

Declaration of Conformity 2020

Declaration of Conformity pursuant to § 161 Stock Corporation Act (AktG) regarding compliance with the German Corporate Governance Code (DCGK) at Hannover Rück SE

Under § 161 Stock Corporation Act (AktG) it is incumbent on the Management Board and Supervisory Board of German listed companies to provide an annual declaration of conformity with the recommendations of the "German Corporate Governance Code Government Commission" published by the Federal Ministry of Justice and Consumer Protection or to explain which recommendations of the Code were/are not applied and why this is the case. In view of the fact that the Code has been updated since the most recently provided Declaration of Conformity of 5 November 2019, the following Declaration is divided into two sections.

I. German Corporate Governance Code in the version dated 7 February 2017

The Executive Board and Supervisory Board declare pursuant to § 161 Stock Corporation Act (AktG) that in the period since the most recently provided Declaration of Conformity dated 5 November 2019 until the announcement of the recommendations of the "German Corporate Governance Code Government Commission" in the version dated 16 December 2019 on 20 March 2020 Hannover Rück SE was in compliance with the recommendations of the Code in the version dated 7 February 2017 with the exception of the following stated divergences.

a. Code Section 4.2.3 Para. 2

Caps on the amount of variable remuneration elements in Management Board contracts

The variable remuneration of the members of the Executive Board was granted under the previous remuneration system in part in the form of Hannover Re share awards. The maximum number of share awards granted at the time of allocation depended upon the total amount of variable remuneration, which was subject to an upper limit (cap), i.e. the allocation of share awards was limited by the cap. The share awards had a vesting period of four years. During this period the members of the Executive Board therefore participated in positive and negative developments at the company, as reflected in the share price. The equivalent value of the share awards is paid out to the members of the Executive Board after the end of the vesting period. The amount paid out is determined according to the share price of the Hannover Re share applicable at the payment date plus an amount equivalent to the total dividends per share distributed during the vesting period. The share awards consequently follow the economic fortunes of the Hannover Re share.

The amount of variable remuneration deriving from the granting of share awards was thus capped at the time when the share awards were allocated, but it is not capped again at the time of payment. Bearing in mind the harmonisation of the interests of shareholders and of the members of the Executive Board of Hannover Rück SE that is sought through the share awards, the company did not consider further limitation of the amount of variable remuneration resulting from the granting of share awards at the time of payment to be expedient. From the company's perspective, the use of Hannover Re share awards as a method of payment constitutes – in economic terms – a compulsory investment in Hannover Re shares with a four-year holding period.

For formal purposes and as a highly precautionary measure, Hannover Rück SE is therefore declaring a divergence from Code Section 4.2.3 Para. 2 in the aforementioned period.

b. Code Section 4.2.3 Para. 4

Caps on severance payments in Management Board contracts

Premature termination of a service contract without serious cause may only take the form of cancellation by mutual consent. Even if the Supervisory Board insists upon setting a severance cap when concluding or renewing an Executive Board contract, this does not preclude the possibility of negotiations also extending to the severance cap in the event of a member leaving the Executive Board. In addition, the scope for negotiation over a member leaving the Executive Board would be restricted if a severance cap were agreed, which could be particularly disadvantageous in cases where there is ambiguity surrounding the existence of serious cause for termination. In the opinion of Hannover Rück SE, it is therefore in the interest of the company to diverge from the recommendation contained in Section 4.2.3 Para. 4 in the aforementioned period.

c. Code Section 5.3.2 Para. 3 Sentence 2

Independence of the Chair of the Audit Committee

The current Chair of the Finance and Audit Committee of Hannover Rück SE at the same time also served as the Chair of the Board of Management of the controlling shareholder until the end of the Annual General Meeting of Talanx AG on 8 May 2018 and hence cannot, in the company's legal assessment, be considered independent.

In the period from 1994 to 2002 he served as the company's Chief Financial Officer. During this time he acquired superb knowledge of the company and he is equipped with extensive professional expertise in the topics that fall within the scope of responsibility of the Finance and Audit Committee. With this in mind, he is optimally suited to chairing the Audit Committee.

This assessment is also not cast into question by the fact that the Committee Chair cannot be considered independent within the meaning of the German Corporate Governance Code for the period from 1 January 2018 to 8 May 2018. Furthermore, since his service as Chief Financial Officer of Hannover Rück SE dates back to a period that is already more than fifteen years ago, it is also the case that the reviews and checks performed by the Finance and Audit Committee no longer relate to any timeframe within which he himself was still a member of the Executive Board or decisions initiated by him as a member of the Executive Board were still being realised.

In the opinion of Hannover Rück SE, it is therefore in the interest of the company to diverge from the recommendation contained in Section 5.3.2 Para. 3 in the aforementioned period.

II. German Corporate Governance Code in the version dated 16 December 2019

The Executive Board and Supervisory Board further declare pursuant to § 161 Stock Corporation Act (AktG) that Hannover Rück SE has been and will be in compliance with the recommendations of the German Corporate Governance Code in the version dated 16 December 2019 since the announcement of the recommendations of the "German Corporate Governance Code Government Commission" in the version dated 16 December 2019 on 20 March 2020 with the exception of the following stated divergences.

a. Code Recommendation C.10 in conjunction with Recommendation C.7

Independence of the Chair of the Audit Committee from the company and the Management Board

Pursuant to Recommendation C.10 of the Code 2019, the Chair of the Audit Committee shall be independent of the company and the Management Board. Pursuant to Recommendation C.7 of the Code 2019, when assessing the independence of the Supervisory Board's members from the company and the Management Board, the shareholder representatives shall particularly take into consideration whether the respective Supervisory Board member has belonged to the Supervisory Board for more than 12 years. Mr. Haas, the Chair of the Finance and Audit Committee, was first elected to the Supervisory Board of Hannover Rück SE on 24 May 2002 and has therefore already belonged to it for more than 12 years.

In the period from 1994 to 2002 Mr. Haas served as the company's Chief Financial Officer. During this time, he acquired superb knowledge of the company and he is equipped with extensive professional expertise in the topics that fall within the scope of responsibility of the Finance and Audit Committee. His additional long-standing experience on the company's Supervisory Board – in part also as Chair – similarly marks him out for fulfilling with the utmost diligence both the preparatory tasks of the Committee and the tasks that were assigned to the Committee by law or by the full Supervisory Board at its own responsibility. In electing him as Chair of the Committee, the Supervisory Board took into account Mr. Haas' wealth of experience and considered this to be valuable with an eye to the new election of the body as a whole as well as the appointment of a new Chief Executive Officer in 2019 against the backdrop of maintaining continuity.

Mr. Haas is optimally suited to chairing the Audit Committee, and in the opinion of Hannover Rück SE it is therefore in the interest of the company to diverge from Recommendation C.10 in conjunction with C.7.

b. Code Recommendations G.1, G.10, G.11

Remuneration of the Management Board

After the announcement of the new Code on 20 March 2020, the Supervisory Board approved a new system for the remuneration of the Executive Board with effect from 1 January 2021 that is in conformity with the recommendations of the new Code in the version dated 16 December 2019. This remuneration system was implemented jointly with the members of the Executive Board in the Board contracts with effect from 1 January 2021. For the period until 31 December 2020 it is the case that, in accordance with the Code in the version dated 16 December 2019, the recommendations contained therein regarding Management Board remuneration in Section G. do not have to be taken into consideration in current Board contracts.

In order to ensure a consistent system of remuneration for the Executive Board as a collegial body, the remuneration arrangements for Clemens Jungsthöfel – who was newly appointed as a member of the Executive Board with effect from 1 September 2020 – were structured according to the system in place for the other members of the Executive Board. For the period until 31 December 2020 the remuneration arrangements for Mr. Jungsthöfel therefore correspond to the existing Executive Board remuneration system of the company and hence are not oriented to the Code in the version dated 16 December 2019. For the period until 31 December 2020 it is pointed out, as a highly precautionary measure, that this is associated with a divergence from Recommendations G.1 (maximum limit in terms of amount of the Hannover Re share awards at the time of payment), G.10 (predominantly share-based variable

remuneration) as well as G.11 (retention/reclamation of variable remuneration) of the Code in the version dated 16 December 2019 in relation to the Board contract for the member of the Executive Board newly appointed with effect from 1 August 2020. With effect from 1 January 2021 the remuneration system for all members of the Executive Board is in conformity with the recommendations of the Code in the version dated 16 December 2019.

Aside from the divergences specified under Number II. of this Declaration of Conformity, the company will also continue in future to comply with all recommendations of the Code in the version dated 16 December 2019.

Hannover, 3 November 2020

For the Executive Board

For the Supervisory Board