p>Payout hurdle: at least 50% target achievement</p> <p>Evaluation: TSR performance of Munich Re shares in comparison to peer group</p> <p>20% ESG target(s)</p> <p>The specific ESG targets, including weighting and scaling, are defined by the Supervisory Board prior to the start of the financial year and subsequently published.</p> <p>Target corridor: 0-200%, 100% = full target achievement</p> <p>Evaluation: Achievement of multi-year target(s)</p>
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100%	Target overall remuneration (overall remuneration for 100% evaluation of the variable remuneration components)	
	<p>Maximum remuneration</p> <p>The defined maximum remuneration for the Board of Management function groups Chair (€12m) and Ordinary Member (€9m) limits the respective overall remuneration allocable to a financial year.</p>	

The percentages for the shares of the remuneration are approximate and may vary slightly.

Company pension scheme

Implementation	Defined contribution pension commitment via an insurance plan (Members of the Board of Management 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	At the earliest, at the beginning of the calendar year in which the Member of the Board of Management reaches the age of 60 or 62; at the latest, at the end of the calendar year in which they turn 67
Types of benefit	<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 Board of Management 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 Board of Management, 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 Board of Management 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 Board of Management is more than 50 years old, has been with the Company for more than 10 years and the appointment to the Board of Management has been extended at least once.

3.3 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: senior management and staff overall (also over time)
Irregular and/or event-related benefits	<ul style="list-style-type: none"> → For new Members of the Board of Management, 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 Board of Management 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 Board of Management → Five-year build-up period → Regular review by the Company
Remuneration for other board memberships	To be paid over to the Company
Malus/clawback	Retention and compensation 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

4 Remuneration components in detail

4.1 Fixed remuneration

Fixed remuneration encompasses basic remuneration together with fringe benefits and remuneration in kind (including income tax on non-cash benefits), which as a rule are granted on a regular basis, but which in individual cases are granted on an irregular and/or event-related basis, and can therefore vary in amount from year to year. The proportions of basic remuneration and fringe benefits may vary slightly due to differences and/or adjustments to market practice.

4.1.1 Basic remuneration

The basic remuneration is a fixed cash amount for the financial year, paid out as a monthly salary. The relatively high proportion of basic remuneration in the target overall remuneration enables Munich Re to apply a flexible, performance-related bonus policy in accordance with Solvency II requirements, including the option of paying no variable remuneration at all. This prevents Members of the Board of Management from taking inappropriately high risks in order to maximise their bonus.

4.1.2 Regular fringe benefits/remuneration in kind

These include, in particular, the provision of a company car, the assumption of costs for selected private rides and allowances/contributions for insurance. Any income tax due on the associated non-cash benefits is borne by the Company.

4.2 Variable remuneration

4.2.1 Performance criteria and link to corporate strategy

Variable remuneration consists of an annual component (annual bonus) with at least two quantitative performance criteria, and a multi-year component (multi-year bonus) with a share price-based assessment basis and at least one ESG target (based on environmental, social or governance-related aspects). The variable remuneration is related to the future and primarily based on the share price.

The collective performance assessment at Group level promotes close collaboration between reinsurance, primary insurance and asset management. As such, it supports the business model that is based on these three pillars, as well as the unified Group-wide strategy of the Munich Re Group. Individual performance targets for the Members of the Board of Management based on personal responsibilities could lead to undesirable silo thinking, which could negatively impact innovation, growth and development of the Munich Re Group. For these reasons, individual performance assessment is eschewed. However, individual performance can still be assessed as part of the overall performance evaluation.

For the coming financial year, the Supervisory Board defines the performance criteria for all variable remuneration components, which are relevant for the Board of Management and are primarily linked to strategic – in addition to operational and sustainable – objectives. It considers the strategic objectives in depth every year when assessing and defining the performance criteria.

A subsequent adjustment of the target values or the benchmark parameters is excluded.

4.2.2 Full and pro-rate granting

The basis for the full and pro rata granting of the variable remuneration is the respective first year. The period of active service in the first plan year is taken into account (pro rata temporis). This applies equally to Members of the Board of Management joining or leaving the Board during the year.

4.2.3 Annual bonus

The annual bonus consists of at least two defined quantitative performance criteria which incentivise operational success within the set strategic framework of the Munich Re Group and are linked to the externally communicated ambition. For the time being, an ambitious IFRS net result remains an integral part of the performance criteria for the annual bonus. As an established measure of results and a key figure for the capital market, the IFRS net result takes account of the significance of high and stable earnings power. The IFRS net result target is derived from the annual planning, which reflects the strategic ambition. Further performance criteria that may also be considered include, for example, sub-metrics of the IFRS net result or assessment bases that focus on a specific region or segment and are to be taken into account in a special way in the annual bonus. The target corridor for the annual bonus is 0–200%, with 100% meaning full target achievement.

The specific performance criteria, including weighting and scaling, are defined by the Supervisory Board prior to the start of the respective financial year and subsequently published. After the assessment period has ended, the results achieved and the corresponding target achievements are also published.

4.2.4 Multi-year bonus

Performance criteria

The purpose of the multi-year bonus, which has a plan term of four years, is for 80% to achieve a sustainable development of the performance of the Munich Re shares, measured as total shareholder return ("TSR"), compared to that of a defined group of competitors. In addition, 20% of the multi-year bonus is aimed at achieving one or more sustainability targets.

TSR

Based on its long-term strategic orientation and economic management of the Group, Munich Re aims to sustainably create value for its shareholders in the form of TSR. TSR takes account of dividend payments as well as share price performance. As a main element of the multi-year component, the increase in TSR in comparison with the 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 development over a period of several years reflects

Munich Re's long-term performance not only in absolute terms, but also in relative terms. Indeed, 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 shareholders. Outperforming the competitors is in the interest of shareholders – even in a weak market environment.

The companies for the peer group comparison of TSR development are selected on the basis of basically comparable business activities and size. Furthermore, it is relevant that they are listed on a stock exchange and subject to similar accounting standards to Munich Re, which is why only European competitors have been taken into account to date. The peer group currently comprises Allianz, AXA, Generali, Hannover Re, SCOR, Swiss Re and Zurich Insurance Group. The same peer group is used for the analysts' conference. The Supervisory Board may review and change the composition of the peer group when required, e.g. if the continued inclusion of one of the said competitors would lead to dysfunctional results.

The definitive values for measuring target achievement are only available at the end of the plan term. The lowest TSR value in the peer group is taken as 0% of the linear scaling, and the highest TSR value as 200%, without taking Munich Re into account. Subsequently, the position of Munich Re is calculated on the basis of its TSR value in comparison to the peer group. To structure the TSR component ambitiously, a bonus payment will only be made from a payout hurdle of 50% target achievement. For greater consideration of Munich Re's outperformance, its TSR development is recognised up to a target achievement of 250%. The performance hurdle of 50% target achievement was chosen because, although the peer group is balanced and includes both primary insurance and reinsurance companies (main competitors), it is rather small with seven companies. For this reason, applying a payout hurdle based on the median does not appear appropriate. Applying this type of hurdle could lead to the inadequate consequence that no payout is made despite value creation for shareholders and a strong performance on the part of the Board of Management.

The initial TSR values are determined at the beginning of the plan term and the final TSR values at the end, and the two figures are then compared in order to calculate target achievement. The calculations are based on reporting date figures. After assessing the target achievement for the TSR component, this is published together with the anonymised comparable values for the competitors.

ESG targets

Munich Re has always pursued a forward-thinking, prudent and responsible business approach. By assuming a wide range of risks worldwide, Munich Re creates long-term value and is convinced that this business concept will continue to be successful in the future as a result of sustainable action.

Accordingly, sustainability is an integral component of Munich Re's corporate strategy, which the variable remuneration is also meant to reflect. The sustainability targets for Members of the Board of Management are chiefly derived from Munich Re's corporate strategy, and from an analysis of essential sustainability-related impacts, risks and opportunities. They focus on at least one of the dimensions environment, social or governance. Reference to the materiality analysis ensures that the ESG targets for Members of the Board of Management address those sustainability issues that are particularly relevant for both Munich Re and its stakeholders. The target corridor is 0–200%, with 100% meaning full target achievement.

The specific ESG targets, including their weightings and scaling, are defined by the Supervisory Board prior to the start of the respective financial year and subsequently published. After the assessment period has ended, the results and the corresponding target achievements are also published.

4.2.5 Overall performance evaluation for annual and multi-year bonuses

Within the evaluation of the overall performance, the Supervisory Board has the possibility for both the annual and multi-year bonus to evaluate the implementation of sustainability aspects ("ESG criteria") as well as the performance not covered by the targets, and to take exceptional developments into account.

Therefore, as soon as the information on the target achievement is available, the Supervisory Board has the option of taking into consideration in both the annual and multi-year bonus (for the latter based on overall target achievement for both target categories) the performance of the individual Members of the Board of Management and the Board of Management as a whole, along with the situation, performance and future prospects of the Munich Re Group. This is done by applying loadings/reductions of up to 20 percentage points on the basis of exemplary bonus/malus factors defined by the Supervisory Board, which may also relate to periods prior to the assessment period under consideration.

Loadings/reductions of up to 10 percentage points can be applied for the following ESG criteria, which are particularly relevant for the Munich Re Group:

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

Loadings/reductions of up to 10 percentage points can be applied for these success and performance criteria:

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

Factors that influence business development but are not reflected in the performance indicators applied, e.g. IFRS net result and TSR, can also be taken into account.

To give the Supervisory Board as much flexibility as possible, the criteria for the overall performance evaluation are not definitively laid down in detail in the remuneration system. At the end of the one-year and four-year assessment periods, the Supervisory Board – on the basis of the information prepared by the Remuneration Committee – appraises the performance of the Members of the Board of Management that is not or not sufficiently taken into account in the targets and determines the amount of any loading or reduction. The remuneration report makes it transparent whether, for what precise reasons and in what amounts any loading or reductions were made.

4.2.6 Amount of variable remuneration components to be awarded

On the basis of the target achievement and the overall performance evaluation, the Supervisory Board determines the amount of the remuneration components to be awarded to each individual. The variable remuneration components are paid out in cash in accordance with the evaluation and resolution by the Supervisory Board, for the annual bonus in the year following the end of the relevant one-year period, and for the multi-year bonus in the year following the end of the relevant four-year period. The Supervisory Board has the option to react to exceptional circumstances beyond the assessment periods, up to the date of payment.

The complete transparency makes the target achievement comprehensive with regard to justification and amount; the limitation to specifically selected performance criteria in the annual and multi-year bonuses

reduces complexity and thus helps to make the variable remuneration easier to understand.

4.2.7 Limits of variable remuneration

The lower and upper limits for the annual bonus of the Members of the Board of Management arise from the defined target corridor of 0-200%. Any higher target achievement is capped at 200%; in this case, no loading can be applied as a result of the overall performance evaluation.

Regarding the two target categories of the multi-year bonus, the defined target corridors have the same lower limit, but different upper limits: For the TSR component weighted at 80%, a corridor of 0-250% and a payout hurdle of 50% target achievement apply. Any higher target achievement is capped at 250%. For the ESG targets weighted at 20%, a corridor of 0-200% applies without an additional payout hurdle. The two target categories are combined, taking into account their respective weightings and the payout hurdle for the TSR component, to determine an overall target achievement that can amount to a maximum of 240%.

As part of the overall performance evaluation for the multi-year bonus, loadings/reductions are always only applied after the overall target achievement for both target categories has been calculated. Loadings can only be applied up to an overall target achievement of 200% and are not possible if the overall target achievement is already 200% or higher.

For both the annual bonus and multi-year bonus, reductions can only be applied down to an (overall) target achievement of 0%.

5 Determining target overall remuneration

In accordance with a remuneration system submitted to the Annual General Meeting for approval, the Supervisory Board determines the target overall remuneration (= overall remuneration for 100% evaluation of the variable remuneration components) for each individual Member of the Board of Management for the coming financial year. A horizontal and vertical benchmarking is first performed to assess whether the remuneration is in line with the market and within the Company.

5.1 Horizontal benchmarking

Remuneration data for DAX40 companies derived from a study conducted annually is used to assess the market standard of the overall remuneration. In comparing remuneration, the Supervisory Board takes particular account of market capitalisation. For the horizontal benchmarking, a peer group drawn from the same region appears more appropriate than an international industry peer group, which is necessarily very heterogeneous in terms of remuneration amounts and market practices.

5.2 Vertical benchmarking

To assess consistency within Munich Re, the Supervisory Board considers – also over time – the remuneration of the Members of the Board of Management in relation to the remuneration of senior management and staff overall. Germany is used as a basis. “Senior management” means senior executives, and “staff overall” encompasses senior executives and non-pay-scale and pay-scale employees.

5.3 Definition of target overall remuneration

The target overall remuneration of the Chair of the Board of Management is based on the target overall remuneration of the CEOs of all DAX40 companies taking part in the study. The Supervisory Board derives the target overall remuneration of the other Members of the Board of Management from that of the Chair using defined remuneration ratios. The Supervisory Board then determines the specific target overall remuneration of the individual Members of the Board of Management, taking into account their responsibilities and performance, the performance of the Board of Management as a whole, the Munich Re Group’s situation, performance and future prospects, and the development in the remuneration of the internal reference groups.

As required by Solvency II, the Supervisory Board ensures that the ratio between fixed and variable remuneration components is balanced so that the fixed remuneration represents a sufficiently high proportion of the target overall remuneration and enables Munich Re 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 incur inappropriately high risks in order to achieve higher bonuses.

When determining the variable remuneration components in relation to the target overall remuneration, the Supervisory Board ensures that the proportion of long-term variable remuneration exceeds that of short-term variable remuneration.

6 Maximum remuneration

The overall remuneration (= sum of all remuneration amounts applicable for a year including regular fringe benefits and any service costs) of each Member of the Board of Management is limited by the maximum remuneration.

When determining the amount that may not be exceeded by the overall remuneration (maximum remuneration), the sum of the individual remuneration components (variable remuneration at 200%/240% evaluation) plus a loading in line with market practice is taken as the basis. The maximum remuneration is defined as a euro amount for each individual Member of the Board of Management with reference to the relevant Board function group “Chair” or “Ordinary Member”.

The maximum remuneration refers to the overall remuneration for the financial year to which the overall remuneration is attributable, irrespective of the financial year in which individual remuneration amounts actually accrue to the Member of the Board of Management. Should the maximum remuneration for a financial year be exceeded, the variable remuneration attributable to that financial year is diminished accordingly. If a reduction is not possible, or not possible to a sufficient extent, the Member of the Board of Management is obliged to repay the amount in excess of the maximum remuneration. However, given the upper limits for the annual bonus (= 200%) and multi-year bonus (= 240%), the maximum remuneration being exceeded is highly unlikely.

The maximum remuneration for the Chair of the Board of Management is €12m, that for an Ordinary Member of the Board of Management €9m. These amounts take into account the remuneration adjustments made since the last determination of the maximum remuneration as well as as possible future adjustments and also factor in the inflation development.

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

As a matter of principle, the Company does not pay guaranteed variable remuneration to Members of the Board of Management.

8 Irregular/event-related benefits

Irregular and/or event-related benefits for Members of the Board of Management include e.g. anniversary benefits, costs relating to security and, in the case of new Members of the Board of Management joining the Board, the assumption of costs in connection with relocation.

Further, in exceptional cases, and on production of corresponding evidence, compensation for bonuses from a previous employer that have been forfeited may be paid to new Members of the Board of Management. This is paid in several instalments and is tied to payment conditions. Additional appropriate and customary market benefits may arise or be agreed in connection with the commencement or premature termination of service on the Board of Management and in the event of several places of work.

9 Shareholding obligation (Share Ownership Guidelines)

All Members of the Board of Management are required to hold shares in the Company to the value of their current annual gross basic remuneration for the duration of their membership on the Board. New Members of the Board of Management have a five-year build-up period.

Compliance with the shareholding obligation is reviewed annually. If, after the end of the build-up period, the applicable level of share ownership has already been reached in a review period, the shareholding obligation is still deemed to have been fulfilled in the event of unchanged basic remuneration, even if it is no longer met due to fluctuations in the share price, provided no shares have been disposed of in the meantime. If remuneration is increased, it is verified in the review period following the review period after the remuneration increase comes into effect, whether the Member of the Board of Management holds shares in the Company to the value of 100% of their increased annual gross basic remuneration.

10 Stock option plans

No stock option plans or similar incentive schemes are in place for the Members of the Board of Management. Dividend equivalents are not awarded.

11 Board memberships and remuneration for board memberships

The consent of the Supervisory Board is required for a Member of the Board of Management to accept a seat on a board. Remuneration for such board memberships must be paid over to the Company. Exempted from this is remuneration for memberships explicitly classified by the Supervisory Board as personal. This ensures that neither the time spent nor the remuneration paid will result in conflict with working for the Company.

12 Retention (malus) and reclaim (clawback) of variable remuneration

The remuneration system for the Board of Management provides for various possibilities for retaining variable remuneration components. For example, the Supervisory Board can load or reduce the target achievement by up to

20 percentage points for both the annual and the multi-year bonus, in order to recognise the individual or collective performance of the Members of the Board of Management. This enables it, among other things, to reduce the variable remuneration in the event of negative performance contributions.

The contracts of employment of all Members of the Board of Management also include a provision to the effect that all variable remuneration components not yet paid out are forfeited in the event of termination of the contract of employment for good cause by the Company or resignation without good cause by the Member of the Board of Management.

In addition, in all contracts of employment of the Members of the Board of Management the Company is entitled to implement any orders by the supervisory authorities to limit, cancel or not pay out variable remuneration to the Member of the Board of Management.

The contracts of employment of the Members of the Board of Management further stipulate that the Members of the Board of Management are obliged to indemnify the Company if they fail to comply with their duty to exercise the due care of a prudent and conscientious manager (Section 93 of the German Stock Corporation Act). The Supervisory Board has the option of demanding such compensation following a breach of duty. As a consequence, bonus payments already made can also be partially or entirely compensated.

If variable remuneration has been paid out on the basis of incorrect data or calculations, it goes without saying that the bonus payments will be subsequently adjusted – upwards or downwards – by Supervisory Board resolution, and any variable remuneration paid in excess reimbursed by the Members of the Board of Management.

13 Continued payment of remuneration in the case of incapacity to work

In the event of temporary incapacity to work due to illness or for other reasons beyond the control of the Member of the Board of Management, the remuneration is paid until the end of the contract of employment. The Company may terminate the contract of employment prematurely if the Member of the Board of Management is incapacitated for a period of longer than 12 months and is likely to be permanently unable to fully perform the duties conferred on them (permanent incapacity to work).

14 Remuneration-related legal transactions

14.1 Terms of the contracts for Members of the Board of Management

The contracts of employment of the Members of the Board of Management apply for the period of their

appointment and are extended for the period of re-appointment. The initial period of appointment and contract term is generally three years, and five years for re-appointment. Since the age limit for Members of the Board of Management is 67, an appointment can be made no later than the end of the calendar year in which the Member of the Board of Management reaches the age of 67.

14.2 Conditions for termination of the contract of employment

Both the Company and the Members of the Board of Management may terminate the contract of employment prematurely for good cause without notice within the meaning of Section 626 of the German Civil Code. The Company may also terminate the contract of employment prematurely, subject to the notice period pursuant to Section 622 (2) of the German Civil Code, if a Member of the Board of Management is incapacitated for a period of longer than 12 months and is likely to be permanently unable to fully perform the duties conferred on them (permanent incapacity to work).

In the case of Members of the Board of Management who have joined the Board since 2017 and future Members of the Board of Management, the Company also has the right to terminate the contract of employment prematurely by giving ordinary notice of termination in accordance with Section 622 (2) of the German Civil Code if the appointment of the Member of the Board of Management is terminated prematurely – in particular by mutual agreement, by revocation or through resignation of the Member of the Board of Management. The contracts of employment of the Members of the Board of Management do not include any right of ordinary termination for Members of the Board of Management.

14.3 Payments on termination of contract

On termination of a contract of employment of a Member of the Board of Management, the variable remuneration components still outstanding are evaluated and paid out on the basis of the originally agreed targets at the regularly scheduled time.

If the contract of employment is terminated due to extraordinary termination by the Company for good cause, no payments are made to the Member of the Board of Management. There are no contractually agreed payments as a result of a change of control.

Members of the Board of Management who joined the Board before 2017 have no contractual entitlement to severance payments. In the event of premature termination of the contract of employment by the Company without good cause, any payments to be made may not exceed in total a maximum of two years' overall remuneration and may not remunerate more than the remaining term of the contract of employment, if this is shorter. The calculation is based on the overall remuneration for the past financial year and, if applicable, on the expected overall remuneration for the current financial year.

Members of the Board of Management who have joined the Board since 2017 and future Members of the Board of Management have a contractual entitlement to severance payments in the event of premature termination of their contract of employment by the Company without good cause. This amounts to two years' remuneration, but is in any case limited to the remaining term of the contract of employment, if this is shorter. The annual remuneration is calculated on the basis of the annual fixed remuneration and the variable remuneration actually paid out for the last full financial year before the termination of the contract of employment; irregular and/or event-related fringe benefits and remuneration in kind are not taken into account. Payments received by the Member of the Board of Management during the notice period following the termination of their appointment are offset against any severance payment. Any income from self-employment or employment earned by the Member of the Board of Management during the period in respect of which they have received a severance payment is also offset against the severance payment.

As a matter of principle, the Company ensures that severance payments correspond to the performance over the whole period of employment.

The Supervisory Board may conclude a post-contractual non-competition agreement with Members of the Board of Management, with compensation for the period of non-competition. In this case, any severance payment is offset against the compensation for non-competition.

15 Company pension scheme

Members of the Board of Management who joined the Board by 1 January 2019 are entitled to the Company pension scheme.

For each calendar year (contribution year) during the term of the employment contract, the Company provides for the individual Members of the Board of Management a pension 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). The pension contributions for the Members of the Board of Management are paid to an external pension insurer. The insurance benefits that result from the contribution payments constitute the Company's pension commitment to the Member of the Board of Management.

Members of the Board of Management appointed before 2009 were transferred from a defined benefit scheme to the defined contribution plan. They kept their pension entitlement from the defined benefit scheme (fixed amount in euros) existing at the date of transfer, which was maintained as a vested pension. For their years of service from 2009, they receive a pension commitment based on the defined contribution plan (incremental pension).

In addition, Members of the Board of Management who joined the Company before 2019 are also members of the Munich Re pension fund, which also provides defined contribution pension commitments for them.

15.1 Temporarily increased benefits at the beginning of retirement/upon leaving the Board of Management

Individual Members of the Board of Management have special contractual agreements under which they receive a pension in the amount of their previous monthly basic remuneration for the first six or three months after their retirement or leaving date, if they are on that date entitled to an old-age pension, disability pension, or reduced pension on early retirement.

15.2 Old-age pension

Members of the Board of Management who joined the Board before April 2012 are entitled to an old-age pension at the earliest when they leave active service with the Company at the end of 31 December of the year before they reach the age of 60. Members of the Board of Management who joined the Board from April 2012 are entitled to a pension at the earliest when they leave active service with the Company at the end of 31 December of the year before they reach the age of 62. All Members of the Board of Management must leave active service no later than at the end of the calendar year in which they turn 67.

Benefit:

- **Defined contribution pension commitment:** annuity based on the policy reserve or payment of the policy reserve as a lump sum.
- **Combination of defined benefit pension commitment and defined contribution pension commitment:** vested pension from the defined benefit plan and annuity from the policy reserve under the defined contribution plan or payment of the policy reserve as a lump sum.

15.3 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, physical 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 continued 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 of Management or where the contract of employment has been terminated by the Company due to permanent incapacity to work.

Benefit:

Defined contribution pension commitment: 80% of the insured old-age pension, on reaching the age of 62 old-age pension.

15.4 Reduced pension on early retirement

Members of the Board of Management who joined the Board of Management before 2017 are entitled to a reduced pension on early retirement if the contract of employment is terminated as a result of non-extension or revocation of their appointment, without the Member of the Board of Management having given cause for this through a gross violation of their duties or their own request. This applies where a Member of the Board of Management has already passed the age of 50, has been in the employment of the Company for more than ten years when the contract terminates, and has had their appointment to the Board of Management extended at least once.

Benefit:

Defined contribution pension commitment: annuity based on the policy reserve or payment of the policy reserve as a lump sum at the date the pension benefit is claimed.

Members of the Board of Management who joined the Board from 2017 are not entitled to a reduced pension on early retirement.

15.5 Vested pension entitlement under the German Company Pension Act

Members of the Board of Management who are not yet entitled to an old-age pension have a vested pension entitlement under the German Company Pension Act if they leave the Company before reaching the age of 62 and the pension commitment has existed for at least three years previously.

Benefit:

Defined contribution pension commitment: annuity based on the policy reserve or payment of the policy reserve as a lump sum at the date the insured event occurs.

Benefits from vested pension entitlements are paid upon the Member of the Board of Management reaching the age of 62, in the case of disability, or in the event of the death of the Member of the Board of Management.

15.6 Provision for surviving dependants

15.6.1 Temporarily increased benefits

In the event of the death of a Member of the Board of Management during active service, the surviving dependants continue to receive the previous monthly basic remuneration for a period of six months if the deceased joined the Board of Management before 2006. In the case of Members of the Board of Management who joined the Board from 2006 to 2017 inclusive, the previous monthly basic remuneration is paid to the beneficiaries for a period of three months. If the death of the Member of the Board of Management occurs after retirement, the surviving dependants of Members of the Board of Management who joined the Board of Management up to 2017 receive the previous monthly 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 Member of the Board of Management started drawing the pension.

15.6.2 Benefits in standard cases

Surviving spouses and registered civil partners receive a pension amounting to 60% of the defined benefit pension commitment or of the insured pension; half-orphans receive 20% and full orphans 40%. The total amount may not exceed the pension of the Member of the Board of Management. If the pension of the Member of the Board of Management was reduced owing to early retirement, benefits for surviving dependants are based on the reduced pension.