

somewhat  
different

# Remuneration report 2022

hannover **re**<sup>®</sup>

# Remuneration report

The remuneration report describes the structure and system of the remuneration for the Executive Board and Supervisory Board and provides detailed information about the individual remuneration and other benefits of present and former members of the Executive Board and Supervisory Board of Hannover Rück SE that are granted and owing to them for their work in the 2022 financial year.

The report was drawn up by the Executive Board and Supervisory Board of the company in conformity with the requirements of § 162 Stock Corporation Act (AktG), fulfils the recommendations and suggestions of the German Corporate Governance Code (DCGK) as amended on 16 December 2019 and takes account of relevant regulatory provisions.

The remuneration report was subjected to an audit, both formally and in terms of its content, by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft that went above and beyond the requirements of § 162 Stock Corporation Act (AktG). The remuneration report and the report of the independent auditor on the audit of the remuneration report can be accessed on the website of Hannover Rück SE (<https://www.hannover-re.com/286045/2023-annual-general-meeting>). Report on the remuneration system: <https://www.hannover-re.com/1849339/remuneration-report-and-system>

## Remuneration of the Executive Board

### Overview of the remuneration system

The current remuneration system for the Executive Board has been in effect since 1 January 2021. It is in conformity with legal and regulatory requirements and the recommendations of the German Corporate Governance Code (DCGK) and was approved by the Annual General Meeting on 5 May 2021 with a majority of 85.54%.

The remuneration system is submitted to the Annual General Meeting for approval if any material changes are made to the remuneration system, and at least every four years.

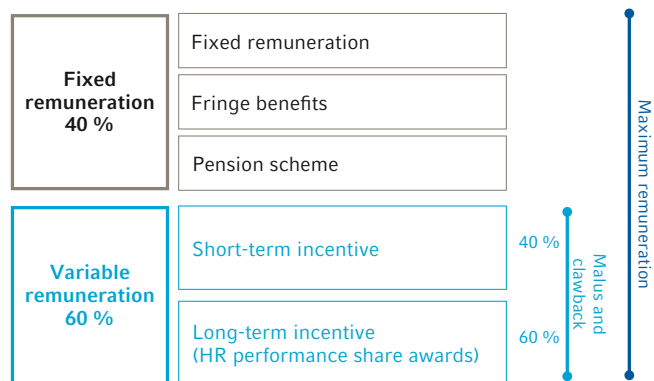
In view of the General Meeting’s approval with a majority of 85.54%, there was no reason to question or modify the remuneration system, its implementation or the nature of the reporting. Points made in discussions with investors prompted us to present in more detail the application of the remuneration system in the 2022 financial year in relation to variable remuneration. In addition to the multi-year variable remuneration components paid out in 2022, we also show the current status of payments due in the coming years from multi-year variable remuneration.

The remuneration system is transparently and comprehensively structured overall and responds to the expectations of our investors and other key stakeholders. The remuneration consists of fixed (non-performance-based) and variable (performance-based) components. The considerable relevance of the variable remuneration and the reinforcement of the concept of “pay-for-performance” are front and centre in this regard. The variable remuneration is based on financial and non-financial performance criteria that are derived from the Hannover Re Group strategy and can be influenced by the Executive Board. The measurement of performance also takes account of sustainability criteria that promote sustainable and long-term growth in the value of the company. In addition, the remuneration of the Executive Board is closely aligned with the interests of our investors through a strong share correlation based on the use of a Performance Share Plan and relative measurement of the Hannover Re share’s performance in comparison with our peers. Malus und clawback provisions make it possible to reduce or claw back variable remuneration components in the event of serious compliance violations.

The major elements of the remuneration system are summarised in the following overview:

### Structure of the remuneration system

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HR = Hannover Re

### Basic principles underlying the remuneration of the Executive Board

The strategy of the Hannover Re Group is geared to sustainable outperformance in the interests of the Group’s stakeholders (in particular investors, clients and employees). In remunerating the Executive Board our focus is therefore on the principles of continuity, financial strength and profitability. With a rigorous underwriting policy, partnership-based customer relationships, a lean operating model and our highly efficient risk and capital management, we aim to preserve our outstanding position as one of the world’s leading and most

profitable reinsurance groups on an enduring basis and be the market leader in terms of profitability, earnings growth and cost efficiency. In our “Striving for sustainable outperformance”, governance, risk management, compliance and corporate social responsibility constitute the foundations for our growth as a trusted global reinsurance partner.

Risk management and corporate social responsibility are defined more closely in specific strategies derived from the Group strategy. For further information about the risk management system we would refer to the “Opportunity and risk report” from page 75 et seq in our Annual Report 2022. For further information on corporate social responsibility and the compliance management system, please see the non-financial information statement in our Annual Report 2022 from page 59 et seq. We report on the basic principles of our corporate governance in our Annual Report 2022 from page 107 et seq.

The remuneration of the Executive Board makes a substantial contribution to the advancement of our Group strategy and the long-term and sustainable development of the Hannover Re Group. The remuneration ensures a transparent, performance-related incentive, strongly focused on the company’s

long-term success, which in particular depends on financial and non-financial performance criteria derived from the Group strategy and on the performance of the Hannover Rück SE share, including in comparison with our peers. An excessive risk appetite is thereby discouraged.

The members of the Executive Board are remunerated in light of the company’s position and according to their performance and their scope of activity and responsibility. The requirements of the Stock Corporation Act (AktG), the provisions of Article 275 of Delegated Regulation (EU) 2015/35 with amendments by Delegated Regulation (EU) 2016/2283 and of the Insurance Supervision Act in conjunction with the Regulation on the Supervisory Law Requirements for Remuneration Schemes in the Insurance Sector (VersVergV) as well as the recommendations for the remuneration of the management board contained in Section G of the German Corporate Governance Code (DCGK) establish the regulatory framework.

In determining the remuneration for the Executive Board of Hannover Re, the Supervisory Board followed the guidelines set out below:

#### Guiding principles for the Executive Board remuneration of Hannover Re

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Promoting the corporate strategy	<ul style="list-style-type: none"> <li>• Performance criteria derived from the corporate strategy</li> </ul>
Long-termism and sustainability	<ul style="list-style-type: none"> <li>• Variable remuneration largely share-based with a multi-year orientation</li> <li>• Sustainability targets (ESG) integrated into the measurement of variable remuneration</li> </ul>
Pay-for-performance	<ul style="list-style-type: none"> <li>• Bulk of target direct remuneration comprised of variable remuneration components</li> <li>• Adequate and ambitious defined performance criteria</li> <li>• Variable remuneration can fluctuate between zero and a cap</li> </ul>
Adequacy of remuneration	<ul style="list-style-type: none"> <li>• Remuneration of Executive Board members commensurate with the tasks and performance of the respective Board member and the position of the company</li> <li>• Allowance for internal and external remuneration ratios</li> <li>• Caps on the individual variable remuneration components and total remuneration</li> </ul>
Linkage to shareholder interests	<ul style="list-style-type: none"> <li>• Harmonisation of the interests of the Executive Board with those of our shareholders</li> <li>• Malus and clawback provisions apply to entire variable remuneration</li> <li>• Relative performance measurement creates incentives for long-term outperformance of our competitors on the capital market</li> </ul>
Allowance for market practice and regulatory compliance	<ul style="list-style-type: none"> <li>• Allowance for current market practice of relevant peers in the Board remuneration</li> <li>• Ensuring conformity with legal and regulatory requirements relevant to Hannover Re</li> </ul>
Transparency	<ul style="list-style-type: none"> <li>• Ex-post disclosure of target values and target attainment</li> <li>• Ex-post disclosure of the individual premium/deduction per Board member</li> </ul>

## Remuneration structure

The idea of “pay for performance” and the long-term orientation are paramount concepts central to the remuneration system for the Executive Board of Hannover Re.

In order to reinforce the concept of pay-for-performance, the target direct remuneration (sum of fixed remuneration and target amounts of the variable remuneration components in the event of 100% target attainment) is comprised of 40% fixed remuneration and 60% variable remuneration components. The variable remuneration consists of a short-term incentive (STI) and a long-term incentive (LTI) with a performance period of four years.

The remuneration structure is geared to the sustainable and long-term development of the Hannover Re Group. The STI accounts for 40% of the variable remuneration components and thus contributes 24% to the target direct remuneration. The LTI, which accounts for a 60% share of the variable remuneration components, represents 36% of the target direct remuneration.

### Structure of the target direct remuneration

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### Review of the appropriateness of the Executive Board remuneration

The remuneration of the members of the Executive Board is determined by the Supervisory Board on the basis of the remuneration system in accordance with the recommendations of the Standing Committee. When determining the remuneration of the members of the Executive Board, the Supervisory Board considers the responsibility and tasks of the individual members of the Executive Board, their individual performance, the economic situation and the success and future prospects of the company.

The customary nature of the remuneration in comparison to other similar companies (horizontal comparison) and in terms of the amount of remuneration as well as the remuneration structure within the company (vertical comparison) was reviewed by the Supervisory Board at its meeting on 2 November 2022. Companies listed on the DAX and MDAX (with the exception of Hannover Re) as at 1 September 2022 were used on a combined basis as a peer group for the horizontal comparison of remuneration. The vertical comparison is based on the remuneration of the Executive Board relative to the remuneration of the total workforce of Hannover Re in Germany. Both the status quo and the development over time of the remuneration ratios were taken into consideration. As a further indication, the target direct remuneration of the Executive Board was also subjected to a horizontal comparison with an individual benchmark group comprised of relevant peers. This benchmark group is also used in the multi-year variable remuneration to measure the relative Total Shareholder Return. The Supervisory Board availed itself of the option to engage an external remuneration consultant – independent of the Executive Board and the company – for the review of the appropriateness of the Executive Board remuneration.

### Determination of target remuneration

Every member of the Executive Board is given a contractual commitment to customary target remuneration. This is aligned with their scope of responsibility and with their expertise and experience that are relevant to the role.

The fixed and variable remuneration components are balanced. The fixed component has a sufficiently large share in the target total remuneration that the company is able to apply a flexible bonus policy, including the possibility of not paying any variable remuneration at all. This means that members of the Executive Board have no incentive to enter into excessively high risks in the interest of higher bonus payments.

The following tables show the target remuneration for each member of the Executive Board for the 2022 financial year. The target remuneration encompasses the remuneration commitment for the financial year that is granted in the event of 100% target attainment.



## Target remuneration in the event of 100% target attainment

	Jean-Jacques Henchoz (Chief Executive Officer) since 1 April 2019			Sven Althoff (Board member with divisional responsibility/ Coordinator of the Property & Casualty reinsurance business group) since 1 August 2014		
	2022		2021	2022		2021
	in EUR thousand	in %	in EUR thousand	in EUR thousand	in %	in EUR thousand
Basic remuneration	840.0	26.9	840.0	520.0	39.5	520.0
Fringe benefits/ non cash benefits <sup>1</sup>	14.2	0.5	14.5	16.8	1.3	16.5
Other <sup>2</sup>	1,000.0	32.1	130.0			
<b>Fixed remuneration components</b>	<b>1,854.2</b>		<b>984.5</b>	<b>536.8</b>		<b>536.5</b>
One-year variable remuneration (STI)	504.0	16.2	504.0	312.0	23.7	312.0
Multi-year variable remuneration (LTI) (performance share awards 2022/2021)	756.0	24.3	756.0	468.0	35.5	468.0
<b>Variable remuneration components</b>	<b>1,260.0</b>		<b>1,260.0</b>	<b>780.0</b>		<b>780.0</b>
<b>Total target remuneration</b>	<b>3,114.2</b>	<b>100.0</b>	<b>2,244.5</b>	<b>1,316.8</b>	<b>100.0</b>	<b>1,316.5</b>
Service cost <sup>3</sup>	151.9		215.0	76.5		288.7

	Claude Chèvre (Board member with divisional responsibility) since 1 November 2011			Clemens Jungsthöfel <sup>4</sup> (Chief Financial Officer) since 1 September 2020		
	2022		2021	2022		2021
	in EUR thousand	in %	in EUR thousand	in EUR thousand	in %	in EUR thousand
Basic remuneration	520.0	39.5	520.0	430.0	39.7	400.0
Fringe benefits/ non cash benefits <sup>1</sup>	16.0	1.2	15.4	9.0	0.8	8.4
<b>Fixed remuneration components</b>	<b>536.0</b>		<b>535.4</b>	<b>439.0</b>		<b>408.4</b>
One-year variable remuneration (STI)	312.0	23.7	312.0	258.0	23.8	240.0
Multi-year variable remuneration (LTI) (performance share awards 2022/2021)	468.0	35.6	468.0	387.0	35.7	360.0
<b>Variable remuneration components</b>	<b>780.0</b>		<b>780.0</b>	<b>645.0</b>		<b>600.0</b>
<b>Total target remuneration</b>	<b>1,316.0</b>	<b>100.0</b>	<b>1,315.4</b>	<b>1,084.0</b>	<b>100.0</b>	<b>1,008.4</b>
Service cost <sup>3</sup>	106.6		148.7	84.5		103.2

<sup>1</sup> Costs for company car for business and personal use, insurance premiums and non-cash benefits are carried in the amounts calculated for tax purposes. The figures for the previous year were adjusted for the sake of comparability. The non-cash benefit associated with insurance premiums is now included.

<sup>2</sup> The Supervisory Board gave Jean-Jacques Henchoz a contractual commitment to compensate the forfeiture of benefits from his previous employer in instalments. The compensatory payment in 2022 is the final instalment under this agreement and was also dependent upon reappointment effective 1 April 2022.

<sup>3</sup> For details of the service cost see the table "Pension commitments".

<sup>4</sup> Clemens Jungsthöfel were contractually granted target remuneration by the Supervisory Board with effect from July 2022 as follows: basic remuneration = EUR 460 thousand, STI = EUR 276 thousand, LTI = EUR 414 thousand.

	Dr. Klaus Miller (Board member with divisional responsibility) since 1 September 2010			Dr. Michael Pickel (Board member with divisional responsibility) since 1 January 2000		
	2022		2021	2022		2021
	in EUR thousand	in %	in EUR thousand	in EUR thousand	in %	in EUR thousand
Basic remuneration	520.0	39.9	520.0	520.0	39.6	520.0
Fringe benefits/non cash benefits <sup>1</sup>	1.0	0.1	1.1	14.8	1.1	7.4
<b>Fixed remuneration components</b>	<b>521.0</b>		<b>521.1</b>	<b>534.8</b>		<b>527.4</b>
One-year variable remuneration (STI)	312.0	24.0	312.0	312.0	23.7	312.0
Multi-year variable remuneration (LTI) (performance share awards 2022/2021)	468.0	36.0	468.0	468.0	35.6	468.0
<b>Variable remuneration components</b>	<b>780.0</b>		<b>780.0</b>	<b>780.0</b>		<b>780.0</b>
<b>Total target remuneration</b>	<b>1,301.0</b>	<b>100.0</b>	<b>1,301.1</b>	<b>1,314.8</b>	<b>100.0</b>	<b>1,307.4</b>
Service cost <sup>2</sup>	89.3		136.1	190.1		203.9

	Silke Sehm <sup>3</sup> (Board member with divisional responsibility) since 6 March 2019		
	2022		2021
	in EUR thousand	in %	in EUR thousand
Basic remuneration	430.0	39.6	400.0
Fringe benefits/non cash benefits <sup>1</sup>	11.0	1.0	10.8
<b>Fixed remuneration components</b>	<b>441.0</b>		<b>410.8</b>
One-year variable remuneration (STI)	258.0	23.8	240.0
Multi-year variable remuneration (LTI) (performance share awards 2022/2021)	387.0	35.6	360.0
<b>Variable remuneration components</b>	<b>645.0</b>		<b>600.0</b>
<b>Total target remuneration</b>	<b>1,086.0</b>	<b>100.0</b>	<b>1,010.8</b>
Service cost <sup>2</sup>	138.6		188.7

<sup>1</sup> Costs for company car for business and personal use, insurance premiums and non-cash benefits are carried in the amounts calculated for tax purposes. The figures for the previous year were adjusted for the sake of comparability. The non-cash benefit associated with insurance premiums is now included.

<sup>2</sup> For details of the service cost see the table "Pension commitments".

<sup>3</sup> Silke Sehm were contractually granted target remuneration by the Supervisory Board with effect from July 2022 as follows:  
basic remuneration = EUR 460 thousand, STI = EUR 276 thousand, LTI = EUR 414 thousand.

### Pay ratios

In the year under review the target total remuneration of the Chief Executive Officer (excluding compensatory payment for the forfeiture of benefits from the previous employer) was 23 times the target total remuneration of the average of all company employees (excluding the Executive Board). The target total remuneration of the average of all members of the Executive Board was 15 times the target total remuneration of the average of all employees (excluding the Executive Board). The target total remuneration of the average of all employees

refers to the workforce of Hannover Re in Germany; it encompasses the personal expense (excluding expense for Executive Board remuneration) for wages and salaries and the variable salaries upon 100% target attainment on a full-time equivalent basis.

### Adherence to maximum remuneration

The Supervisory Board has determined an upper limit for each member of the Executive Board based on the amount for the total of fixed remuneration, fringe benefits, STI and LTI as

well as pension service cost (“maximum remuneration”) in accordance with § 87a Para. 1 Sentence 2 No. 1 Stock Corporation Act (AktG). The maximum remuneration limits all payments that result from the commitment for a financial year, irrespective of the date of receipt. The maximum remuneration is EUR 5,000,000 for the Chief Executive Officer and EUR 3,000,000 for all other members of the Executive Board.

It is only possible to report definitively on adherence to the maximum remuneration for the 2022 financial year after the LTI tranche awarded for 2022 has been paid out, which will

occur in 2027. Should the payment made from the LTI lead to the maximum remuneration being exceeded, the amount paid out will be reduced accordingly so as to ensure adherence to the maximum remuneration.

#### Application of the remuneration system in the 2022 financial year

The following table provides an overview of the components of Hannover Re’s remuneration system in the 2022 financial year and the associated targets:

### Remuneration components and associated goals

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Remuneration component/ Remuneration condition	Measurement basis/parameter	Goals	
Fixed remuneration components	Fixed remuneration	The fixed remuneration is paid in cash in twelve equal monthly instalments.	<ul style="list-style-type: none"> <li>• Attracting and retaining the most suitable Board members</li> <li>• Remunerating the scope of responsibility, expertise and experience of the individual Board members</li> </ul>
	Fringe benefits	Vehicle for business and personal use, accident, luggage and D&O insurance in an appropriate amount	<ul style="list-style-type: none"> <li>• Granting customary fringe benefits and pension schemes to attract and retain the most suitable Board members</li> </ul>
	Pension scheme	Defined contribution commitment: annual funding contribution amounting to 25% of the defined measurement basis Dr. Pickel: continuation of a defined benefit commitment (legacy commitment): commitment to a pension calculated as a percentage of the pensionable fixed annual remuneration	
Variable remuneration components	Short-term incentive (STI)	<b>Target bonus model</b> Performance criteria: <ul style="list-style-type: none"> <li>• Hannover Re Group RoE of the 2022 financial year</li> <li>• Individual performance criteria of the 2022 financial year (financial and non-financial, including ESG targets)</li> </ul> Cap: 200% of the STI target amount	<ul style="list-style-type: none"> <li>• Incentivising attainment or outperformance of the annual corporate and business group targets and remuneration of the individual contribution to the result and to sustainability</li> </ul>
	Long-term incentive (LTI)	<b>Performance Share Plan (“Hannover Re Performance Shares”)</b> Four-year performance period LTI allocation value is dependent on the determined target attainment for: <ul style="list-style-type: none"> <li>• Hannover Re Group RoE of the 2022 financial year</li> <li>• Individual performance criteria of the 2022 financial year</li> </ul> Performance criteria: <ul style="list-style-type: none"> <li>• Performance of the Hannover Re share (plus dividends)</li> <li>• Relative Total Shareholder Return (TSR) compared to relevant peers: Munich Re, Swiss Re, Everest Re, Reinsurance Group of America, SCOR</li> </ul> Cap: 400% of the LTI target amount (max. 200% LTI allocation value + max. 200% measured by the relative TSR)	<ul style="list-style-type: none"> <li>• Recognising the performance in the 2022 financial year</li> <li>• Incentivising the creation of long-term shareholder value</li> <li>• Motivating outperformance of peers</li> </ul>
	Subsequent adjustment of the target values/benchmark parameters for annual and	multi-year bonus is excluded.	
Further provisions	Maximum remuneration	Chief Executive Officer: EUR 5,000,000 Other Board members: EUR 3,000,000	<ul style="list-style-type: none"> <li>• Limiting the total remuneration promised for a financial year</li> <li>• Fulfilment of regulatory standards of the Stock Corporation Act (AktG)</li> </ul>
	Malus and clawback	Option of the Supervisory Board to partially or fully withhold (“malus”) or claim back (“clawback”) the variable remuneration in the event of gross misconduct or an incorrect consolidated financial statement In addition, reduction or elimination of the variable remuneration is possible if required by the regulator	<ul style="list-style-type: none"> <li>• Strengthening the position of the Supervisory Board in the event of severe compliance violations</li> </ul>



## Fixed remuneration components

### Fixed remuneration

The fixed remuneration is paid out in cash in twelve equal monthly instalments. It is aligned in particular with the scope of tasks and professional experience of the respective member of the Executive Board.

### Fringe benefits

The members of the Executive Board additionally receive certain non-performance-based fringe benefits in the customary scope; these are reviewed at regular intervals. A vehicle is made available for company and personal use for the duration of the Board appointment. The member of the Executive Board is responsible for paying tax on the pecuniary advantage associated with personal use of the company car. In addition, the company grants the members of its Executive Board an appropriate amount of insurance protection under group policies (accident, luggage and D & O insurance).

If a new member of the Executive Board forfeits a bonus from their previous employer, sign-on or recruitment bonuses are paid in exceptional cases. Compensation for forfeited variable remuneration components from the previous employer is normally granted in multiple instalments and linked to payment conditions.

### Retirement provision

With the exception of Dr. Pickel, whose annual pension is based on a final salary commitment, the members of the Executive Board have defined contribution commitments. Further information in this regard is provided in the subsection "Benefits on leaving the company".

### Variable remuneration components

The variable remuneration components consist of a short-term incentive (STI), which is assessed on the basis of the respective financial year, and a long-term incentive (LTI) with a performance period of four years.

The performance criteria for measuring and evaluating target attainment are derived from Hannover Re's corporate strategy. To this end, the variable remuneration components are structured in such a way as to promote the long-term development of the Hannover Re Group. The following overview shows the close linkage between the performance criteria and other aspects of the variable remuneration and the corporate strategy and explains how the variable remuneration promotes Hannover Re's sustainable development.

The company does not, as a matter of principle, grant the members of the Executive Board any guaranteed variable remuneration.

## Variable remuneration components

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Remuneration component	Performance criterion/aspect	Strategy relevance/Promotion of long-term development
Short-term incentive (STI)	Group RoE	<ul style="list-style-type: none"> <li>RoE: one of Hannover Re's strategic KPIs</li> <li>Target value consistent with the target set for attainment of sustainable value creation</li> </ul>
	Individual premium/deduction	<ul style="list-style-type: none"> <li>Allowance for the individual contribution made by Board members and the results of the areas under their responsibility</li> <li>Implementation of sustainability targets in Board remuneration</li> </ul>
Long-term incentive (LTI)	Allocation value depending on STI target attainment	<ul style="list-style-type: none"> <li>Higher incentivising for target attainment in the STI</li> <li>Strengthening of the pay-for-performance concept</li> </ul>
	Share performance	<ul style="list-style-type: none"> <li>Linkage of share performance and Board remuneration</li> <li>Harmonisation of the interests of the Board and those of shareholders</li> </ul>
	Four-year performance period	<ul style="list-style-type: none"> <li>Orientation towards long-term success and assuring the long-term development of Hannover Re</li> </ul>
	Relative TSR	<ul style="list-style-type: none"> <li>Incentivising long-term outperformance of relevant peers on the capital market (2022: Munich Re, Swiss Re, Everest Re, Reinsurance Group of America, SCOR)</li> </ul>

## Short-Term Incentive (STI)

### Fundamentals

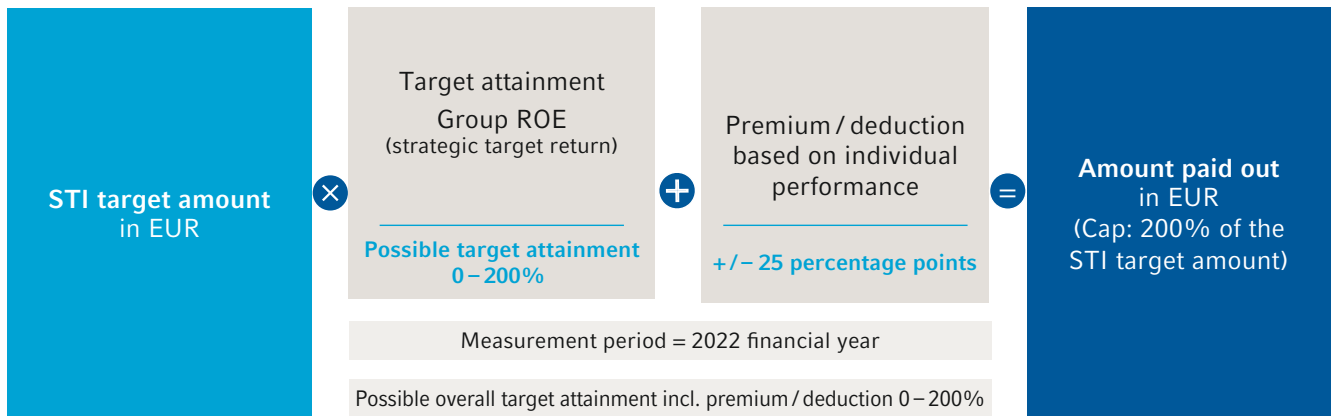
The STI is geared to Hannover Re's commercial success in the relevant financial year. In addition to the financial performance criterion of the return on equity (RoE) generated by the Hannover Re Group pursuant to the consolidated financial statement of Hannover Rück SE ("Group RoE"), an individual premium or deduction is considered in the determination of the amount paid out which comprises both financial and non-financial performance criteria, in particular sustainability targets, and makes allowance for the respective divisional responsibilities of the individual members of the Executive Board in addition to the overall responsibility of the

Executive Board. In this way, the STI addresses the goal of a high and stable return on equity for the Hannover Re Group, promotes action on Board- or division-specific focus topics and integrates the interests of our clients, employees and other key stakeholders.

The basis for payment of the STI consists of the contractually defined STI target amount, which is based on overall target attainment of 100%. The overall target attainment (including the individual premium or deduction) can reach values between 0% and 200% of the STI target amount. The amount that can be paid out under the STI is thus limited to 200% of the target amount.

### Calculation of the short-term incentive (STI)

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### Financial performance criterion

The determinative financial performance criterion for the STI is – with a weighting of 100% – the Group RoE for the financial year in comparison with a strategic target return, which is established on the basis of the risk-free interest rate on a 5-year average plus an ambitious spread. The risk-free interest rate is the average market rate over the past five years for ten-year German government bonds, with the average being calculated on the basis of the respective interest rate at year-end. The Group RoE is one of the key performance indicators in Hannover Re’s management system and as such is also implemented in the remuneration of the Executive Board. Hannover Re pursues the goal of generating a high return on equity. The Group’s focus here is on sustainable value enhancement. The use of the Group RoE as a determinative performance criterion for the STI creates incentives for accomplishment of this goal.

The target value for the Group-RoE as well as the target corridor with upper and lower thresholds are in each case defined in advance by the Supervisory Board for the coming fi-

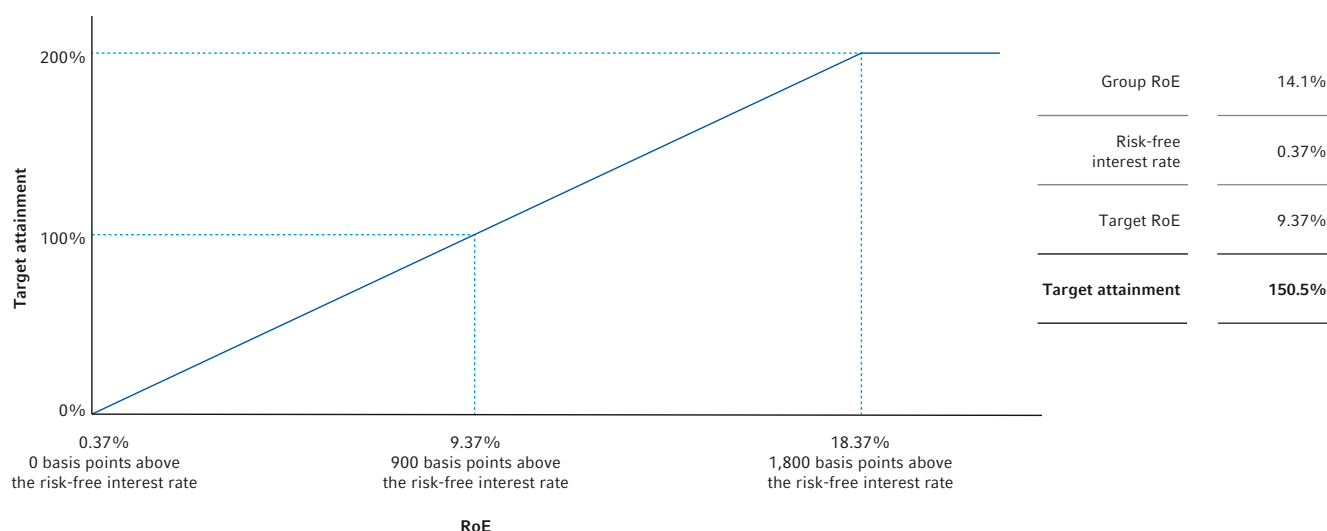
ancial year. In this context, the target value is aligned with the strategic target return of the Hannover Re Group at the time when it was determined.

For the 2022 financial year the Supervisory Board defined a target value (100% target attainment) of 900 basis points above the risk-free interest rate for the Group RoE. This is consistent with the company’s strategic target of generating sustainable value creation through a return on equity of at least 900 basis points above the risk-free interest rate. The lower threshold was defined as the risk-free interest rate without a spread, while the upper threshold was set at 1,800 basis points above the risk-free interest rate.

The risk-free interest rate on ten-year German government bonds over a 5-year average amounted to 0.37% as at the end of 2022. For the 2022 financial year the target Group RoE therefore stands at 937 basis points. In the 2022 financial year, a Group RoE of 14.1% (1,410 basis points) was generated. This corresponds to target attainment of the performance criterion Group RoE of 150.5%.

### Target attainment Group RoE in the 2022 financial year

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At its meeting on 2 November 2022, the Supervisory Board raised the Group RoE target (strategic target return) for the 2023 financial year from 900 to 1,000 basis points above the risk-free interest rate to allow for the expected increase in the RoE ratio due to the transition to the new IFRS 17 accounting standard.

### Individual premium or deduction

By applying an individual premium or deduction to target attainment of the performance criterion Group RoE, the Supervisory Board can consider – in addition to the financial success of the Hannover Re Group – the individual contribution made by the member of the Executive Board and, as appropriate, the division under their responsibility to the result as well as the attainment of sustainability targets in the context of the STI. The amount of the premium or deduction, which can range from -25 percentage points to +25 percentage points, is determined by the Supervisory Board at its reason-

able discretion. The criteria and indicators for determination of the individual premium or deduction are in each case defined in advance by the Supervisory Board for the coming financial year and communicated to the members of the Executive Board.

For the 2022 financial year, the Supervisory Board determined for the individual members of the Executive Board the following criteria and indicators as well as – on this basis – the following individual premiums and deductions subsequent to the financial year:

### Individual targets and target attainment of the member of the Executive Board

Member of the Executive Board	Individual contribution to the result		
	Performance	Dividend continuity/ distribution	Strategic target
Jean-Jacques Henchoz	Covered by performance criterion Group RoE	Dividend continuity of Hannover Rück SE	Successful launch of strategy cycle 2021–2023; Implementation of the strategic initiatives
Sven Althoff	IVC <sup>2</sup> Property & Casualty reinsurance	Dividend continuity of Hannover Rück SE	Successful launch of strategy cycle 2021–2023 with concentrations on ongoing development of P & C <sup>3</sup> strategy, implementation of strategic initiative Client Excellence
Claude Chèvre	IVC <sup>2</sup> Life & Health reinsurance	Dividend continuity of Hannover Rück SE	Successful launch of strategy cycle 2021–2023 with concentrations on implementation of strategic initiative APAC <sup>5</sup> L & H <sup>6</sup> , Client Excellence, innovation & digital strategy
Clemens Jungsthöfel	Covered by performance criterion Group RoE	Dividend continuity of Hannover Rück SE	Successful launch of strategy cycle 2021–2023 with concentrations on implementation of IFRS 17, future organisational setup in CFO scope of responsibility, investments
Dr. Klaus Miller	IVC <sup>2</sup> Life & Health reinsurance	Dividend continuity of Hannover Rück SE	Successful launch of strategy cycle 2021–2023 with concentration on expansion of Financial Solutions business, inforce management
Dr. Michael Pickel	IVC <sup>2</sup> Property & Casualty reinsurance	Dividend continuity of Hannover Rück SE	Successful launch of strategy cycle 2021–2023 with concentration on implementation of strategic initiative APAC <sup>5</sup> P & C <sup>3</sup> and innovation and digital strategy
Silke Sehm	IVC <sup>2</sup> Property & Casualty reinsurance	Dividend continuity of Hannover Rück SE	Successful launch of strategy cycle 2021–2023 with concentration on implementation of strategic initiatives Client Excellence and innovation und digital strategy

<sup>1</sup> OHC (Organisational Health Check) = Employee survey that measures the health of an organisation and hence provides an indicator of how an organisation aligns itself, optimally executes its plans and innovates in order to achieve its targets on a lasting basis

<sup>2</sup> IVC (Intrinsic Value Creation) = A tool of value-based enterprise management used to measure the attainment of long-term targets on the level of the Group, the business groups and the operational units

<sup>3</sup> P & C = Property & Casualty reinsurance

<sup>4</sup> ESG = Environmental, Social and Governance

<sup>5</sup> APAC = Asia-Pacific region

<sup>6</sup> L & H = Life & Health reinsurance

M 78

## Sustainability

Leadership/Commitment (OHC <sup>1</sup> )	Contribution to the sustainability strategy	Individual premium/deduction in %
Change in OHC score 2020/2021; relative improvement of the OHC <sup>1</sup> score in certain focus areas	Ongoing development of the HR sustainability strategy; Implementation of catalogue of measures	0% points
Change in OHC score 2020/2021; relative improvement of the OHC <sup>1</sup> score in certain focus areas	Promoting sustainability in the action fields "ESG <sup>4</sup> in insurance business" and "Sustainable protection"	0% points
Change in OHC score 2020/2021; relative improvement of the OHC <sup>1</sup> score in certain focus areas	Promoting sustainability in the action fields "ESG <sup>4</sup> in insurance business" and "Sustainable protection"	+5% points
Change in OHC score 2020/2021; relative improvement of the OHC <sup>1</sup> score in certain focus areas	Promoting sustainability in the action field "ESG <sup>4</sup> in asset management"	+15% points
Change in OHC score 2020/2021; relative improvement of the OHC <sup>1</sup> score in certain focus areas	Promoting sustainability in the action fields "ESG <sup>4</sup> in insurance business" and "Sustainable protection"	+7.5% points
Change in OHC score 2020/2021; relative improvement of the OHC <sup>1</sup> score in certain focus areas	Promoting sustainability in the action fields "ESG <sup>4</sup> in insurance business" and "Sustainable protection"	0% points
Change in OHC score 2020/2021; relative improvement of the OHC <sup>1</sup> score in certain focus areas	Promoting sustainability in the action fields "ESG <sup>4</sup> in insurance business" and "Sustainable protection"	+5% points

## Overall target attainment and amount paid out under the STI 2022

The following table shows the overall target attainment as well as the resulting amount paid out to each member of the Executive Board for the STI 2022:

### Overall target attainment and amount paid out under STI 2022

M 79

Member of the Executive Board	Target amount in EUR thousand	Target attainment Group RoE	Individual premium/ deduction	Overall target attainment	Amount paid out in EUR thousand
Jean-Jacques Henchoz	504	150.5%	0.0%	150.5%	758.5
Sven Althoff	312	150.5%	0.0%	150.5%	469.6
Claude Chèvre	312	150.5%	5.0%	155.5%	485.2
Clemens Jungsthöfel	258	150.5%	15.0%	165.5%	427.0
Dr. Klaus Müller	312	150.5%	7.5%	158.0%	493.0
Dr. Michael Pickel	312	150.5%	0.0%	150.5%	469.6
Silke Sehm	258	150.5%	5.0%	155.5%	401.2
<b>Total</b>	<b>2,268</b>				<b>3,504.1</b>

## Long-Term Incentive (LTI)

### Fundamentals

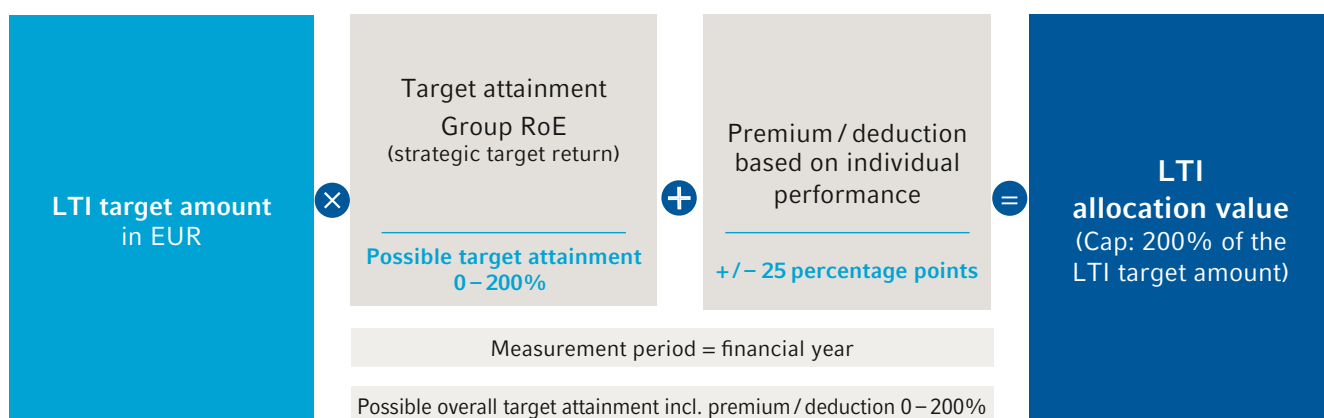
The LTI plays a key role in aligning the interests of the Executive Board with those of our shareholders. Through relative measurement of the Hannover Re share performance incentives are created for long-term outperformance of our competitors on the capital market.

The LTI is structured in the form of a performance share plan and thereby incentivises increases in the value of the Han-

nover Re share in the interests of our investors. The amount of the LTI allocation value is based on the contractually agreed LTI target amount (target attainment 100%) and depends on the target attainment for the financial performance criterion Group RoE determined in the context of the STI for the respective financial year as well as the individual premium or deduction defined by the Supervisory Board for the financial year (overall target attainment).

### Calculation of the long-term incentive (LTI) allocation value

M 80



The overall target attainment of the STI 2022 is the basis for allocation of the LTI tranche 2022 in the 2023 financial year (Hannover Re performance share awards). The number of allocated Hannover Re performance shares is determined from the LTI allocation value as well as the average Hannover Re share price over a period extending from 15 trading days before to 15 trading days after the meeting of the Supervisory Board that approves the consolidated financial statement. The Hannover Re performance shares have a total term of four years (“performance period”). The LTI tranche 2022 will be paid out in the 2027 calendar year following the four-year performance period.

The following table presents the most important aspects of the allocation of the LTI tranche 2022.

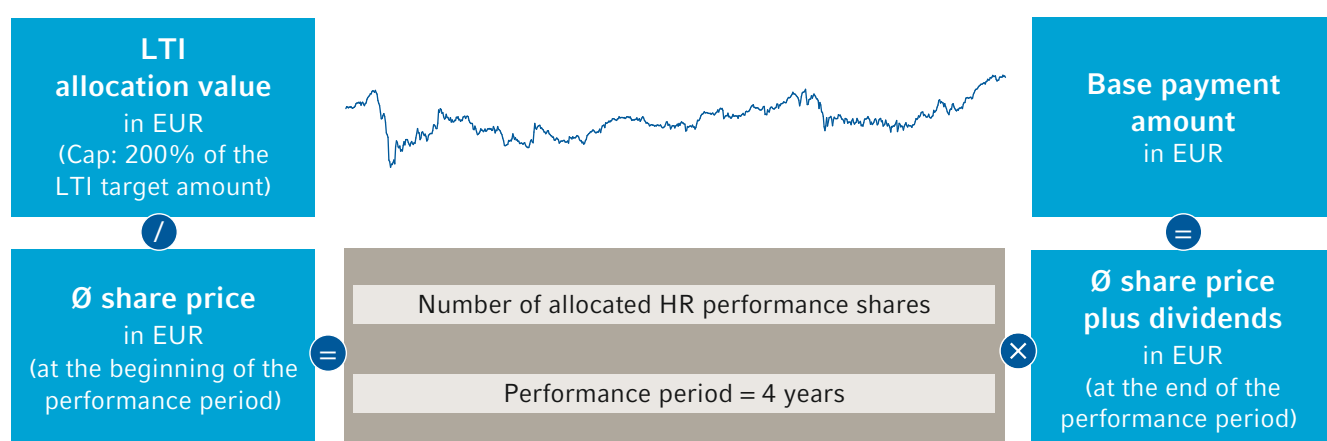
**LTI 2022 allocation** M 81

Member of the Executive Board	Target amount in EUR thousand	Overall target attainment of the STI 2021	Allocation amount in EUR thousand
Jean-Jacques Henchoz	756.0	150.5%	1,137.8
Sven Althoff	468.0	150.5%	704.3
Claude Chèvre	468.0	155.5%	727.7
Clemens Jungsthöfel	387.0	165.5%	640.5
Dr. Klaus Miller	468.0	158.0%	739.4
Dr. Michael Pickel	468.0	150.5%	704.3
Silke Sehm	387.0	155.5%	601.8
<b>Total</b>	<b>3,402.0</b>		<b>5,255.8</b>

At the end of the four-year performance period the base payment amount is initially calculated on the basis of the Hannover Re share price performance. This base amount is determined from the allocated number of Hannover Re performance shares (LTI tranche 2022) and the average share price of Hannover Rück SE over a period extending from 15 trading days before to 15 trading days after the meeting of the Supervisory Board that approves the consolidated financial statement in the year when the four-year performance period ends (2027) plus the dividends paid out during the performance period. The performance thus fully reflects the total shareholder return.

**Calculation of the LTI base payment amount (allowance for share performance)**

M 82

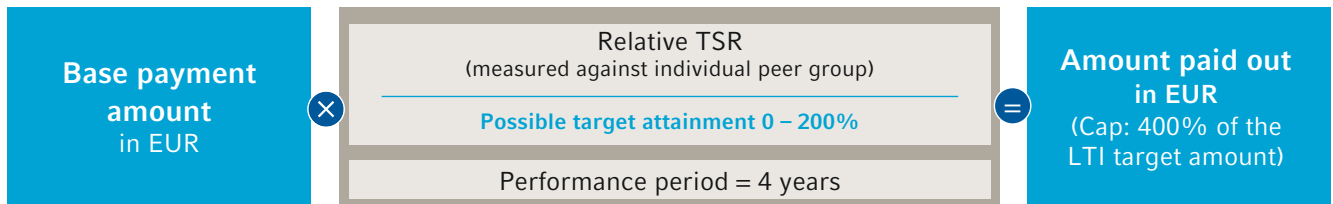


The final amount to be paid out is determined from the base payment amount and the target attainment of the relative total shareholder return (“relative TSR”) measured against the peer group (Munich Re, Swiss Re, Everest Re, Reinsurance Group of America, SCOR). The amount paid out for the LTI is limited to 200% of the LTI allocation value and can thus

amount to altogether at most 400% of the LTI target amount (max. 200% LTI allocation value + max. 200% measured by the relative TSR) – provided that the sum total of all remuneration components does not exceed the maximum remuneration pursuant to § 87a Para. 1 Sentence 2 No. 1 Stock Corporation Act (AktG).

**Calculation of the LTI amount paid out allowing for the performance peer group**

M 83



**Financial performance criterion**

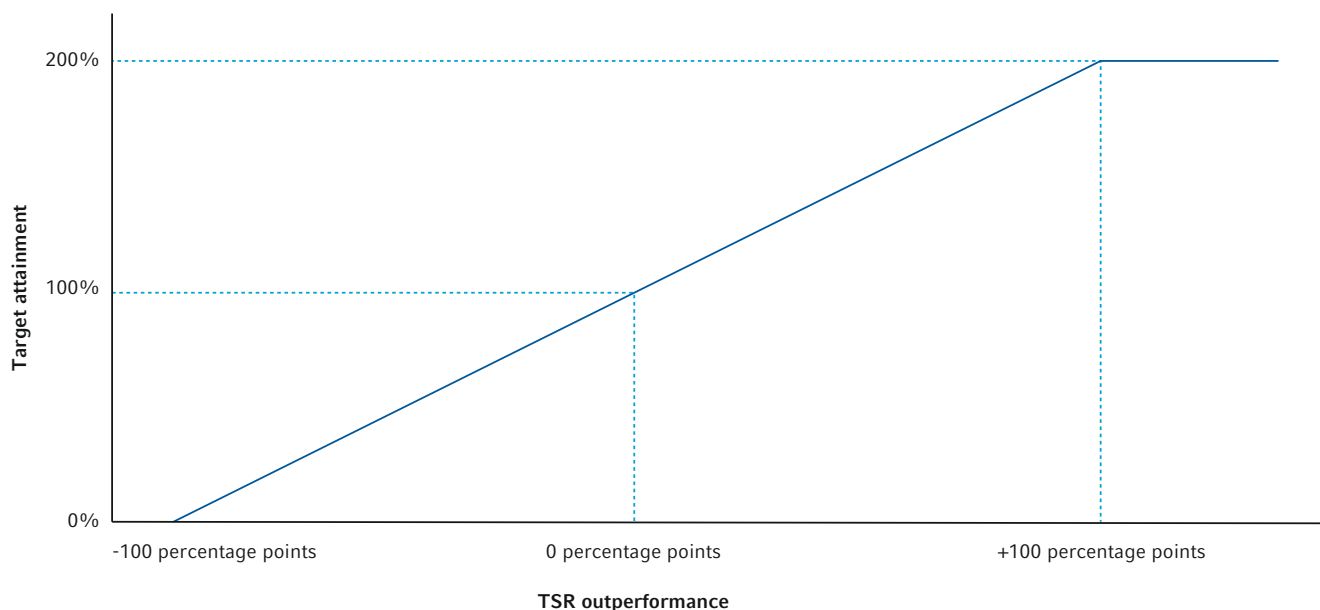
The determinative performance criterion for the final LTI amount to be paid out is the relative TSR. By means of the relative TSR, an external performance criterion geared to the capital market is integrated into the variable remuneration that facilitates relative performance measurement as well as alignment of the interests of the Executive Board and those of shareholders. The relative TSR maps the development of the Hannover Re share price during the four-year performance period including gross dividends in comparison with a peer group comprised of relevant competitors in the insurance industry. In this way, the LTI creates incentives for the strong performance of the Hannover Re share on the capital market on a long-term and sustainable basis.

- Munich Re
- Swiss Re
- Everest Re
- RGA (Reinsurance Group of America)
- SCOR

The target attainment for the relative TSR is established by comparing the TSR of the Hannover Re share with the shares of companies in the peer group during the four-year performance period. For this purpose, the TSR of the Hannover Re share in the respective performance period is compared with the unweighted average TSR of the peer group. The Supervisory Board reviews the peer group before the start of each performance period of a new LTI tranche. For the LTI tranche 2022 it is composed of the following companies:

If the TSR of the Hannover Re share corresponds to the unweighted average TSR of the peer group, the target attainment for the relative TSR amounts to 100%. Each percentage point by which the TSR of the Hannover Re share exceeds or falls short of the unweighted average TSR of the peer group results in a corresponding increase or reduction in the target attainment (linear scaling). If the TSR of the Hannover Re share exceeds the unweighted average TSR of the peer group by 100 percentage points or more, the target attainment for the relative TSR amounts to 200%. Any further increase in the relative TSR will not lead to a further increase in the target attainment. If the TSR of the Hannover Re share is 100 percentage points or more below the unweighted average TSR of the peer group, the target attainment for the relative TSR amounts to 0%.





The target attainment for the LTI tranche 2022 will be disclosed in the 2027 remuneration report after the end of the performance period.

#### Amounts paid out from multi-year variable remuneration components

In the 2022 financial year amounts were paid out from multi-year variable remuneration components of the old remuneration system, which was applicable until the end of the 2020 financial year. In this system the variable remuneration for a financial year consisted of a Group bonus and an individual bonus as well as – in the case of members of the Executive Board with responsibility for a certain division – a divisional bonus. 60% of the amount determined for each member of the Executive Board was paid out after the end of the respective financial year, while 20% was allocated as virtual shares (Hannover Re share awards) and a further 20% was contributed to a so-called bonus bank. The Hannover Re share awards allocated in the 2018 financial year on the basis of the target attainment for the variable remuneration of the 2017 financial year (Hannover Re share awards 2017) as well as the amount contributed to the bonus bank in the 2019 financial year on the basis of the target attainment for the variable remuneration of the 2018 financial year (bonus bank 2018) were paid out in 2022.

#### Hannover Re share awards 2017

Under the remuneration system valid until 2020, once the variable remuneration had been established for a financial year Hannover Re share awards were automatically allocated in the equivalent amount of 20% of the determined variable remuneration. The value per share upon allocation was established on the basis of the unweighted arithmetic mean of the Xetra closing prices over a period of five trading days before to five trading days after the meeting of the Supervisory Board that approved the consolidated financial statement. After a vesting period of four years the value of the Hannover Re share awards calculated at the payment date was paid out. In this context, the value of the share is established on the basis of the unweighted arithmetic mean of the Xetra closing prices over a period of five trading days before to five trading days after the meeting of the Supervisory Board that approves the consolidated financial statement. In addition, the sum total of all dividends per share distributed during the vesting period is paid out.

In the 2022 financial year the vesting period for the Hannover Re share awards allocated in the 2018 financial year on the basis of the 2017 variable remuneration ended and the calculated value was paid out.

The following table provides an overview of the Hannover Re share awards 2017:

#### HR Share Awards (HR SA) paid out for 2017

M 85

Member of the Executive Board	Allocation value 20% of the 2017 variable remuneration in EUR thousand	Average share price on allocation in EUR	Number of allocated HR SA	Average share price at the end of the vesting period in EUR	Total distributed dividends per share in EUR	Amount paid out 2022 in EUR thousand
Sven Althoff	109.6	111.65	982	148.86	20.25	166.1
Claude Chèvre	125.8	111.65	1,127	148.86	20.25	190.6
Dr. Klaus Miller	105.8	111.65	948	148.86	20.25	160.3
Dr. Michael Pickel	118.6	111.65	1,063	148.86	20.25	179.8
Silke Sehm <sup>1</sup> Since 6 March 2019	–	–	–	–	–	115.6

<sup>1</sup> The amount paid out to Ms Silke Sehm refers to HR SA that were allocated to her for her work as a senior executive before her appointment as a member of the Executive Board.

#### Bonus bank 2018

In addition, the amount contributed to the bonus bank in the 2019 financial year on the basis of the 2018 variable remuneration was paid out in the 2022 financial year.

The positive amount contributed to the bonus bank three years prior to the payment date becomes payable, insofar as it does not exceed the balance of the bonus bank after allowance for credits/debits up to and including those for the last completed financial year. Pending payments not covered by a positive balance in the bonus bank are forfeited.

The following table provides an overview of the bonus bank 2018:

#### Bonus bank paid out for 2018

M 86

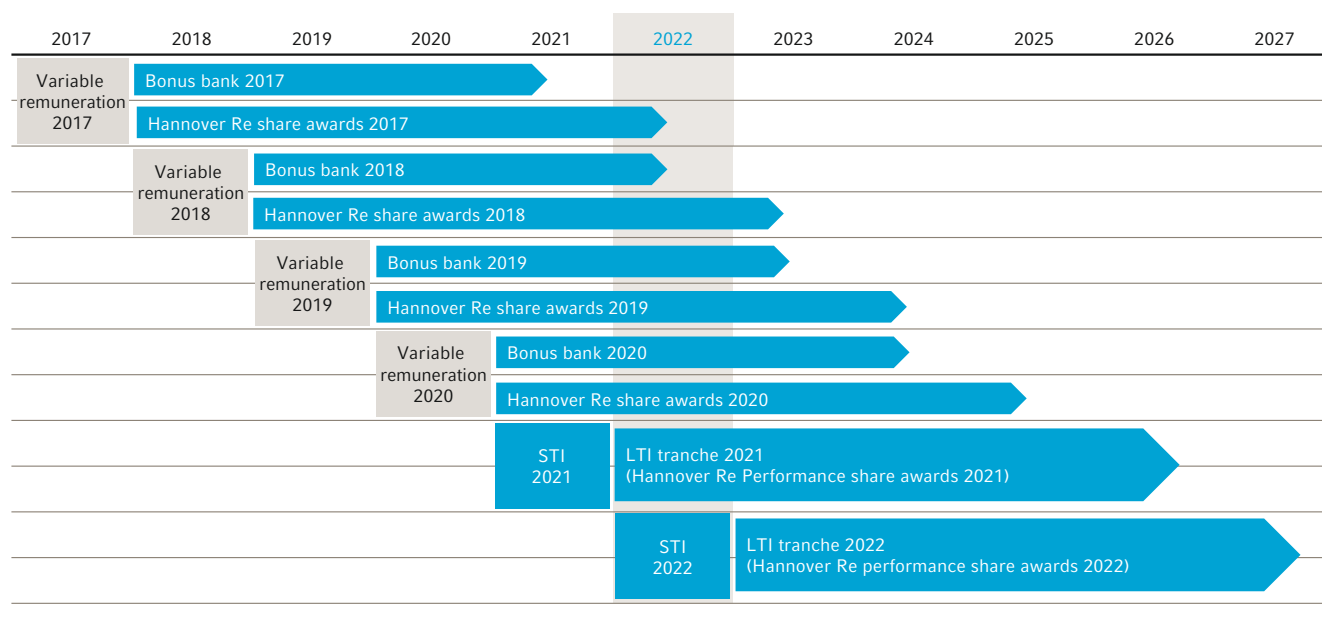
Member of the Executive Board	Amount contributed (20% of the 2018 variable remuneration) in EUR thousand	Amount paid out 2022 in EUR thousand
Sven Althoff	117.6	117.6
Claude Chèvre	119.6	119.6
Dr. Klaus Miller	111.0	111.0
Dr. Michael Pickel	161.8	161.8

## Overview of multi-year variable remuneration components

The following chart provides an overview of the multi-year variable remuneration components:

### Multi-year variable remuneration components

M 87



The following tables provide an overview of payments due in the coming years from multi-year variable remuneration:

### Bonus bank balances of active members of the Executive Board as at 31.12.2022 (remuneration system until 2020)

M 88

Member of the Executive Board	Amount contributed for FY 2019 in EUR thousand	Amount contributed for FY 2020 in EUR thousand	Total in EUR thousand
Jean-Jacques Henchoz Since 1 April 2019	207.0	268.6	475.6
Sven Althoff Since 1 August 2014	122.6	136.6	259.2
Claude Chèvre Since 1 November 2011	123.8	162.6	286.4
Clemens Jungsthöfel Since 1 September 2020	–	39.4	39.4
Dr. Klaus Miller Since 1 September 2010	138.0	156.4	294.4
Dr. Michael Pickel Since 1 January 2000	150.8	144.8	295.6
Silke Sehm Since 6 March 2019	90.0	107.8	197.8

**Hannover Re Share Awards (HR SA) of active members of the Executive Board as at 31.12.2022 (remuneration system until 2020)**

M 89

Member of the Executive Board	Number of HR SA allocated for FY 2018 Average share price on allocation EUR 129.60	Number of HR SA allocated for FY 2019 Average share price on allocation EUR 139.04	Number of HR SA allocated for FY 2020 Average share price on allocation EUR 150.42	Total
Jean-Jacques Henchoz Since 1 April 2019	–	1,489	1,786	3,275
Sven Althoff Since 1 August 2014	908	882	909	2,699
Claude Chèvre Since 1 November 2011	923	891	1,081	2,895
Clemens Jungsthöfel Since 1 September 2020	–	–	262	262
Dr. Klaus Miller Since 1 September 2010	857	993	1,040	2,890
Dr. Michael Pickel Since 1 January 2000	1,249	1,085	963	3,297
Silke Sehm <sup>1</sup> Since 6 March 2019	–	648	717	1,365

<sup>1</sup> Ms. Sehm was additionally allocated a further 824 HR SA for the 2018 and 2019 financial years for her work as a senior executive before her appointment to the Executive Board.

**Hannover Re Performance Share Awards (HR PSA) of members of the Executive Board as at 31.12.2022 (remuneration system from 2021 onwards)**

M 90

Member of the Executive Board	Number of HR PSA allocated for FY 2021 Average share price on allocation EUR 156.31
Jean-Jacques Henchoz	6,554
Sven Althoff	4,057
Claude Chèvre	3,758
Clemens Jungsthöfel	3,121
Dr. Klaus Miller	3,608
Dr. Michael Pickel	3,758
Silke Sehm	3,121

paid out (“clawback”). A clawback of remuneration is excluded if the significant breach occurred more than five years ago.

In making its discretionary decision, the Supervisory Board considers the severity of the violation, the degree of fault on the part of the member of the Executive Board as well as the material and immaterial damage incurred by the company.

Furthermore, a member of the Executive Board shall pay back variable remuneration already paid out to them in the event that, and insofar as, it emerges after payment has been made that the audited and adopted consolidated financial statement used as a basis for the calculation of the amount paid out was incorrect and must therefore be corrected according to pertinent financial reporting standards and a lower amount – or no amount at all – would have been owed from the variable remuneration on the basis of the corrected and audited consolidated financial statement and the relevant remuneration system.

**Malus and clawback, risk adjustment**

If a member of the Executive Board intentionally violates one of their fundamental due diligence obligations pursuant to § 93 Stock Corporation Act (AktG), a cardinal obligation under their service contract or other fundamental company principles governing conduct, e.g. from the Code of Conduct or the compliance guidelines, the Supervisory Board may, at its discretion, withhold in part or in full variable remuneration that has not yet been paid out (“malus”) or reclaim in part or in full the gross amount of the variable remuneration already

In addition, a restriction or complete omission of payment of the variable remuneration components is permissible in the event of a final or immediately enforceable ruling of the Federal Financial Supervisory Authority (BaFin) in which the payment is prohibited or restricted (such as: if the equity capital is lower or at risk of becoming lower than the solvency capital requirement), and also if this is required in accordance with Art. 275 Para. 2 letter e of the Delegated Regulation (EU) 2015/35 of 10 October 2014.

No clawback or reduction occurred in the 2022 financial year, nor was there any restriction or omission of payment of variable remuneration components.

### Benefits on leaving the company

#### Retirement provision

The members of the Executive Board, with the exception of Dr. Pickel, have been granted defined contribution pension commitments through retirement, surviving dependants' and disability benefits. At the request of the member of the Executive Board the retirement benefit is paid as a one-time lump sum. The pension benefits are provided through HDI Unterstützungskasse e. V. The latter takes out corresponding insurance covers to fund the benefits. The amount of the pension benefits corresponds to the payments under the insurance covers on the basis of the funding contributions rendered annually by the company in an amount of 25% of the pensionable income (annual fixed remuneration). Regular annuities are increased annually by at least 1% of their last (gross) amount.

Dr. Pickel was granted a pension commitment through a life-long pension and a surviving dependants' benefit. The amount of the pension benefits is calculated according to a length-of-service-based percentage ranging from 25% to at most 50% of the pensionable income (last monthly salary received). In conjunction with the remuneration structure valid from 2011 onwards, a non-pensionable fixed remuneration component was implemented. Of the fixed remuneration amounting to altogether EUR 520 thousand, EUR 320 thousand carries a pension entitlement. If the pension is drawn before reaching the age of 65, 50% of other income received is counted towards the pension. Regular pensions are adjusted annually according to changes in the consumer price index for Germany.

The pension entitlements pursuant to IAS 19 for the current members of the Executive Board are set out in the following table.

### Pension commitments

M 91

	IAS 19					
	2022	2021	2022	2021	2022	2021
in EUR thousand	Attainable annual pension (age 65)		Personnel expense		Present value of pension commitment	
Jean-Jacques Henchoz	58.8	58.2	151.9	215.0	478.8	509.3
Sven Althoff <sup>1, 2</sup>	118.4	118.2	76.5	288.7	1,647.6	2,290.0
Claude Chèvre	107.1	106.1	106.6	148.7	1,078.8	1,473.2
Clemens Jungsthöfel	52.0	46.1	84.5	103.2	234.1	256.0
Dr. Klaus Miller	61.8	61.5	89.3	136.1	995.2	1,150.2
Dr. Michael Pickel	160.0	160.0	190.1	203.9	3,052.1	4,087.7
Silke Sehm <sup>1, 3</sup>	70.8	65.8	138.6	188.7	996.6	1,257.6
<b>Total</b>	<b>628.9</b>	<b>615.9</b>	<b>837.5</b>	<b>1,284.3</b>	<b>8,483.2</b>	<b>11,024.0</b>

<sup>1</sup> Mr. Althoff and Ms. Sehm were first granted a pension commitment prior to 2001 on the basis of their service to the company before their appointment to the Executive Board. The earned portion of the defined benefit obligation is therefore established as a proportion (in the ratio [currently attained service years since entry]/[attainable service years from entry to exit age]) of the final benefit. The values shown include the entitlements prior to appointment to the Executive Board, which in accordance with a resolution of the company's Supervisory Board shall remain unaffected by the pension commitment as a member of the Executive Board.

<sup>2</sup> The personnel expense includes a past service cost due to a premium increase in an amount of EUR 211.9 thousand (2021).

<sup>3</sup> The personnel expense includes a past service cost due to a premium increase and change in measurement in an amount of EUR 144.9 thousand (2021) and EUR 93.1 thousand (2022).

### Variable remuneration in case of early termination of the employment relationship

#### Short-Term Incentive (STI)

If the employment relationship of a member of the Executive Board ends during a financial year for a compelling reason that is not the responsibility of the member of the Executive Board in accordance with § 626 Para. 1 Civil Code (BGB), the participant in the plan has an entitlement to a pro rata temporis STI for this financial year. If the employment relationship is terminated by the company without notice prior to the end of the financial year for a compelling reason that is the responsibility of the member of the Executive Board in accordance with § 626 Para. 1 Civil Code (BGB), the entitlement to STI for this financial year shall be cancelled without replacement or compensation.

#### Long-Term Incentive (LTI)

If the employment relationship or the term of office on the Executive Board ends prior to the end of the performance period for a reason other than those specified below before the end of a financial year, the participant in the plan has an entitlement to a pro rata temporis LTI for this financial year. In this event, the determination and payment of the variable remuneration components is normally made in accordance with the provisions of the plan conditions for the LTI. Early payment prior to the end of the respective performance period of the LTI is not envisaged in such instances.

If the employment relationship or the term of office on the Executive Board ends during the financial year due to resignation from office or notice given by the member of the Executive Board (exception: resignation from office or notice given by the member of the Executive Board for a compelling reason), the refusal by the member of the Executive Board to accept an offer of extension on at least equal contractual conditions (exception: the member of the Executive Board has reached the age of 60 and served as a member of the Executive Board for two terms of office), extraordinary termination without notice of the service contract of the member of the Executive Board by the company for a compelling reason or revocation of the appointment of the member of the Executive Board for a compelling reason as defined by § 84 Para. 3 Stock Corporation Act (AktG) (exception: vote of no confidence passed by the General Meeting), all conditionally allocated Hannover Re performance shares shall be cancelled without replacement or compensation.

### Severance pay

The service contracts of the Executive Board make no provision for claims to severance pay. Commitments to benefits in connection with the early termination of employment on the Executive Board as a consequence of a change of control are similarly not envisaged in the service contracts of the members of the Executive Board.

### Remuneration granted and owing in the 2022 financial year

#### Current members of the Executive Board

The following tables set out the remuneration granted and owing to the individual members of the Executive Board pursuant to § 162 Para. 1 Sentence 2 No. 1 Stock Corporation Act (AktG). Remuneration granted refers to remuneration for which the activity was performed in full in the year under review. Remuneration owing encompasses remuneration that is due but has not yet actually been received. In this context, the disclosure for the 2022 financial year covers:

- the fixed remuneration paid out in the 2022 financial year
- the fringe benefits accruing in the 2022 financial year
- the STI determined for the 2022 financial year with payment in 2023
- the amount contributed to the bonus bank for the 2018 financial year, which was paid out in the 2022 financial year
- the share awards allocated for the 2017 financial year, which were paid out in the 2022 financial year.

In addition, the service cost for the pension commitments for the 2022 financial year is disclosed in the tables as part of the Executive Board remuneration.

The tables also show the relative shares of the individual remuneration components in the total remuneration granted and owing.



## Remuneration granted and owing in the 2022 financial year

	Jean-Jacques Henchoz (Chief Executive Officer) since 1 April 2019			Sven Althoff (Board member with divisional responsibility/ Coordinator of the Property & Casualty reinsurance business group) since 1 August 2014		
	2022		2021	2022		2021
	in EUR thousand	in %	in EUR thousand	in EUR thousand	in %	in EUR thousand
Basic remuneration	840.0		840.0	520.0		520.0
Fringe benefits/non-cash benefits <sup>1</sup>	14.2		14.5	16.8		16.5
Other <sup>2</sup>	1,000.0		130.0			–
<b>Fixed remuneration components</b>	<b>1,854.2</b>	<b>71</b>	<b>984.5</b>	<b>536.8</b>	<b>42</b>	<b>536.5</b>
One-year variable remuneration (STI)	758.5		682.9	469.6		422.8
Multi-year variable remuneration	–		–	283.7		303.4
Bonus bank 2018 (3 years) <sup>3</sup>				117.6		109.6
Share Awards 2017 (4 years) <sup>4</sup>				166.1		193.8
<b>Variable remuneration components</b>	<b>758.5</b>	<b>29</b>	<b>682.9</b>	<b>753.3</b>	<b>58</b>	<b>726.2</b>
<b>Total remuneration</b>	<b>2,612.7</b>	<b>100</b>	<b>1,667.4</b>	<b>1,290.1</b>	<b>100</b>	<b>1,262.7</b>
Service cost <sup>5</sup>	151.9		215.0	76.5		288.7

	Claude Chèvre (Board member with divisional responsibility) since 1 November 2011			Clemens Jungsthöfel (Chief Financial Officer) since 1 September 2020		
	2022		2021	2022		2021
	in EUR thousand	in %	in EUR thousand	in EUR thousand	in %	in EUR thousand
Basic remuneration	520.0		520.0	430.0		400.0
Fringe benefits/non-cash benefits <sup>1</sup>	16.0		15.4	9.0		8.4
<b>Fixed remuneration components</b>	<b>536.0</b>	<b>40</b>	<b>535.4</b>	<b>439.0</b>	<b>51</b>	<b>408.4</b>
One-year variable remuneration (STI)	485.2		391.6	427.0		325.2
Multi-year variable remuneration	310.2		378.3	–		–
Bonus bank 2018 (3 years) <sup>3</sup>	119.6		125.8			
Share Awards 2017 (4 years) <sup>4</sup>	190.6		252.5			
<b>Variable remuneration components</b>	<b>795.4</b>	<b>60</b>	<b>769.9</b>	<b>427.0</b>	<b>49</b>	<b>325.2</b>
<b>Total remuneration</b>	<b>1,331.4</b>	<b>100</b>	<b>1,305.3</b>	<b>866.0</b>	<b>100</b>	<b>733.6</b>
Service cost <sup>5</sup>	106.6		148.7	84.5		103.2

<sup>1</sup> Costs of company car for business and personal use, insurance premiums and non-cash benefits are carried at the values calculated for tax purposes.

The figures for the previous year were adjusted for the sake of comparability. The non-cash benefit associated with insurance premiums is now included.

<sup>2</sup> The Supervisory Board gave Jean-Jacques Henchoz a contractual commitment to compensate the forfeiture of benefits from his previous employer in instalments. The compensatory payment in 2022 was dependent upon reappointment effective 1 April 2022.

<sup>3</sup> The disclosure in the 2021 financial year refers to amounts paid out from the bonus bank 2017.

<sup>4</sup> The disclosure in the 2021 financial year refers to amounts paid out from the share awards 2016.

<sup>5</sup> For details of the service cost see the table “Pension commitments”.



	Dr. Klaus Miller (Board member with divisional responsibility) since 1 September 2010			Dr. Michael Pickel (Board member with divisional responsibility) since 1 January 2000		
	2022		2021	2022		2021
	in EUR thousand	in %	in EUR thousand	in EUR thousand	in %	in EUR thousand
Basic remuneration	520.0		520.0	520.0		520.0
Fringe benefits/non-cash benefits <sup>1</sup>	1.0		1.1	14.8		7.4
<b>Fixed remuneration components</b>	<b>521.0</b>	<b>41</b>	<b>521.1</b>	<b>534.8</b>	<b>40</b>	<b>527.4</b>
One-year variable remuneration (STI) <sup>2</sup>	493.0		376.0	469.6		391.6
Multi-year variable remuneration	271.3		314.5	341.6		336.0
Bonus bank 2018 (3 years) <sup>3</sup>	111.0		105.8	161.8		118.6
Share Awards 2017 (4 years) <sup>4</sup>	160.3		208.7	179.8		217.4
<b>Variable remuneration components</b>	<b>764.3</b>	<b>59</b>	<b>690.5</b>	<b>811.2</b>	<b>60</b>	<b>727.6</b>
<b>Total remuneration</b>	<b>1,285.3</b>	<b>100</b>	<b>1,211.6</b>	<b>1,346.0</b>	<b>100</b>	<b>1,255.0</b>
Service cost <sup>5</sup>	89.3		136.1	190.1		203.9

	Silke Sehm (Board member with divisional responsibility) since 6 March 2019		
	2022		2021
	in EUR thousand	in %	in EUR thousand
Basic remuneration	430.0		400.0
Fringe benefits/non-cash benefits <sup>1</sup>	11.0		10.8
<b>Fixed remuneration components</b>	<b>441.0</b>	<b>46</b>	<b>410.8</b>
One-year variable remuneration (STI)	401.2		325.2
Multi-year variable remuneration	115.6		141.6
Bonus bank 2018 (3 years) <sup>3</sup>	–		–
Share Awards 2017 (4 years) <sup>4</sup>	115.6		141.6
<b>Variable remuneration components</b>	<b>516.8</b>	<b>54</b>	<b>466.8</b>
<b>Total remuneration</b>	<b>957.8</b>	<b>100</b>	<b>877.6</b>
Service cost <sup>5</sup>	138.6		188.7

- <sup>1</sup> Costs of company car for business and personal use, insurance premiums and non-cash benefits are carried at the values calculated for tax purposes. The figures for the previous year were adjusted for the sake of comparability. The non-cash benefit associated with insurance premiums is now included.
- <sup>2</sup> Payments for seats held on Group bodies received in 2021 are counted towards the one-year variable remuneration (STI 2021) paid out in April 2022. Allowance for seats on Group bodies: Dr. Miller EUR 75 thousand, Dr. Pickel EUR 5 thousand. Payments for seats held on Group bodies received in 2022 are counted towards the one-year variable remuneration (STI 2022) paid out in April 2023. Allowance for seats on Group bodies: Dr. Miller EUR 75 thousand, Dr. Pickel EUR 5 thousand.
- <sup>3</sup> The disclosure in the 2021 financial year refers to amounts paid out from the bonus bank 2017.
- <sup>4</sup> The disclosure in the 2021 financial year refers to amounts paid out from the share awards 2016. The entitlement of Silke Sehm refers to share awards allocated to her for her work as a senior executive before her appointment as a member of the Executive Board.
- <sup>5</sup> For details of the service cost see the table "Pension commitments".

### Former members of the Executive Board

The remuneration granted and owing to former members of the Executive Board of Hannover Re in the 2022 financial year pursuant to § 162 Stock Corporation Act (AktG) is shown below.

### Former members of the Executive Board

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	Roland Vogel (until 30 September 2020)		Ulrich Wallin (until 5 May 2019)		André Arrago (until 31 August 2014)	
	2022		2022		2022	
	in EUR thousand	in %	in EUR thousand	in %	in EUR thousand	in %
<b>Fixed remuneration components</b>	–	0	–	0	–	0
One-year variable remuneration (STI 2021)	–		–		–	
Multi-year variable remuneration <sup>1</sup>	425.1		584.0		–	
Bonus bank 2018 (3 years)	173.6		244.6		–	
Share Awards 2017 (4 years)	251.5		339.4		–	
<b>Variable remuneration components</b>	<b>425.1</b>	<b>50</b>	<b>584.0</b>	<b>68</b>	–	
<b>Payment to compensate claims under the service contract</b>	<b>236.1</b>	<b>50</b>	–		–	
<b>Pension payments</b>	–		<b>279.4</b>	<b>32</b>	<b>140.0</b>	<b>100</b>
<b>Total target remuneration</b>	<b>661.2</b>	<b>100</b>	<b>863.4</b>	<b>100</b>	<b>140.0</b>	<b>100</b>
<b>Service cost</b>	<b>47.0</b>		–		–	

<sup>1</sup> In the case of Mr. Vogel remuneration for seats held on Group bodies is counted in an amount of EUR 32.7 thousand.

The total remuneration of former members of the Executive Board and their surviving dependants, for whom 16 (16) pension commitments existed, amounted to EUR 1.9 million (EUR 1.8 million) in the year under review. Altogether, a provision of EUR 24.7 million (EUR 31.2 million) has been set aside for pension commitments.

## Remuneration of the Supervisory Board

The remuneration of the Supervisory Board is determined by the Annual General Meeting of Hannover Rück SE and governed by the Articles of Association.

In accordance with § 14 of the Articles of Association as amended on 5 May 2021 and the resolution of the Annual General Meeting on 5 May 2021, the members of the Supervisory Board receive fixed annual remuneration of EUR 75,000 in addition to reimbursement of their expenses.

The Chairman of the Supervisory Board receives two-and-a-half times the aforementioned remuneration amounts and the Deputy Chairman one-and-a-half times the amounts.

The members of the Finance and Audit Committee formed by the Supervisory Board additionally receive remuneration of EUR 25,000 for their committee work and the members of the Standing Committee formed by the Supervisory Board receive remuneration of EUR 15,000. The Chair of each Committee receives twice the stated amounts. No remuneration is envisaged for the Nomination Committee.

Members who have only belonged to the Supervisory Board or one of its Committees for part of the financial year receive the remuneration amounts pro rata temporis.

In addition to the specified remuneration for participation in the meetings of the Supervisory Board and the Committees, each member of the Supervisory Board receives an attendance allowance of EUR 1,000 per meeting. If a meeting of the Supervisory Board and one or more Committee meetings fall on the same day, the attendance allowance for this day is only paid once in total.

The individualised presentation of the remuneration shows the remuneration actually due in the respective year under review for the year under review as well as the attendance allowances granted in the year under review. Value-added tax payable on the remuneration, insofar as it accrues, is reimbursed by the company.

In the year under review no remuneration was paid to the members of the Supervisory Board for services provided individually outside the committee work described above, e.g. for consulting or mediation services, with the exception of the remuneration paid to employee representatives on the basis of their employment contract.

## Individual remuneration of the members of the Supervisory Board

		Remuneration for Supervisory Board work		
		Fixed remuneration		
		2022		2021
		in EUR thousand	in %	in EUR thousand
Torsten Leue	Chairman of the – Supervisory Board – Standing Committee – Nomination Committee Member of the Finance and Audit Committee	187.5	52	187.5
Herbert K. Haas	Deputy Chairman of the Supervisory Board Chairman of the Finance and Audit Committee (until 31.3.2022) Member of the – Finance and Audit Committee (from 1.4.2022) – Standing Committee – Nomination Committee	112.5	67	112.5
Natalie Bani Ardanan <sup>1</sup>	Member of the Supervisory Board	75.0	95	75.0
Frauke Heitmüller <sup>1</sup>	Member of the Supervisory Board	75.0	95	75.0
Ilka Hundeshagen <sup>1</sup>	Member of the Supervisory Board	75.0	95	75.0
Dr. Ursula Lipowsky	Member of the – Supervisory Board – Finance and Audit Committee (until 31.3.2022) Chairwoman of the Finance and Audit Committee (from 1.4.2022)	75.0	59	75.0
Dr. Michael Ollmann	Member of the Supervisory Board	75.0	95	75.0
Dr. Andrea Pollak	Member of the – Supervisory Board – Nomination Committee	75.0	95	75.0
Dr. Erhard Schipporeit	Member of the – Supervisory Board – Standing Committee	75.0	78	75.0
<b>Total</b>		<b>825.0</b>	<b>72</b>	<b>825.0</b>

<sup>1</sup> Employee representative

Remuneration for committee work			Attendance allowances			Supervisory board remuneration from Group entities			Total remuneration	
2022		2021	2022		2021	2022		2021	2022	2021
in EUR thousand	in %	in EUR thousand	in EUR thousand	in %	in EUR thousand	in EUR thousand	in %	in EUR thousand	in EUR thousand	in EUR thousand
55.0	15	55.0	8.0	2	9.0	110.0	31	100.0	360.5	351.5
46.2	28	65.0	8.0	5	9.0	–	0	–	166.7	186.5
–	0	–	4.0	5	4.0	–	0	–	79.0	79.0
–	0	–	4.0	5	4.0	–	0	–	79.0	79.0
–	0	–	4.0	5	4.0	–	0	–	79.0	79.0
43.8	35	25.0	8.0	6	8.0	–	0	–	126.8	108.0
–	0	–	4.0	5	4.0	–	0	–	79.0	79.0
–	0	–	4.0	5	4.0	–	0	–	79.0	79.0
15.0	16	15.0	6.0	6	6.0	–	0	–	96.0	96.0
<b>160.0</b>	<b>14</b>	<b>160.0</b>	<b>50.0</b>	<b>4</b>	<b>52.0</b>	<b>110.0</b>	<b>10</b>	<b>100.0</b>	<b>1,145.0</b>	<b>1,137.0</b>

## Comparative presentation of the change in remuneration and earnings trend

In conformity with the requirements of § 162 Para. 1 Sentence 2 No. 2 Stock Corporation Act (AktG), the following table presents a comparison of the change in the remuneration of the members of the Executive Board, the members of the Supervisory Board as well as the employees and the earnings trend of the company.

The presentation of the remuneration of the Executive Board and the Supervisory Board is geared to the remuneration granted and owing pursuant to § 162 Stock Corporation Act (AktG).

The presentation of the average remuneration of the employees is geared to the workforce of Hannover Re in Germany. The employee remuneration shown encompasses the personnel expense (excluding the expense for Executive Board remuneration) for wages and salaries, employer contributions to social security, the variable remuneration components allocable to the financial year as well as – in the case of share-based payment – the amounts received in the financial year.

### Comparative presentation

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	2022 in EUR thousand	2021 in EUR thousand	Change 2022/2021 in %	Change 2021/2020 in %
<b>Active members of the Supervisory Board</b>				
Torsten Leue	360.5	351.5	2.6	40.8
Herbert K. Haas	166.7	186.5	-10.6	37.6
Natalie Bani Ardalan	79.0	79.0	0.0	24.6
Frauke Heitmüller	79.0	79.0	0.0	24.6
Ilka Hundeshagen	79.0	79.0	0.0	24.6
Dr. Ursula Lipowsky	126.8	108.0	17.4	32.7
Dr. Michael Ollmann	79.0	79.0	0.0	24.6
Dr. Andrea Pollak	79.0	79.0	0.0	24.6
Dr. Erhard Schipporeit	96.0	96.0	0.0	33.5
<b>Active members of the Executive Board<sup>1</sup></b>				
Jean-Jacques Henchoz <sup>2</sup>	2,612.7	1,667.4	56.7	-2.9
Sven Althoff	1,290.1	1,262.7	2.2	9.5
Claude Chèvre	1,331.4	1,305.3	2.0	-3.6
Clemens Jungsthöfel (since 1 September 2020)	866.0	733.6	18.0	222.0
Dr. Klaus Miller	1,285.3	1,211.6	6.1	-1.7
Dr. Michael Pickel	1,346.0	1,255.0	7.3	1.1
Silke Sehm	957.8	877.6	9.1	10.5
<b>Former members of the Executive Board</b>				
André Arrago (until 31 August 2014)	140.0	128.9	8.6	-1.2
Roland Vogel (until 30 September 2020)	661.2	1,340.6	-50.7	1.5
Ulrich Wallin (until 5 May 2019)	863.4	867.1	-0.4	-2.5
<b>Average employee remuneration</b>				
Employees of Hannover Rück SE in Germany on a full-time equivalent basis	113.1	108.5	4.2	0.8
<b>Earnings trend</b>				
Profit for the year of Hannover Rück SE according to HGB in EUR million	753.0	701.2	7.4	81.3
Group net income in EUR million	1,406.7	1,231.3	14.2	39.4

<sup>1</sup> The figures for the previous year were increased by the amount of the non-cash benefit associated with insurance premiums for the sake of comparability.

<sup>2</sup> The remuneration includes compensatory payments due to loss of pay from a previous employment relationship: 2022: EUR 1 million, 2021: EUR 130 thousand



## Report of the independent auditor on the formal audit of the remuneration report pursuant to § 162 Abs. 3 AktG

To Hannover Rück SE, Hanover

### *Opinion*

We have formally audited the remuneration report of the Hannover Rück SE, Hanover, for the financial year from January 1st through December 31st, 2022 to determine whether the disclosures pursuant to § [Article] 162 Abs. [paragraphs] 1 and 2 AktG [Aktiengesetz: German Stock Corporation Act] have been made in the remuneration report. In accordance with § 162 Abs. 3 AktG, we have not audited the content of the remuneration report.

In our opinion, the information required by § 162 Abs. 1 and 2 AktG has been disclosed in all material respects in the accompanying remuneration report. Our opinion does not cover the content of the remuneration report.

### *Basis for the opinion*

We conducted our formal audit of the remuneration report in accordance with § 162 Abs. 3 AktG and IDW [Institut der Wirtschaftsprüfer: Institute of Public Auditors in Germany] Auditing Standard: The formal audit of the remuneration report in accordance with § 162 Abs. 3 AktG (IDW AuS 870). Our responsibility under that provision and that standard is further described in the “Auditor’s Responsibilities” section of our auditor’s report. As an audit firm, we have complied with the requirements of the IDW Quality Assurance Standard: Requirements to quality control for audit firms [IDW Qualitätssicherungsstandard - IDW QS 1]. We have complied with the professional duties pursuant to the the Professional Code for German Public Auditors and German Chartered Auditors [Berufssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer - BS WP/vBP], including the requirements for independence.

### *Responsibility of the Management Board and the Supervisory Board*

The management board and the supervisory board are responsible for the preparation of the remuneration report, including the related disclosures, that complies with the requirements of § 162 AktG. They are also responsible for such internal control as they determine is necessary to enable the preparation of a remuneration report, including the related disclosures, that is free from material misstatement, whether due to fraud or error.



*Auditor's Responsibilities*

Our objective is to obtain reasonable assurance about whether the information required by § 162 Abs. 1 and 2 AktG has been disclosed in all material respects in the remuneration report and to express an opinion thereon in an auditor's report.

We planned and performed our audit to determine, through comparison of the disclosures made in the remuneration report with the disclosures required by § 162 Abs. 1 and 2 AktG, the formal completeness of the remuneration report. In accordance with § 162 Abs 3 AktG, we have not audited the accuracy of the disclosures, the completeness of the content of the individual disclosures, or the appropriate presentation of the remuneration report.

Hanover, March 7th, 2023

**PricewaterhouseCoopers GmbH**  
**Wirtschaftsprüfungsgesellschaft**

Mathias Röcker  
(German Public Auditor)

Dennis Schnittger  
(German Public Auditor)