

**somewhat
different**

7 November 2017

Corporate Governance Principles

Corporate Governance Principles of Hannover Rück SE

1. Introduction

The present Corporate Governance Principles of Hannover Rück SE were adopted by the Executive and Supervisory Boards on 7 November 2017. Their aim is to further increase and constantly reinforce the trust placed in the company and the Group by current and future shareholders, business partners, clients, employees and the general public. Through consistent implementation of these principles at all levels of Hannover Rück SE, our position on the capital markets will also be strengthened. The Supervisory Board, the Executive Board and the employees of Hannover Rück SE identify with these principles, which are based on the German Corporate Governance Code. The Executive Board ensures that these Corporate Governance Principles are observed throughout the Hannover Re Group.

2. Corporate Governance Commitment

- 2.1. The current version of the Corporate Governance Principles of Hannover Rück SE is made available to the public on the Internet and upon request also as a hard copy.
- 2.2. Hannover Rück SE supports pragmatic and useful Corporate Governance Principles and recognises these as guidelines for its activities. The goal of sustained growth in value creation for our investors is deeply rooted in our company's philosophy. Our Corporate Governance Principles are reviewed at regular intervals and adjusted as needed. This is done in light of our corporate identity, internationally recognised "best practice standards" and legal requirements.
- 2.3. We will ensure implementation of and compliance with the Corporate Governance Principles throughout the Hannover Re Group of companies. The function of Corporate Governance Officer has been established for this purpose.
- 2.4. The Executive and Supervisory Boards will report once a year in the annual report – which is also available on the Internet – on the status of Corporate Governance at the company. This annual reporting will also cover the reasons for any divergences from the recommendations of the German Corporate Governance Code.

3. Shareholders and the Annual General Meeting

- 3.1. As part of our public relations activities all shareholders are kept up to date on information regarding the company, including via the Internet. The information that is relevant to shareholders will be published in a timely manner and will include, among other things, the invitation to the Annual General Meeting and its agenda as well as any counter-motions and election proposals by shareholders and possible comments by the management. In addition, the ballot results will be published after the Annual General Meeting.

3.2. If the company has appointed proxies and if these proxies are authorised to exercise voting rights, the authorisation may be given in any form permitted by the company within the limits provided for by law. Details concerning the authorisation of proxies will be announced together with the notice convening the Annual General Meeting.

3.3. A recording of the significant content of the Annual General Meeting will be made available to interested parties on the website of Hannover Rück SE.

4. Cooperation between the Executive Board and Supervisory Board

4.1. The Executive Board is required to conduct the business of the company in accordance with applicable law and the Articles of Association as well as the internal rules of procedure adopted by the Supervisory Board. These rules deal in particular with the schedule of Board responsibilities and the cooperation among members of the Executive Board.

4.2. The internal rules of procedure define transactions of fundamental importance that require the approval of the Supervisory Board. Such transactions include the determination of strategic principles and goals as well as decisions and measures that significantly influence the net assets, financial position or results of operations of the company. In the event of take-over offers, the Executive and Supervisory Boards will ensure – as appropriate – the participation of shareholders by convening a General Meeting.

4.3. The Executive Board will provide the Supervisory Board with regular and timely written updates which comprehensively cover inter alia issues relating to the development of business and the risk position of the company and its major Group entities. The Supervisory Board has specified in greater detail the disclosure and reporting duties of the Executive Board.

4.4. The D&O (directors' and officers' liability insurance) coverage that has been taken out for the members of the Executive and Supervisory Boards provides for a deductible of 10% of the loss up to a maximum of one-and-a-half times the fixed annual remuneration of the member of the Executive or Supervisory Board in question.

5. Executive Board

- 5.1. The total remuneration of each member of the Executive Board – split into fixed and variable components as well as components with a long-term incentive effect – will be disclosed by name.
- 5.2. The variable remuneration of the members of the Executive Board is geared to the average return on equity (RoE) of the Hannover Re Group over the last three years as well as their individual performance and the divisional bonus.
- 5.3. In order to avoid potential conflicts of interest, the company may only grant loans to members of the Executive and Supervisory Boards or their relatives with the approval of the Supervisory Board.
- 5.4. Sideline work by members of the Executive Board, and in particular Supervisory Board mandates with non-affiliated companies, may only be accepted with the approval of the Supervisory Board.
- 5.5. Each member of the Executive Board shall disclose conflicts of interest to the Supervisory Board without delay and inform the other members of the Executive Board thereof.
- 5.6. Hannover Rück SE attaches paramount importance to its risk management system, not least in the interest of its shareholders. The effectiveness of this system is constantly monitored.

6. Supervisory Board

- 6.1. The Supervisory Board advises the Executive Board on a regular basis and supervises its management of the company. The Supervisory Board appoints and dismisses the members of the Executive Board and works together with the Executive Board to ensure long-term succession planning. In compliance with applicable law, the Supervisory Board consists of members elected by the shareholders as well as of employee representatives. The Supervisory Board regularly reviews the efficiency of its work.
- 6.2. When selecting candidates to be proposed to the Annual General Meeting for election to the Supervisory Board, the Supervisory Board will seek to ensure that such persons have the knowledge, skills and professional experience required for the position. The criterion here shall be the topic areas that the Supervisory Board has determined to be significant for the Hannover Re Group. In addition, a candidate proposal shall be accompanied by a curriculum vitae that provides information about relevant knowledge, skills and experience; this shall contain an overview of substantial activities other than the Supervisory Board mandate and is to be updated

annually and published on the company's website for all Supervisory Board members. The selection process will also give due consideration to the principle of diversity. The members of the Supervisory Board shall ensure that they have sufficient time available to attend to their duties; potential conflicts of interest are to be avoided. In accordance with the rules of procedure of the Supervisory Board, members of the Supervisory Board shall not be older than 72 at the time of their election. The provisions of Part III. (Co-determination) contained in the form of the SE Participation Agreement dated 23 January 2013 are to be observed with respect to the elected employee representatives.

- 6.3. Members of the Executive Board shall normally not be re-appointed earlier than one year before the end of their respective term of office; furthermore, the age limit of 65 defined in the rules of procedure of the Supervisory Board shall be observed. The terms of office are to be set in such a way that they end at the latest in the month in which the member of the Executive Board turns 65.
- 6.4. In order to ensure that the Supervisory Board is independent in advising and supervising the Executive Board, no more than two former members of the Executive Board may serve as members of the Supervisory Board. Members of the Supervisory Board shall not perform executive or advisory tasks for important competitors of the company.
- 6.5. In order to deal with complex issues and depending on the specific company circumstances, the Supervisory Board will establish committees as provided for in its internal rules of procedure. Currently, these are the Standing Committee, the Finance and Audit Committee and the Nomination Committee. The selection of committee members shall be guided principally by the particular specialist expertise required.
- 6.6. The Finance and Audit Committee deals inter alia with issues concerning accounting and risk management. The committee also considers the question of the independence of the external auditor, the awarding of the audit mandate to the external auditor and the determination of the audit concentrations.
- 6.7. The remuneration of the Supervisory Board consists of fixed and variable components which are geared to the performance of the company. When determining the level of remuneration for the members of the Supervisory Board, appropriate consideration is given to Chair and Deputy Chair functions as well as the membership of committees. The remuneration paid by the company to the members of the Supervisory Board as well as any benefits granted for personally rendered services, particularly including consulting services, will be disclosed individually and broken down into their constituent elements.

- 6.8. The external auditor shall promptly report all findings and occurrences arising out of the conduct of the audit that are of relevance to the tasks performed by the Supervisory Board. It is also incumbent on the external auditor to inform the Supervisory Board and/or include appropriate remarks in the audit report if he discovers facts during the conduct of the audit that reveal any incorrectness in the declaration made by the Executive and Supervisory Boards regarding conformity with the German Corporate Governance Code.
- 6.9. Each member of the Supervisory Board shall disclose to the Supervisory Board any potential conflicts of interest, in particular those resulting from consulting services rendered for or executive offices held with clients, suppliers, lenders or other business partners. Furthermore, in its report to the Annual General Meeting the Supervisory Board shall describe any conflicts of interest that have occurred and how they were handled. In the event of significant and not merely temporary conflicts of interest affecting a particular member of the Supervisory Board, such member's mandate will be terminated.
- 6.10. The full Supervisory Board will regularly review the structure of the remuneration scheme for the Executive Board. The Supervisory Board shall determine an appropriate amount of remuneration for the members of the Executive Board – taking into account any Group emoluments – based on a performance assessment and the financial position of the company.
- 6.11. The Chairman of the Supervisory Board shall inform the Annual General Meeting of the basic features of the remuneration scheme for the Executive Board and of any changes thereto.

7. Transparency

- 7.1. Hannover Rück SE will observe the principles of transparency, up-to-dateness, openness, clarity and fair disclosure when communicating information to persons outside the company.
- 7.2. Up-to-date information will be provided through various communication channels, particularly including the Internet and press releases, as well as by means of regular conferences with analysts. We accommodate the international dimension of our business and of our shareholders by publishing in several languages.

- 7.3. Members of the Executive and Supervisory Boards of Hannover Rück SE (and their spouses or registered partners, dependent children and other relatives who have lived in the same household as the Executive or Supervisory Board member for at least one year) shall report – as soon as the amount limit above which such a report must be filed is reached or exceeded – the purchase or sale of shares in Hannover Rück SE or of other financial instruments dependent on the market price of the shares of Hannover Rück SE to the issuer, who is responsible for providing corresponding notification to the Federal Financial Supervisory Authority ("Bundesanstalt für Finanzdienstleistungsaufsicht").
- 7.4. In addition, the following information will be provided in the notes to the consolidated financial statements.
The ownership of shares in Hannover Rück SE or of financial instruments related thereto by an individual member of the Executive or Supervisory Board will be stated if such member directly or indirectly holds more than 1% of the shares issued by the company.
If the entire holdings of all members of the Executive and Supervisory Boards exceed 1% of the shares issued by the company, the total shareholding will be stated split into holdings of members of the Executive Board and those of members of the Supervisory Board.
- 7.5. As part of our information policy, we will publish in sufficiently good time the anticipated dates of our main recurring publications (including the announcement of quarterly and year-end results, the annual report, interim reports, the Annual General Meeting) in a "financial calendar". All significant information published about the company will also be made available on the company's Internet website, in English as well as in German.

8. Accounting and External Auditing

- 8.1. During the financial year shareholders and third parties will be kept informed by means of interim statements and reports. The consolidated financial statements and the interim statements/reports will be prepared in accordance with internationally recognised accounting principles. The auditing of the consolidated financial statements by the firm of auditors commissioned by the Supervisory Board will be carried out in accordance with internationally recognised audit standards.
- 8.2. The basic features of the remuneration scheme for the Group's senior management (Executive Board and members of the next two management levels) are explained in the annual report and on the company's website.

- 8.3. Due consideration shall be given to a sufficient degree of independence and an appropriate fee when selecting the external auditor.

- 8.4. Insofar as different auditing firms are used to carry out audits within the Group, care is taken to ensure that they use consistent accounting standards.

- 8.5. The quarterly reports and annual financial statements will be published in a timely manner following the end of the respective reporting period.

- 8.6. The consolidated financial statements will specify relations with shareholders that are to be categorised as related parties within the meaning of the applicable accounting rules.

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