

**Talanx AG
Remuneration
Report 2021**

Remuneration

Remuneration report

Introduction

This remuneration report presents the principles and the structures governing the remuneration systems for Talanx AG's Board of Management and Supervisory Board, and provides information on the individual remuneration and other benefits awarded and due to current and former members of Talanx AG's Board of Management and Supervisory Board for their activities in financial year 2021.

The report was prepared by the Company's Board of Management and Supervisory Board in accordance with the requirements of section 162 of the German Stock Corporation Act (AktG) and complies with the recommendations and suggestions contained in the version of the German Corporate Governance Code (the "Code") published on 16 December 2019.

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft performed a formal and content audit of the remuneration report that went above and beyond the requirements set out in section 162(3) of the AktG. The remuneration report and the auditor's opinion on the audit of the remuneration report have been made available on Talanx AG's website (https://www.talanx.com/en/investor_relations/reporting/financial_reports).

Overview of the remuneration systems for the Board of Management and the Supervisory Board

As a result of the entry into force of the Act Implementing the Second Shareholder Rights Directive (ARUG II) as at 1 January 2020, the remuneration report for financial year 2021 had to be prepared for the first time on the basis of the new regulatory requirements set out in section 162 of the AktG. This being the case, the remuneration report for 2021 was jointly prepared by the Board of Management and the Supervisory Board for the first time.

Remuneration system for the Board of Management

Talanx AG's Supervisory Board used the opportunity offered by the changes in the regulatory requirements relating to the remuneration system for the Board of Management resulting from the entry into force of the ARUG II and the new version of the German Corporate Governance Code to review and comprehensively revise the remuneration system for the members of the Board of Management. In the process, the Supervisory Board also took the expectations of investors and other key stakeholders into account.

The new remuneration system for the Board of Management was resolved by the Supervisory Board in its meeting on 11 August 2020 and submitted to Talanx AG's Annual General Meeting for approval on 6 May 2021. The Annual General Meeting approved the new remuneration system for the Board of Management by a majority of 96.5%.

The new remuneration system has been in use since 1 January 2021 for all members of the Board of Management. It complies with the amended statutory and regulatory requirements and the recommendations set out in the German Corporate Governance Code.

The reduction in the number of criteria for the variable remuneration components and the focus on a small number of key financial and non-financial performance criteria derived from our Group strategy has enhanced the remuneration system's overall transparency and comprehensibility. The focus continues to be on the high degree of relevance of the variable remuneration and on strengthening the "pay for performance" principle. Sustainability criteria are also taken into account when measuring performance. Furthermore, the Board

of Management’s remuneration has been aligned even more closely with our investors’ interests by increasing its equity-related aspects; this has been achieved using a performance share plan and by measuring Talanx’s relative share price performance in comparison to our competitors. In addition, the introduction of malus and clawback

rules allows the variable remuneration paid to be reduced or reclaimed in the event of severe breaches of compliance.

The following table gives a brief overview of the changes in the remuneration system for the Board of Management:

CHANGES IN THE REMUNERATION SYSTEM FOR THE BOARD OF MANAGEMENT

REMUNERATION SYSTEM IN FORCE UP TO AND INCLUDING FINANCIAL YEAR 2020			NEW REMUNERATION SYSTEM AS FROM FINANCIAL YEAR 2021			
Fixed remuneration	Fixed remuneration		Fixed remuneration			Maximum remuneration
	Fringe benefits		Fringe benefits			
	Pension scheme		Pension scheme			
Variable remuneration	Paid out immediately	60%	Short-term incentive	40%	Malus and clawback	
	Bonus bank	20%		Long-term incentive (Talanx performance share awards)		
	Talanx share awards	20%				

Remuneration system for the Supervisory Board

In addition, the changes to the German Stock Corporation Act meant that the 2021 Annual General Meeting had to resolve on the remuneration system for the Supervisory Board. The previous remuneration system for the Supervisory Board was based on a resolution by the 2010 Annual General Meeting and had not been changed since then.

abolished. The new remuneration system grants Supervisory Board members fixed remuneration in line with market conditions, reinforcing the Supervisory Board’s independence and ensuring that its members perform their role as overseers and advisors objectively. In addition, Supervisory Board members continue to receive remuneration for serving on committees, reflecting the higher workload involved, plus an attendance allowance for participating in meetings.

In light of this, the remuneration system for the Supervisory Board was updated and the Supervisory Board’s variable remuneration was

The following table offers an overview of the changes in the remuneration system for the Supervisory Board:

CHANGES IN THE REMUNERATION SYSTEM FOR THE SUPERVISORY BOARD

REMUNERATION SYSTEM IN FORCE UP TO AND INCLUDING FINANCIAL YEAR 2020		NEW REMUNERATION SYSTEM AS FROM FINANCIAL YEAR 2021	
Cap	Fixed remuneration	Fixed remuneration	
	Variable remuneration		
	Remuneration for work on committees	Remuneration for work on committees	
	Attendance allowance	Attendance allowance	

Remuneration of the Board of Management

Principles governing Board of Management remuneration

The Talanx Group’s strategy aims to sustainably enhance the Group’s value for its stakeholders, and particularly its investors, customers and employees. In line with this, our Board of Management remuneration focuses on the principles of continuity, financial strength and profitability. Board of Management remuneration is a key means of advancing our Group strategy and the Talanx Group’s long-term, sustainable development. Remuneration ensures a transparent, performance-driven incentive effect that is strongly aligned with the Company’s long-term success and that is based in particular on perfor-

mance criteria that are derived from the Group's strategy, as well as on Talanx AG's share price performance, including in a peer comparison. This aims to prevent excessive risk appetite.

The members of the Board of Management are remunerated in line with their performance and their areas of activity and responsibility, while taking the Company's situation into account. The regulatory framework for this is supplied by the provisions of the German Stock Corporation Act, the provisions of Article 275 of Delegated Regulation (EU) 2015/35 as amended by Delegated Regulation (EU) 2016/2283, and of the Insurance Supervision Act (VAG) in conjunction with the German Remuneration Regulation for Insurance Companies (VersVergV), plus the recommendations on the remuneration of members of the Board of Management contained in section G of the German Corporate Governance Code.

The Supervisory Board focuses on the following basic principles when establishing the remuneration for Talanx AG's Board of Management:

PRINCIPLES GOVERNING TALANX'S BOARD OF MANAGEMENT REMUNERATION

Advancement of corporate strategy	<ul style="list-style-type: none"> ■ Performance criteria derived from corporate strategy
Long-term approach and sustainability	<ul style="list-style-type: none"> ■ Variable remuneration predominately share-based/with a multi-year focus ■ Sustainability goals (ESG) included in measurement of variable remuneration
Pay for performance	<ul style="list-style-type: none"> ■ A majority of the target direct remuneration consists of variable remuneration components ■ Adequate, ambitious performance criteria ■ Variable remuneration can range between zero and a cap
Appropriateness of remuneration	<ul style="list-style-type: none"> ■ Remuneration paid to members of the Board of Management appropriately reflects both the members' responsibilities and performance and the Company's situation ■ Both internal and external remuneration ratios are taken into account ■ Caps apply to both individual variable remuneration components and total remuneration
Alignment with shareholder interests	<ul style="list-style-type: none"> ■ Harmonisation of interests of members of the Board of Management and our shareholders ■ Malus and clawback rules apply to entire variable remuneration ■ Measuring relative performance creates incentives to ensure that we outperform our competitors on the capital markets in the long term
Market practice and regulatory compliance	<ul style="list-style-type: none"> ■ Current market practice at relevant insurers taken into account for Board of Management remuneration ■ Compliance with the key statutory and regulatory requirements applicable to Talanx is ensured
Transparency	<ul style="list-style-type: none"> ■ Ex post publication of targets and target achievement ■ Ex post publication of individual premiums/discounts per member of the Board of Management

Process for establishing the remuneration system

The Supervisory Board's Personnel Committee helped the full Board to develop the current remuneration system; in particular, it made recommendations on the system's design in light of the basic principles defined. The Supervisory Board took the opportunity open to it when developing and establishing the remuneration system to engage an external remuneration consultant who is independent of the Board of Management and the Company.

Where no material changes are made to the remuneration system, the latter will be submitted to the Annual General Meeting for approval at least every four years. If material changes are made to the remuneration system, the amended version will also be submitted to the Annual General Meeting for approval.

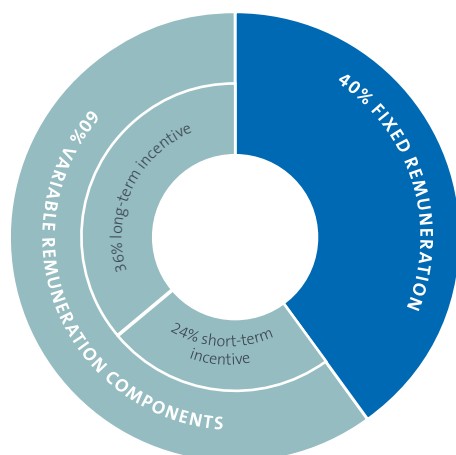
Remuneration structure

The key ideas behind Talanx's remuneration system for its Board of Management are pay for performance and a long-term approach.

The principle of pay for performance is underscored by the fact that the target direct remuneration (which comprises the total of the fixed remuneration and the target amounts for the variable remuneration components) consists of 40% fixed remuneration and 60% variable remuneration components. Variable remuneration is made up of a short-term incentive (STI) and a long-term incentive (LTI) that has a four-year performance period.

The remuneration structure is geared towards the Talanx Group's sustainable long-term development. The STI accounts for 40% of the variable remuneration components and hence for 24% of the target direct remuneration. The LTI accounts for 60% of the variable remuneration components and hence for 36% of the target direct remuneration.

STRUCTURE OF TARGET DIRECT REMUNERATION



Reviewing the appropriateness of Board of Management remuneration

The Supervisory Board determines the remuneration of the members of the Board of Management on the basis of the remuneration system, building on the recommendations made by the Personnel Committee. When establishing the remuneration, the Supervisory Board takes the individual members' responsibilities and tasks, their individual performance, the economic situation, and the Company's success and future prospects into account.

The question of whether the remuneration is customary in relation to other, comparable companies (horizontal comparison) and with respect to the amount and structure of remuneration within the Company (vertical comparison) was reviewed when the remuneration system was revised in 2020. The companies included in the MDAX as at 1 May 2020 (with the exception of Hannover Rück SE)

were used as the peer group for this horizontal comparison. The vertical comparison is based on the ratio between the remuneration paid to the Board of Management and the remuneration paid to Talanx's entire workforce. The process took both the status quo and the development of the remuneration ratios over time into account. In addition, the remuneration ratios between the Board of Management and the entire workforce were compared with the remuneration ratios for selected peer companies, which were drawn from the insurance sector where available.

Determining target remuneration

The contracts of service for all members of the Board of Management guarantee that they will be paid target remuneration in line with market conditions. This remuneration is based on their areas of responsibility and the skills and experience that are relevant to their work.

In the course of its revision of the remuneration system, the Company's Supervisory Board also adjusted the target remuneration for the members of the Board of Management effective as of 1 January 2021, i.e. at the same time as the new remuneration system came into force. The adjustment was made using remuneration trends at the key competitors that were used as a basis for comparison, and on the Company's business performance. The main adjustment made related to the LTI – the long-term, multi-year remuneration component – in keeping with the principle of pay for performance and the long-term focus of the Board of Management's remuneration. Following the adjustment, the target remuneration for members of the Board of Management is in line with normal market conditions for companies of Talanx's size.

The following table shows the target remuneration for all members of the Board of Management for financial year 2021. The target remuneration comprises the remuneration that will be awarded for the financial year if the target achievement is 100%.

TARGET REMUNERATION

EUR thousand

	Torsten Leue (Chairman of the Board of Management) Chairman since 8 May 2018, member since 1 September 2010		Jean-Jacques Henchoz ¹ (Head of Division) since 1 April 2019		Dr Wilm Langenbach (Head of Division) since 1 December 2020		Dr Christopher Lohmann (Head of Division) since 1 August 2020		Dr Edgar Puls (Head of Division) since 9 May 2019		Dr Jan Wicke (Chief Financial Officer) Chief Financial Officer since 1 September 2020, member since 1 May 2014	
2021												
Base remuneration	1,020	40%	960	38%	540	40%	640	40%	512	40%	646	40%
Fringe benefits	10	—	14	1%	9	1%	17	1%	9	1%	6	—
Other ²	—	—	130	5%	—	—	—	—	—	—	—	—
One-year variable remuneration	612	24%	576	23%	324	24%	384	24%	307	24%	388	24%
Multi-year variable remuneration	918	36%	864	34%	486	36%	576	36%	461	36%	581	36%
2021 performance share awards												
Total target remuneration	2,560	100%	2,544	100%	1,359	100%	1,617	100%	1,289	100%	1,621	100%
Pension expense ³	753		215		135		160		178		199	

¹ Including target remuneration for Hannover Re in the amount of EUR 2,244 thousand.

² Payment made to compensate for a loss of salary under a previous contract of service.

³ The figure shown represents the service cost recognised in the reporting period for pensions and other post-retirement benefits.

Compliance with the maximum remuneration

The Supervisory Board has defined a maximum amount of remuneration for each member of the Board of Management, comprising the sum of the fixed remuneration, fringe benefits, the STI and LTI, and the pension expense ("maximum remuneration"), in accordance with section 87a(1) sentence 2 no. 1 of the AktG. The maximum remuneration sets a limit on all payouts resulting from awards made for a specific financial year, regardless of when they actually accrue. The maximum remuneration for the Chairman of the Board of Management is EUR 6,000,000, that for the Head of the Reinsurance Division is EUR 5,000,000 and that for all other members of the Board of Management is EUR 4,000,000.

A final report on compliance with the maximum remuneration for financial year 2021 can only be made once the tranche of the LTI granted for 2021 has been paid out in 2026. Should the LTI payout lead to the maximum remuneration being exceeded, the payout will be reduced so as to ensure compliance with the cap.

Application of the remuneration system in financial year 2021

The following table provides an overview of the components of Talanx's remuneration system in financial year 2021 and the associated targets:

OVERVIEW OF REMUNERATION COMPONENTS

Component		Basis of assessment/parameters	Objective
FIXED REMUNERATION COMPONENTS	Fixed remuneration	The fixed remuneration is paid in cash in 12 equal monthly instalments	
	Fringe benefits	Company vehicle for business and private use; appropriate levels of accident, luggage and D&O insurance	<ul style="list-style-type: none"> ■ Recruitment and retention of the best-suited members of the Board of Management ■ Remuneration reflecting the responsibilities, skills and experience of the individual members of the Board of Management concerned
	Pension scheme	<p>Defined contribution commitments: Annual contribution to funding of 25% of defined basis of assessment</p> <p>Chairman of the Board of Management: Continuation of a defined benefit pension commitment (legacy commitment): claim to pension calculated as percentage of the fixed annual pensionable salary</p>	<ul style="list-style-type: none"> ■ Fringe benefits granted in line with normal market conditions/retirement provision systems in order to recruit and retain the best-suited members of the Board of Management
VARIABLE REMUNERATION COMPONENTS	Short-term incentive (STI)	<p>Target bonus model</p> <p>Performance criteria:</p> <ul style="list-style-type: none"> ■ Talanx Group RoE ■ Individual performance criteria (financial and non-financial, including ESG goals) <p>Cap: 200% of STI target amount</p>	<ul style="list-style-type: none"> ■ Incentive to achieve or surpass the annual corporate and divisional targets, and remuneration reflecting members' individual contribution to earnings and sustainability
	Long-term incentive (LTI)	<p>Performance share plan ("Talanx performance shares")</p> <p>Four-year performance period</p> <p>LTI award amount depends on target achievement levels determined for:</p> <ul style="list-style-type: none"> ■ Talanx Group's average RoE for previous financial year ■ Individual performance criteria for previous financial year <p>Performance criteria:</p> <ul style="list-style-type: none"> ■ Talanx's share price performance (plus dividends) ■ Relative total shareholder return (compared to relevant competitors) <p>Cap: 400% of LTI target amount</p>	<ul style="list-style-type: none"> ■ Recognition of success achieved in previous year ■ Incentive to create long-term shareholder value ■ Motivation to outperform competitors
OTHER ARRANGEMENTS	Maximum remuneration	<p>Chairman of the Board of Management: EUR 6,000,000</p> <p>Head of the Reinsurance Division: EUR 5,000,000</p> <p>Other members of the Board of Management: EUR 4,000,000</p>	<ul style="list-style-type: none"> ■ Cap on total remuneration granted in a financial year ■ Compliance with the regulatory requirements set out in the AktG
	Malus and clawback	Ability of the Supervisory Board not to pay out ("malus") or to reclaim ("claw back") variable remuneration in whole or in part in cases of gross misconduct or errors in the consolidated financial reporting. Reduction or cancellation of variable remuneration also possible where required for regulatory reasons	<ul style="list-style-type: none"> ■ Strengthens the Supervisory Board's position in the case of severe compliance breaches

Fixed remuneration components

Fixed remuneration

The fixed remuneration is paid in cash in 12 equal monthly instalments. It is primarily based on the range of tasks performed by, and professional experience of, the member of the Board of Management concerned.

Fringe benefits

In addition, the members of the Board of Management receive certain non-performance-related fringe benefits; these are in line with normal market conditions and are reviewed at regular intervals. The members of the Board of Management are provided with a vehicle for their business and private use for the duration of their appointment. The tax on the non-cash benefit resulting from the private use of this company vehicle shall be paid by the member of the Board of Management concerned. In addition, the Company provides members of the Board of Management with an appropriate level of insurance protection under group contracts (accident, luggage and D&O insurance).

Pension scheme

With the exception of Torsten Leue, for whom a commitment to pay a final salary-based annual retirement pension has been made, the members of the Board of Management have been given defined contribution pension commitments. Additional information can be found in the section entitled “Termination benefits”.

Variable remuneration components

The variable remuneration components comprise a short-term incentive (STI), which is measured on the basis of the financial year in question, and a long-term incentive (LTI) with a four-year performance period.

The performance criteria used to measure and assess target achievement are derived from Talanx’s corporate strategy. The variable remuneration components are designed to promote the Talanx Group’s long-term development. The following overview shows the close links between the performance criteria and other aspects of the variable remuneration on the one hand and Talanx’s corporate strategy on the other, and explains how the variable remuneration promotes Talanx’s long-term development.

VARIABLE REMUNERATION COMPONENTS

Remuneration component	Performance criterion/aspect	Alignment with strategy/promotion of long-term development
SHORT-TERM INCENTIVE (STI)	Group RoE	<ul style="list-style-type: none"> ■ RoE is one of Talanx’s strategic management metrics ■ Target aligned with the objective of creating sustainable value creation
	Individual premium/discount	<ul style="list-style-type: none"> ■ Takes the contribution made by individual members of the Board of Management and the results of the divisions for which they are responsible into account ■ Implements sustainability goals within Board of Management remuneration
LONG-TERM INCENTIVE (LTI)	Award amount depends on STI target achievement levels	<ul style="list-style-type: none"> ■ Increases incentive to achieve STI target ■ Underscores idea of pay for performance
	Share price performance	<ul style="list-style-type: none"> ■ Alignment of share price performance and Board of Management remuneration ■ Harmonisation of interests of members of the Board of Management and shareholders
	Four-year performance period	<ul style="list-style-type: none"> ■ Focus on long-term success and ensuring Talanx’s long-term development
	Relative TSR	<ul style="list-style-type: none"> ■ Incentives to ensure that Talanx outperforms relevant competitors on the capital markets in the long term

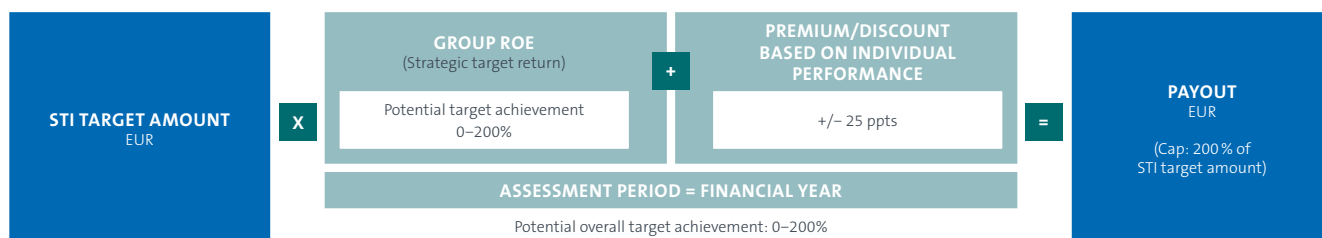
Short-term incentive (STI)

a) Basic information

The STI is geared towards Talanx AG’s business performance in a particular financial year. In addition to the financial performance criterion of the Talanx Group’s return on equity (RoE) as stated in Talanx’s consolidated financial statements (“Group RoE”), an individual premium or discount is applied when determining the amount to be paid out. This includes both financial and non-financial performance criteria (especially sustainability goals and targets) and takes into account both the overall responsibility of the Board of Management and the divisional responsibilities of its individual members. As a result, the STI helps achieve the objective of ensuring a high, stable return on equity for the Talanx Group, promotes the implementation of strategic focus topics assigned specifically to the Board of Management or individual areas, and reflects the interests of our investors, clients, employees and other key stakeholders.

The STI payout is based on the contractually determined STI target amount, which assumes an overall target achievement of 100%. The overall target achievement (including individual premiums and discounts) can range between 0% and 200% of the STI target amount. As a result, the payout under the STI is capped at 200% of the target amount.

SHORT-TERM INCENTIVE



b) Financial performance criterion

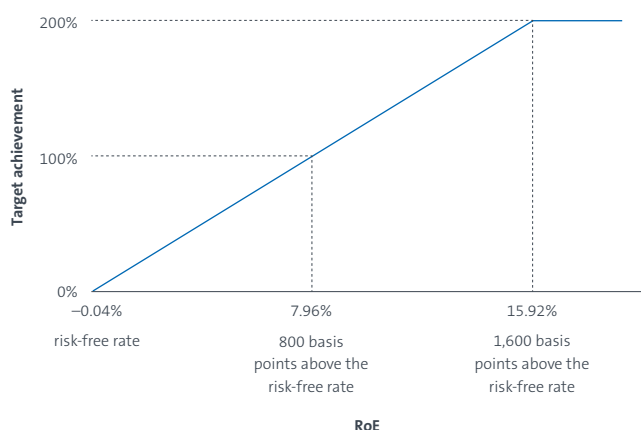
The main financial performance criterion for the STI (which has a weighting of 100%) is Group RoE as compared to a strategic target return; this is determined using the five-year average risk-free rate for 10-year German government bonds plus an ambitious spread. Group RoE is one of the key performance indicators in Talanx’s management system and as such has also been implemented in the Board of Management’s remuneration. Talanx aims to achieve a high return on equity. The Group is focused on a long-term increase in value. Using Group RoE as a key performance criterion for the STI offers incentives to achieve this target.

The target (100% target achievement) for Group RoE set by the Supervisory Board for financial year 2021 was 800 basis points above the risk-free rate. This is in line with the goal of adding long-term value by generating a return on equity of at least 800 basis points above the risk-free rate. The floor set was the risk-free rate without any additional spread, while the ceiling was defined as 1,600 basis points above the risk-free rate.

The Supervisory Board sets the target for Group RoE and the target corridor complete with a ceiling and floor in advance for the coming financial year. The target is aligned with the strategic target return for the Talanx Group that applies at the time it is established.

Group RoE in financial year 2021 was 9.6%, while the five-year average risk-free rate for 10-year German government bonds was –0.04%. As a result, the target is 796 basis points above the risk-free rate. This corresponds to a target achievement for the Group RoE performance criterion of 120.6%.

TARGET ACHIEVEMENT FOR GROUP ROE IN FINANCIAL YEAR 2021



Group RoE	9.6%
Risk-free rate	–0.04%
Target RoE	7.96%
Target achievement	120.6%

c) Individual premium/discount

In addition to the Talanx Group’s financial performance, the Supervisory Board can use individual premiums or discounts on the target achievement for the Group RoE performance criterion within the STI to take into account the individual contributions to earnings and to achieving sustainability targets made by members of the Board of Management and, where appropriate, the divisions for which they are responsible. The Supervisory Board establishes the size of the premium or discount, which can range between –25 percentage points and +25 percentage points, at its reasonable discretion. The Supervi-

sory Board specifies the various criteria and indicators used to determine the individual premium/discount in advance for the coming year, and informs the members of the Board of Management of them.

The Supervisory Board had specified the following criteria and indicators for financial year 2021 for the individual members of the Board of Management and, based on this, applied the following individual premiums/discounts after the end of the financial year:

Board of Management member	Individual contribution to earnings			Sustainability		Individual premium/discount
	Performance	Ability to pay dividends/distribution	Strategic goal	Leadership/commitment (OHC) ¹	Contribution to sustainability goals	
Torsten Leue	Covered by Group RoE performance criterion	■ Talanx AG’s ability to pay dividends	■ Implementation of strategic focus issues	<ul style="list-style-type: none"> ■ Change in OHC score for 2020/2021 ■ Relative improvement in OHC score in focus area 	<ul style="list-style-type: none"> ■ Enhancement of sustainability strategy ■ Optimisation of Talanx’s positioning as a sustainable group in the areas of underwriting, emissions and investment 	+20 pts
Jean-Jacques Henchoz	■ Reinsurance segment RoE	■ Ability of division in question to make a distribution to Talanx AG	■ Sustainable peer group outperformance by Reinsurance segment	<ul style="list-style-type: none"> ■ Change in OHC score for 2020/2021 ■ Relative improvement in OHC score in focus area 	<ul style="list-style-type: none"> ■ Safeguarding and enhancement of sustainability strategy in the areas of underwriting, emissions and investment 	+15 pts
Dr Wilm Langenbach	■ Retail International segment RoE	■ Ability of division in question to make a distribution to Talanx AG	■ Strengthening the segment’s position in its core markets through organic and acquisition-based growth	<ul style="list-style-type: none"> ■ Change in OHC score for 2020/2021 ■ Relative improvement in OHC score in focus area 	<ul style="list-style-type: none"> ■ Promotion of sustainability in the areas of emissions and underwriting 	+15 pts
Dr Christopher Lohmann	■ Retail Germany segment RoE	■ Ability of division in question to make a distribution to Talanx AG	<ul style="list-style-type: none"> ■ Development, adoption and communication of strategy for HDI Germany ■ Implementation of initial measures derived from the strategy 	<ul style="list-style-type: none"> ■ Change in OHC score for 2020/2021 ■ Relative improvement in OHC score in focus area 	<ul style="list-style-type: none"> ■ Development and adoption of new Talanx-wide diversity promotion policy 	+15 pts
Dr Edgar Puls	■ Industrial Lines segment RoE	■ Ability of division in question to make a distribution to Talanx AG	<ul style="list-style-type: none"> ■ Strengthening of combined ratio in Industrial Lines Division ■ Growth in gross premiums in Industrial Lines Division 	<ul style="list-style-type: none"> ■ Change in OHC score for 2020/2021 ■ Relative improvement in OHC score in focus area 	<ul style="list-style-type: none"> ■ Promotion of sustainability in the areas of emissions and underwriting 	+25 pts
Dr Jan Wicke	Covered by Group RoE performance criterion	■ Talanx AG’s ability to pay dividends	<ul style="list-style-type: none"> ■ Investment policy measured using net return on investment for assets under own management ■ Successful preparations for Talanx Group’s adoption of IFRS 17 	<ul style="list-style-type: none"> ■ Change in OHC score for 2020/2021 ■ Relative improvement in OHC score in focus area 	<ul style="list-style-type: none"> ■ Optimisation of Talanx’s positioning as a sustainable enterprise in the areas of investment and corporate finance 	+15 pts

¹ The OHC score is the result of the annual employee survey of Talanx’s corporate culture (“Organizational Health Check”). Talanx’s OHC was conducted for the third time in financial year 2021.

d) Overall target achievement and payouts for the 2021 STI

The following table shows the overall target achievement and the resulting payouts to be made to the individual members of the Board of Management under the 2021 STI:

PAYOUTS UNDER TALANX AG'S 2021 STI

EUR thousand					
Board of Management member	Target amount	Group RoE target achieved	Individual premium/discount	Overall target achievement	Payout
Torsten Leue	612	120.6%	+20 ppts	140.6%	860
Jean-Jacques Henchoz	72	120.6%	+15 ppts	135.6%	98
Dr Wilm Langenbach	324	120.6%	+15 ppts	135.6%	439
Dr Christopher Lohmann	384	120.6%	+15 ppts	135.6%	521
Dr Edgar Puls	307	120.6%	+25 ppts	145.6%	447
Dr Jan Wicke	388	120.6%	+15 ppts	135.6%	526

In addition, Jean-Jacques Henchoz receives payouts under the STI for the Hannover Rück SE remuneration system due, since he is Chairman of Hannover Rück SE's Board of Management. Hannover Rück SE's STI system is structured in a similar manner to Talanx's STI. Target achievement for the Group RoE performance criterion is based on the RoE achieved by Hannover Rück SE. The target (100% target achievement) for Hannover Re's Group RoE set by Hannover Re's Supervisory Board for financial year 2021 was 900 basis points above the risk-free rate. Hannover Re's Group RoE in financial year 2021 was 10.8%, while the five-year average risk-free rate for 10-year German government bonds was -0.04%. This means that Hannover Re's Group RoE target is 896 basis points above the risk-free rate. This corresponds to a target achievement for the Group RoE performance criterion of 120.5%.

The individual premiums/discounts are determined by Hannover Re's Supervisory Board on the basis of predefined criteria.

The following table provides a detailed overview of the payouts made to Mr Henchoz under Hannover Rück SE's STI.

PAYOUTS UNDER HANNOVER RÜCK SE'S 2021 STI

EUR thousand					
Board of Management member	Target amount	Group RoE target achieved	Individual premium/discount	Overall target achievement	Payout
Jean-Jacques Henchoz	504	120.5%	+15 ppts	135.5%	683

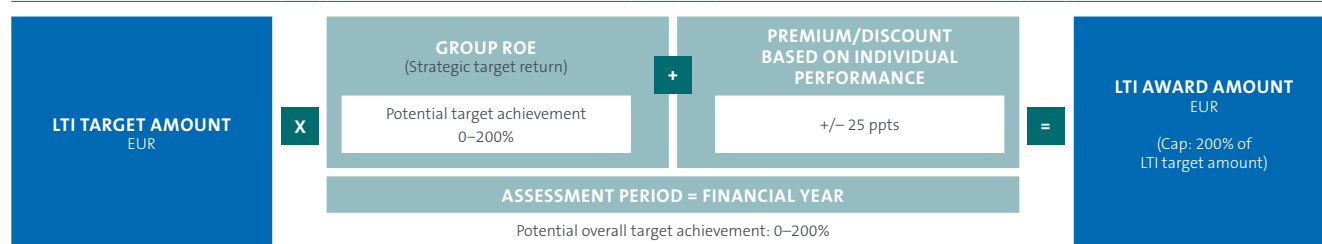
Long-term incentive (LTI)

a) Basic information

The multi-year variable remuneration for the new remuneration system consists of a long-term incentive (LTI). The LTI plays a key role in aligning the interests of the Board of Management with those of our shareholders. Measuring the relative performance of the Talanx shares creates incentives to ensure that we outperform our competitors on the capital markets in the long term.

The LTI takes the form of a performance share plan, offering an incentive to increase the value of Talanx's shares in the interests of our investors. The amount awarded under the LTI (LTI award amount) is based on the contractually agreed LTI target amount and depends on the target achievement for the Group RoE financial performance criterion that was established in the context of the STI for the financial year in question, plus the individual premium or discount specified by the Supervisory Board for the financial year (overall target achievement).

LONG-TERM INCENTIVE



The 2021 LTI tranche (Talanx 2021 performance shares) will be awarded in financial year 2022 on the basis of the overall target achievement for the 2021 STI. The number of Talanx performance shares awarded is determined by the LTI award amount plus Talanx's average share price in the period between the 15 exchange trading days before and the 15 exchange trading days after the Supervisory Board meeting that considers the consolidated financial statements in the year in which the award is made. The total term of the Talanx performance shares ("performance period") is four years. The 2021 LTI tranche will be paid out at the end of the four-year performance period in calendar year 2026.

The following table shows the key aspects relating to the grant of the 2021 LTI tranche.

AWARDS UNDER TALANX AG'S 2021 LTI TRANCHE

EUR thousand

Board of Management member	Target amount	Overall target achievement for the 2021 STI	Award amount
Torsten Leue	918	140.6%	1,291
Jean-Jacques Henchoz	108	135.6%	146
Dr Wilm Langenbach	486	135.6%	659
Dr Christopher Lohmann	576	135.6%	781
Dr Edgar Puls	461	145.6%	671
Dr Jan Wicke	581	135.6%	788

In addition, Jean-Jacques Henchoz receives payouts under the LTI for the Hannover Rück SE remuneration system, since he is Chairman of Hannover Rück SE's Board of Management. Hannover Rück SE's LTI system is structured in a similar manner to Talanx's LTI.

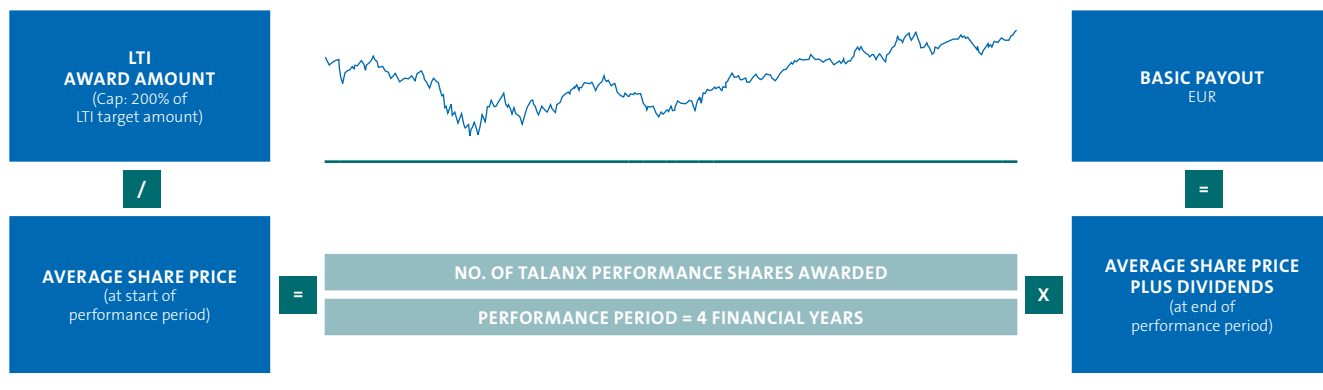
AWARDS UNDER HANNOVER RÜCK SE'S 2021 LTI TRANCHE

EUR thousand

Board of Management member	Target amount	Overall target achievement for the 2021 STI	Award amount
Jean-Jacques Henchoz	756	135.5%	1,024

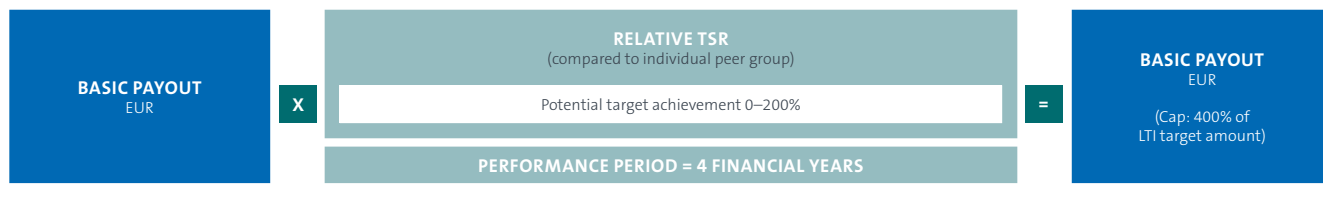
At the end of the four-year performance period, the basic payout is calculated in a first step based on the basis of Talanx's share price performance. This payout is the product of the number of Talanx performance shares awarded and Talanx AG's average share price in the period between the 15 trading days before and the 15 trading days after the Supervisory Board meeting that considers the consolidated financial statements in the year in which the four-year performance period ends, plus the dividends paid during the performance period. The change in performance thus reflects the total shareholder return in full.

LTI – ADJUSTMENT FOR SHARE PRICE PERFORMANCE



The final payout is the product of the basic payout and the target achievement for the relative total shareholder return ("relative TSR") compared to a peer group. The payout for the LTI is capped at 200% of the LTI award amount and can therefore amount to a maximum of 400% of the LTI target amount overall – provided that the sum of all remuneration components does not exceed the maximum remuneration set out in section 87a(1) sentence 2 no. 1 of the AktG.

LTI – ADJUSTMENT FOR PERFORMANCE PEER GROUP



b) Financial performance criterion

The main performance criterion for the final LTI payout is the relative TSR. The use of this measure incorporates an external, capital market-driven performance criterion into the variable remuneration, thus permitting relative performance measurement and the alignment of Board of Management and shareholder interests. The relative TSR represents Talanx's share price performance over the four-year performance period, including the gross dividends paid, in comparison to a peer group comprising relevant competitors in the insurance sector. As a result, the LTI creates incentives for ensuring long-term, sustainably strong market performance by Talanx's shares.

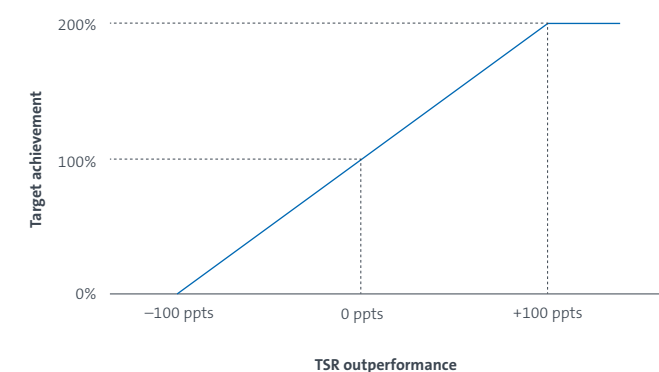
The target achievement for the relative TSR is determined by comparing the TSR for Talanx AG's shares with the shares of its peer group companies during the four-year performance period. This is done by comparing the TSR of Talanx's shares during the performance period in question with the unweighted average TSR for the peer group. The Supervisory Board reviews the peer group before the start of each performance period for a new LTI tranche. In the case of the 2021 LTI tranche it consists of the following companies:

PEER GROUP COMPANIES

Allianz SE	Münchener Rückversicherungs Gesellschaft AG
AXA S.A.	Swiss Re AG
Generali S. p. a.	Vienna Insurance Group AG
Mapfre S.A.	Zurich Insurance Group AG

If the TSR for Talanx's shares corresponds to the unweighted average TSR for the peer group, the target achievement for the relative TSR is 100%. Every percentage point by which the TSR for Talanx's shares exceeds or fails to reach the unweighted average TSR for the peer group results in a corresponding increase or decrease of the target achievement (linear scaling). If the TSR for Talanx's shares exceeds the unweighted average TSR for the peer group by 100 percentage points or more, the target achievement for the relative TSR is 200%. Any further increase in the relative TSR does not lead to a further increase in the target achievement. If the TSR for Talanx's shares is 100 percentage points or more below the unweighted average TSR for the peer group, the target achievement for the relative TSR is 0%.

TARGET ACHIEVEMENT GRAPH RELATIVE TSR



The target achievement for the 2021 LTI tranche is published in the remuneration report after the end of the performance period.

Payouts relating to multi-year variable remuneration components

Payouts relating to multi-year variable remuneration components under the old remuneration system, which was used up to the end of financial year 2020, were made in financial year 2021. Under the old system, the variable remuneration for a financial year consisted of a Group bonus, an individual personal bonus and – in the case of Board Members responsible for a specific division – a divisional bonus. 60% of the amount determined für each member of the Board of Management was paid out after the end of the financial year concerned, while 20% was added to a bonus bank and a further 20% was awarded as virtual shares (Talanx share awards). The Talanx share awards made in financial year 2017 on the basis of the target achievements for the variable remuneration for financial year 2016 (Talanx share awards 2016) and the amount added to the bonus bank in financial year 2018 on the basis of the target achievement for the variable remuneration for financial year 2017 (bonus bank 2017) were paid out in 2021.

a) Talanx 2016 share awards

Under the previous remuneration system, the equivalent of 20% of the variable remuneration determined was awarded automatically as Talanx share awards once the variable remuneration had been determined for a financial year. The share price at the time the award was made was determined using the unweighted arithmetic mean of the XETRA closing prices in the period between the five trading days before to the five trading days after the Supervisory Board meeting considering the consolidated financial statements. After a lock-up period of four years, the value of the Talanx share awards as determined at the payout date is paid out. Once again, the value of the shares is determined using the unweighted arithmetic mean of the XETRA closing prices in the period between the five trading days before to the five trading days after the Supervisory Board meeting considering the consolidated financial statements. In addition, the aggregate dividends per share distributed during the lock-up period are paid out.

The lock-up period for the Talanx share awards awarded in financial year 2017 on the basis of the variable remuneration for 2016 expired in financial year 2021 and the value determined was paid out.

The following table provides an overview of the Talanx 2016 share awards:

PAYMENTS UNDER THE TALANX 2016 SHARE AWARDS

Board of Management member	Award amount (20% of 2016 variable remuneration) EUR thousand	Average share price at award EUR	No. of Talanx performance shares awarded	Average share price at end of lock-up period EUR	Total dividends per share distributed EUR	Payment amount EUR thousand
Torsten Leue	210	33.20	6,334	36.38	5.70	267
Dr Jan Wicke	175	33.20	5,275	36.38	5.70	222

b) 2017 bonus bank

Additionally, the amount added to the bonus bank in financial year 2018 on the basis of the variable remuneration for 2017 was paid out in financial year 2021.

The payout in each case is the positive amount that was added to the bonus bank three years before the payout date, provided that it does not exceed the balance available in the bonus bank after taking credits/debits into account (up to and including credits/debits for the most recent past financial year). Any upcoming payouts that are not covered by a positive bonus bank balance lapse.

The following table provides an overview of the 2017 bonus bank:

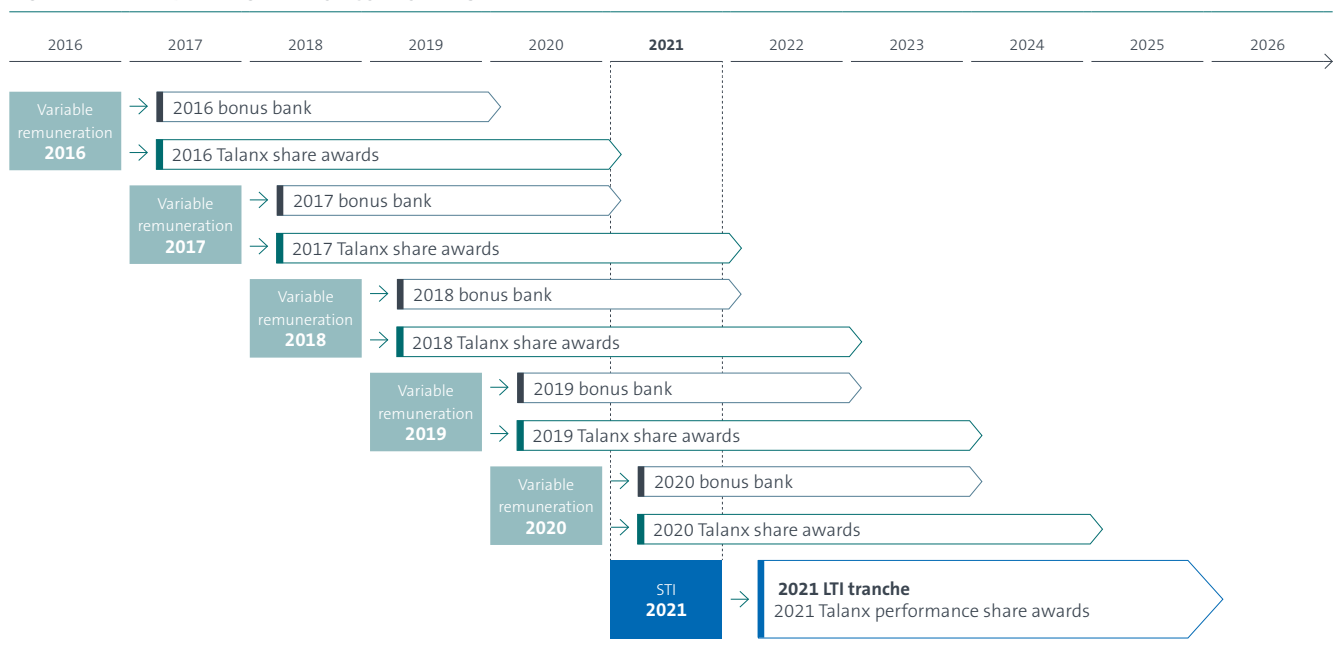
2017 BONUS BANK PAYMENTS

Board of Management member	Amount added (20% of 2017 variable remuneration) EUR thousand	Payout EUR thousand
Torsten Leue	180	180
Dr Jan Wicke	180	180

Overview of multi-year variable remuneration components

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

MULTI-YEAR VARIABLE REMUNERATION COMPONENTS



Malus and clawback policy, risk adjustment

If a member of the Board of Management intentionally infringes one of their fundamental duties of care in accordance with section 93 of the AktG, a material duty under their contract of service, or other material principles of conduct set out by the Company (e.g. in the Code of Conduct or the Compliance Guidelines), the Supervisory Board can, at its reasonable discretion, reduce the as yet unpaid variable remuneration either in part or to zero (“malus”) or reclaim the gross amount of the variable remuneration that has already been paid in whole or in part (“clawback”). No clawback is possible if the infringement in question took place more than five years ago.

When reaching its discretionary decision, the Supervisory Board will take into account the severity of the infringement, the degree of culpability exhibited by the member of the Board of Management, and the pecuniary and non-pecuniary damage caused to the Company.

Furthermore, members of the Board of Management must repay variable remuneration that has already been paid if and to the extent that it transpires following the payout that the audited and adopted consolidated financial statements on which the calculation of the payout was based were incorrect and that they therefore have to be corrected in line with the relevant accounting standards and, based on the corrected audited consolidated financial statements and the applicable remuneration system, a lower or no payout of variable remuneration would have been due.

Furthermore, the payout of variable remuneration components can be restricted or cancelled in full if the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin – the Federal Financial Supervisory Authority) has issued a non-appealable or immediately enforceable order prohibiting or restricting the payout (for example if the Company’s own funds are lower, or in danger of becoming lower, than the Solvency 2 capital requirement), or if this is required under Article 275(2) letter e of Commission Delegated Regulation (EU) 2015/35 of 10 October 2014.

No clawback or reduction was made in financial year 2021; nor was the payout of variable remuneration components restricted or cancelled.

Termination benefits

Pension scheme

Torsten Leue has been granted a commitment to pay a life-long retirement pension, part of which can be paid out on application as one-time retirement capital when he turns 65, plus a surviving dependants’ pension. The size of his post-retirement benefits are calculated using a length-of-service-based percentage of between 20% and a maximum of 50% of his pensionable income (the last monthly salary that he received). If he draws his pension before turning 65, 50% of any other income received is offset against the retirement pension. Current pension payments are adjusted annually in line with the changes in Germany’s consumer price index.

The other members of the Board of Management have been granted defined contribution commitments to pay retirement, surviving dependants and occupational disability pensions. The retirement pension can be paid out as a one-time capital payment on application by the member of the Board of Management. The post-retirement benefits are granted via HDI Unterstützungskasse e.V., which takes out appropriate reinsurance policies to finance the retirement benefits. The size of the post-retirement benefits corresponds to the benefits under the reinsurance policies, based on the annual financing contributions made by the Company in the amount of 25% of the members’ pensionable income (annual fixed remuneration). Current pensions are increased annually by 1% of their last (gross) amount.

The following table shows the accrued pension rights under IAS 19 for the current members of the Board of Management.

ACCRUED PENSION RIGHTS

	EUR thousand			
	Service cost ¹		Present value of the pension obligation	
Board of Management member	2021	2020	2021	2020
Torsten Leue	753	652	7,657	7,696
Jean-Jacques Henchoz ²	215	128	509	371
Dr Wilm Langenbach	135	—	122	—
Dr Christopher Lohmann	160	—	139	—
Dr Edgar Puls	178	82	1,282	1,255
Dr Jan Wicke	199	137	1,333	1,412

¹ The figure shown represents the service cost recognised in the reporting period for pensions and other post-retirement benefits.

² This relates to the personnel expenses recognised by Hannover Rück SE.

Variable remuneration in the event of the premature termination of contracts of service

Short-term incentive (STI)

If the contract of service with a member of the Board of Management ends in the course of a financial year for a reason other than good cause as defined by section 626(1) of the German Civil Code (BGB) for which the member of the Board of Management is responsible, the plan participant is entitled to a pro rata STI for that financial year. If the contract of service ends before the end of the financial year as a result of extraordinary termination by the Company for good cause as defined by section 626(1) of the BGB for which the member of the Board of Management is responsible, the claim to the STI for that financial year shall lapse without substitution or compensation.

Long-term incentive (LTI)

If the contract of service or Board of Management appointment ends before the end of a performance period for a reason other than those stated below and prior to the end of the financial year, the plan participant is entitled to a pro rata LTI for that financial year. In this case, the variable remuneration components are determined and paid out in the normal manner as set out in the terms and conditions for the LTI plan. The premature payout of the LTI before the end of the performance period is not provided for in such cases.

If the contract of service or Board of Management appointment ends in the course of a financial year due to them stepping down or resigning (exception: resignation or termination by the member of the Board of Management for good cause), if the member of the Board of Management refuses to accept an extension offering at least equal contractual conditions (exception: the member of the Board of Management has turned 60 and has been a member of the Board of Management for two terms of office), if the Company extraordinarily terminates the member of the Board of Management's contract of service without notice for good cause or if the member of the Board of Management's appointment is terminated for good cause within the meaning of section 84(3) of the AktG (exception: a vote of no confidence by the General Meeting), all conditionally granted Talanx performance shares shall lapse without substitution or compensation.

Severance pay

The contracts of service for the members of the Board of Management do not provide for any claims to severance pay. Equally, the contracts of service with the members of the Board of Management do not pledge any benefits arising from the premature termination of the members of the Board of Management's activities due to a change of control.

Remuneration awarded and due in financial year 2021

Current members of the Board of Management

The following table shows the remuneration awarded and due to the individual members of the Board of Management in accordance with section 162 of the AktG. The remuneration disclosed as "remuneration awarded" is the remuneration for which the relevant work had been performed in full by the reporting date. "Remuneration due" is remuneration that is due but has not yet actually been paid. The amounts disclosed for financial year 2021 comprise the following:

- The fixed remuneration paid out in 2021
- The fringe benefits received in financial year 2021
- The STI established for financial year 2021 that is to be paid out in 2022
- The amount added to the bonus bank for financial year 2017 that was paid out in financial year 2021
- The share awards made for financial year 2016 that were paid out in financial year 2021

Furthermore, the pension expense for the pension plan commitments for financial year 2021 is disclosed in the table as part of the Board of Management remuneration.

In addition, the table shows the relative shares of the overall remuneration awarded and due that are accounted for by the individual remuneration components.

REMUNERATION AWARDED AND DUE

in %	Torsten Leue (Chairman of the Board of Management) Chairman since 8 May 2018, member since 1 September 2010			Jean-Jacques Henchoz ⁶ (Head of Division) since 1 April 2019		
	2021	2020	2021	2020	2021	2020
Base remuneration	1,020	44%	850	960	51%	750
Fringe benefits	10	—	12	14	1%	31
Other ¹	—	—	—	130	7%	130
One-year variable remuneration (2021 STI) ^{2,3}	860	37%	903	781	41%	998
Multi-year variable remuneration	447	19%	451	—	—	—
2017 bonus bank (3 years) ⁴	180	—	210	—	—	—
2016 share awards (4 years) ⁵	267	—	241	—	—	—
Total remuneration (as defined by section 162 of the AktG)	2,337	100%	2,216	1,885	100%	1,909
Pension expense	753	—	652	215	—	128

¹ Payment made in compensation for a loss of salary under a previous contract of service.

² Of which Supervisory Board remuneration by Group companies: Mr Leue EUR 256 (240) thousand, Dr Lohmann EUR 5 (0) thousand, Dr Wicke EUR 19 (14) thousand.

³ The amounts disclosed for financial year 2020 comprise payments from the 2020 one-year variable remuneration.

⁴ The amounts disclosed for financial year 2020 comprise payments from the 2016 bonus bank.

⁵ The amounts disclosed for financial year 2020 comprise payments from the 2015 share awards.

⁶ Including remuneration awarded and due from Hannover Rück SE in the amount of EUR 1,667 (2020: 1,717) thousand, of which EUR 840 thousand was base remuneration, EUR 683 thousand the STI and EUR 14 thousand fringe benefits.

Former members of the Board of Management

The following table shows the remuneration awarded and due to the former members of Talanx's Board of Management in accordance with section 162 of the AktG in financial year 2021:

REMUNERATION AWARDED AND DUE

in %	Sven Fokkema (until 31 December 2020)		
	2021	2020	2020
Base remuneration	—	—	450
Fringe benefits	—	—	18
One-year variable remuneration (2021 STI)	—	—	358
Multi-year variable remuneration	—	—	—
2017 bonus bank (3 years)	—	—	—
2016 share awards (4 years)	—	—	—
Payment made in compensation for claims under a previous contract of service	400	100%	—
Pension payments	—	—	—
Total remuneration (as defined by section 162 of the AktG)	400	100%	826

Dr Wilm Langenbach (Head of Division) since 1 December 2020			Dr Christopher Lohmann (Head of Division) since 1 August 2020			Dr Edgar Puls (Head of Division) since 9 May 2019			Dr Jan Wicke (Chief Financial Officer) Chief Financial Officer since 1 September 2020, member since 1 May 2014		
2021		2020	2021		2020	2021		2020	2021		2020
540	55%	45	640	54%	229	512	53%	360	646	41%	679
9	1%	1	17	1%	17	9	1%	9	6	—	2
—	—	—	—	—	400	—	—	—	—	—	—
439	44%	68	521	44%	214	447	46%	335	526	33%	593
—	—	—	—	—	—	—	—	—	402	25%	370
—	—	—	—	—	—	—	—	—	180	—	175
—	—	—	—	—	—	—	—	—	222	—	195
988	100%	114	1,178	100%	860	968	100%	704	1,580	100%	1,644
135	—	—	160	—	—	178	—	82	199	—	137

Herbert Haas (until 8 May 2018)			Dr Christian Hinsch (until 9 May 2019)			Dr Immo Querner (until 31 August 2020)			Ulrich Wallin (until 9 May 2019)		
2021		2020	2021		2020	2021		2020	2021		2020
—	—	—	—	—	—	—	—	425	—	—	—
—	—	—	—	—	—	—	—	12	—	—	—
—	—	—	—	—	566	—	—	351	—	—	—
601	55%	577	409	81%	404	394	37%	383	755	75%	777
258	—	271	164	—	193	167	—	179	286	—	307
343	—	306	245	—	211	227	—	204	469	—	470
—	—	—	—	—	963	489	46%	501	—	—	—
491	45%	495	98	19%	108	171	16%	—	258	25%	259
1,092	100%	1,072	507	100%	2,041	1,054	100%	1,672	1,013	100%	1,036

Supervisory Board remuneration

Principles governing Supervisory Board remuneration

The remuneration for Supervisory Board members resolved by the Annual General Meeting is set out in Article 12 of the Company's Articles of Association. A new remuneration system for the Supervisory Board was submitted to the Annual General Meeting on 6 May 2021 for resolution. The new remuneration system was passed by a majority of 99.9% of the votes cast by the Annual General Meeting and has been in use since 1 January 2021.

Under the new remuneration system, the members of the Supervisory Board receive purely fixed remuneration so as to reinforce the Supervisory Board's independence and ensure it is not subject to influence when performing its advisory and oversight functions. The fixed remuneration for all members of the Supervisory Board is EUR 100,000. In line with the recommendations set out in the German Corporate Governance Code, the Chairman of the Supervisory Board and his or her Deputies, and the chairs and members of committees, receive additional remuneration to appropriately reflect the greater time commitment involved. The Chairman of the Supervisory Board receives two-and-a-half times the base remuneration of a simple member of the Supervisory Board, while each of his or her

deputies receives one-and-a-half times the base remuneration. The members of the Finance and Audit Committee and of the Personnel Committee receive additional remuneration of EUR 25,000 per annum each. The chairs of these committees receive double this amount. The attendance fee is EUR 1,000 per meeting and is paid only once where multiple meetings are held on the same day. Members are also entitled to receive the attendance fee if they participate in meetings by phone or via videoconferences. All attendance fees are paid on the date of the meeting. Additionally, Supervisory Board members are included in D&O liability insurance for governing body members and certain Talanx Group employees that is taken out in an appropriate amount and paid for by the Company in the Company's interests. Furthermore, the Company reimburses all members of the Supervisory Board for any expenses incurred by them and for the value added tax to be paid on their remuneration.

Remuneration awarded and due to Supervisory Board members

The following table shows the remuneration awarded and due to Supervisory Board members in financial year 2021, broken down by the individual remuneration components. In addition, the table shows the relative shares of the total remuneration accounted for by the remuneration components.

REMUNERATION AWARDED AND DUE TO THE SUPERVISORY BOARD

EUR thousand	Remuneration for Supervisory Board activity ¹		Remuneration for work on committees		Attendance allowance		Supervisory Board payments by Group companies		Total remuneration	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Herbert K. Haas	250	229	100	100	14	14	187	142	551	485
Dr Thomas Lindner	150	143	50	50	13	14	—	—	213	207
Ralf Rieger	150	137	25	25	8	9	6	12	189	183
Antonia Aschendorf	100	91	—	—	5	5	30	34	135	130
Benita Bierstedt	100	95	—	—	5	4	—	—	105	99
Rainer-Karl Bock-Wehr	100	91	—	—	5	5	—	12	105	108
Sebastian L. Gascard	100	91	—	—	5	5	14	17	119	113
Jutta Hammer	100	91	25	25	10	10	9	12	144	138
Dr Hermann Jung	100	95	25	25	9	10	—	—	134	130
Dirk Lohmann	100	95	—	—	5	5	—	—	105	100
Christoph Meister	100	95	—	—	5	5	—	—	105	100
Jutta Mück	100	91	25	25	9	9	14	17	148	142
Dr Erhard Schipporeit	100	91	25	25	10	10	96	76	231	202
Prof. Jens Schubert	100	95	—	—	5	5	—	—	105	100
Norbert Steiner	100	95	25	25	9	9	—	—	134	129
Angela Titzrath	100	95	—	—	5	4	—	—	105	99

¹ With effect from financial year 2021 onwards, the Supervisory Board remuneration comprises fixed remuneration. The Supervisory Board remuneration paid in financial year 2020 comprise fixed remuneration and variable remuneration.

Comparison of changes in remuneration and earnings

In line with the requirements of section 162(1) sentence 2 no. 2 of the AktG, the following table compares the changes in the remuneration paid to members of the Board of Management, members of the Supervisory Board and employees, plus changes in the Company's earnings.

The remuneration shown for the Board of Management and Supervisory Board is the awarded and due remuneration in accordance with section 162 of the AktG.

The Talanx Group's workforce in Germany is used as the basis for the average employee remuneration shown. The employee remuneration shown comprises personnel expenses (not including the expenses for Board of Management remuneration) for wages and salaries, fringe benefits, employer contributions to social security funds, variable remuneration components attributable to the financial year and, in the case of share-based remuneration, the amounts paid in the financial year.

COMPARATIVE INFORMATION ON CHANGES IN THE REMUNERATION PAID TO MEMBERS OF THE BOARD OF MANAGEMENT AND EMPLOYEES, AND IN EARNINGS

EUR thousand	2021	2020	Change 2021 v. 2020
Current members of the Board of Management			
Torsten Leue	2,337	2,216	+5.5%
Jean-Jacques Henchoz	1,885	1,909	-1.3%
Dr Wilm Langenbach (since 1 December 2020)	988	114	+767.0%
Dr Christopher Lohmann (since 1 August 2020)	1,178	860	+36.9%
Dr Edgar Puls	968	704	+37.5%
Dr Jan Wicke	1,580	1,644	-3.9%
Former members of the Board of Management			
Sven Fokkema (until 31 December 2020)	400	826	-51.6%
Herbert Haas (until 8 May 2018)	1,092	1,072	+1.9%
Dr Christian Hinsch (until 9 May 2019)	507	2,041	-75.2%
Dr Immo Querner (until 31 August 2020)	1,054	1,672	-37.0%
Ulrich Wallin (until 9 May 2019)	1,013	1,036	-2.2%
Current members of the Supervisory Board			
Herbert K. Haas	551	485	+13.6%
Dr Thomas Lindner	213	207	+2.9%
Ralf Rieger	189	183	+3.3%
Antonia Aschendorf	135	130	+3.8%
Benita Bierstedt	105	99	+6.1%
Rainer-Karl Bock-Wehr	105	108	-2.8%
Sebastian L. Gascard	119	113	+5.3%
Jutta Hammer	144	138	+4.3%
Dr Hermann Jung	134	130	+3.1%
Dirk Lohmann	105	100	+5.0%
Christoph Meister	105	100	+5.0%
Jutta Mück	148	142	+4.2%
Dr Erhard Schipporeit	231	202	+14.4%
Prof. Jens Schubert	105	100	+5.0%
Norbert Steiner	134	129	+3.9%
Angela Titzrath	105	99	+6.1%
Employees in Germany			
Average remuneration	89	86	+3.5%
Earnings			
EUR million	2021	2020	Change 2021 v. 2020
Talanx AG net income (HGB)	495	553	-10.5%
Group net income	1,011	648	+50.6%

¹ Adjusted in accordance with IAS 8, see the "Accounting policies" section of the Notes.

Auditor's Report

To Talanx AG, Hanover

We have audited the remuneration report of Talanx AG, Hanover, for the financial year from 1 January to 31 December 2021 including the related disclosures, which was prepared to comply with § [Article] 162 AktG [Aktiengesetz: German Stock Corporation Act].

Responsibilities of the Executive Directors and the Supervisory Board

The executive directors and the supervisory board of Talanx AG are responsible for the preparation of the remuneration report, including the related disclosures, that complies with the requirements of § 162 AktG. The executive directors and the supervisory board 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 responsibility is to express an opinion on this remuneration report, including the related disclosures, based on our audit. We conducted our audit in accordance with German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report, including the related disclosures, is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts including the related disclosures stated in the remuneration report. The procedures selected depend on the auditor's judgment. This includes the assessment of the risks of material misstatement of the remuneration report including the related disclosures, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation of the remuneration report including the related disclosures. The objective of this is to plan and perform audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the executive directors and the supervisory board, as well as evaluating the overall presentation of remuneration report including the related disclosures.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit Opinion

In our opinion, based on the findings of our audit, the remuneration report for the financial year from 1 January to 31 December 2021, including the related disclosures, complies in all material respects with the accounting provisions of § 162 AktG.

Reference to an Other Matter – Formal Audit of the Remuneration Report according to § 162 AktG

The audit of the content of the remuneration report described in this auditor's report includes the formal audit of the remuneration report required by § 162 Abs. [paragraph] 3 AktG, including the issuance of a report on this audit. As we express an unqualified audit opinion on the content of the remuneration report, this audit opinion includes that the information required by § 162 Abs. 1 and 2 AktG has been disclosed in all material respects in the remuneration report.

Restriction on use

We issue this auditor's report on the basis of the engagement agreed with Talanx AG. The audit has been performed only for purposes of the company and the auditor's report is solely intended to inform the company as to the results of the audit. Our responsibility for the audit and for our auditor's report is only towards the company in accordance with this engagement. The auditor's report is not intended for any third parties to base any (financial) decisions thereon. We do not assume any responsibility, duty of care or liability towards third parties; no third parties are included in the scope of protection of the underlying engagement. § 334 BGB [Bürgerliches Gesetzbuch: German Civil Code], according to which objections arising from a contract may also be raised against third parties, is not waived.

Hanover, March 10, 2022

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

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