

somewhat  
different

# Articles of association

Effective: 3 August 2007



# I. General provisions

## § 1 Company name, registered office

- (1) The company bears the name Hannover Rückversicherung AG.
- (2) Its registered office is located in Hannover, Germany.

## § 2 Object of the company

- (1) The object of the company is to transact reinsurance business. The company may also transact other types of insurance business.
- (2) The company is entitled to effect all transactions and measures that appear appropriate in order to further the object of the company. It may also establish or acquire other companies of the same or a related type, participate in such companies or sell such companies or its participation therein; furthermore, it may manage such companies or restrict itself to the administration of its participation. It may outsource its operations wholly or partially to affiliated companies.

## § 3 Financial year

The financial year is the calendar year.

## § 4 Notices

Notices of the company will be published in the electronic edition of the German Federal Gazette.

## II. Share capital and shares

### § 5 Amount and classification of the share capital

- (1) The share capital of the company totals EUR 120,597,134.00. It is divided into 120,597,134 registered no-par-value shares.
- (2) The Executive Board shall determine the form of the share certificates, the coupons and the renewal coupons. One certificate may be issued for several shares. There shall be no entitlement on the part of shareholders to certification of their shares.
- (3) The contributions on registered shares do not need to be fully paid up if outstanding contributions on the existing share capital can still be called.
- (4) In the event of a capital increase, the participation of new shares in the profits may be determined in a manner other than that set out in § 60 German Stock Corporation Act (AktG).

### § 6 Conditional capital

The share capital is conditionally increased by up to EUR 60,298,567 through the issue of up to 60,298,567 new registered no-par-value shares with a dividend entitlement effective from the beginning of the financial year in which they are issued. The conditional capital increase is to be used for

- ◆ granting shares to the holders of convertible bonds and bonds with warrants that are issued by the company or its subordinate group affiliates in the period up until 11 May 2011 on the basis of the authorisation resolution adopted by the Annual General Meeting on 12 May 2006 under Item 8 of the Agenda,
- ◆ granting shares to the bearers of participating bonds with conversion rights and warrants that are issued by the company or its subordinate group affiliates in the period up until 11 May 2011 on the basis of the authorisation resolution adopted by the Annual General Meeting on 12 May 2006 under Item 9 of the Agenda, and
- ◆ granting shares to the bearers of participating rights with conversion rights and warrants that are issued by the company or its subordin-

ate group affiliates in the period up until 11 May 2011 on the basis of the authorisation resolution adopted by the Annual General Meeting on 12 May 2006 under Item 10 of the Agenda.

The shares are to be issued at the price that is determined as the conversion or subscription price in accordance with the three aforementioned authorisation resolutions. The conditional capital increase will be implemented only to the extent that the bearers of the aforementioned convertible bonds and bonds with warrants, participating bonds with conversion rights and warrants and participating rights with conversion rights and warrants exercise their conversion or subscription rights or discharge any conversion obligations that may be incumbent upon them.

## § 7 Authorised capital

- (1) The Executive Board is authorised, with the consent of the Supervisory Board, to increase the share capital in the period up until 31 May 2009 through the issue of new registered no-par-value shares on one or more occasions, although by not more than a total of EUR 60,298,567.00 against cash and/or non-cash contributions (Authorised Capital 2004/I). The Executive Board is authorised, with the consent of the Supervisory Board, to exclude the subscription rights of shareholders,
- ◆ in order to exclude fractional amounts from the subscription right,
  - ◆ insofar as this is necessary to grant the holders of warrants, convertible bonds and bonds with warrants, participating bonds and participating rights issued by the company or its subordinate group affiliates a subscription right to new shares to the extent to which they would be entitled after exercise of their conversion right or warrant and/or after discharge of any conversion obligation, or
  - ◆ if the pro-rata amount of the share capital apportionable to the new shares does not exceed 10% of the share capital existing upon entry into force of this authorisation and upon adoption of the resolution regarding exercise of the authorisation and provided the issue price is not significantly lower than the stock exchange price. The amount apportionable to shares that are issued or sold on the basis of a corresponding authorisation subject to the exclusion of subscription rights in direct or analogous application of § 186 Paragraph 3 Sentence 4 German Stock Corporation Act shall be included in the calculation of the above-mentioned limit of 10% of the share capital.

In addition, the Executive Board shall be authorised, with the consent of the Supervisory Board, to exclude subscription rights in the case of capital increases against non-cash contributions if the exclusion of subscription rights is in the overriding interest of the company.

The Executive Board shall also be authorised, with the consent of the Supervisory Board, to determine the further content of the rights attaching to the shares and the terms of the share issue.

(2) The Executive Board shall be authorised, with the consent of the Supervisory Board, to use an amount of up to EUR 1,000,000 of the authorised capital existing under Subparagraph 1 for the issue of new registered no-par-value shares as employee shares. For this purpose, the Executive Board is authorised, with the consent of the Supervisory Board, to exclude the subscription rights of shareholders in order to issue the new shares to persons in an employment relationship with the company or one of its group affiliates. This authorisation may be exercised on one or more occasions, although up to no more than the total amount defined in Sentence 1.

### III. Executive Board

#### § 8 Management of the company, representation

- (1) The Executive Board shall consist of at least two persons. Beyond this, the Supervisory Board shall determine the number of members of the Executive Board; it may nominate a Chairman of the Executive Board.
- (2) The Executive Board shall conduct the business of the company in accordance with law and the Articles of Association as well as in accordance with internal rules of procedure. Insofar as the Supervisory Board does not stipulate rules of procedure for the Executive Board, the Executive Board shall adopt its own rules of procedure.
- (3) The company shall be represented by two members of the Executive Board or by one member of the Executive Board jointly with a member of the executive staff holding power of signature ("Prokurist").
- (4) The resolutions of the Executive Board shall be adopted by a simple majority vote, unless a different majority is stipulated as mandatory by law.

## IV. Supervisory Board

### § 9 Composition, term of office, resignation

- (1) The Supervisory Board shall consist of nine members. Its composition is determined by § 96 Paragraph 1 German Stock Corporation Act in conjunction with the One-Third Participation Act (Drittelbeteiligungsgesetz).
- (2) The members of the Supervisory Board are elected for the period until conclusion of the General Meeting which ratifies the acts of management for the fourth financial year after commencement of their term of office. The financial year in which the term of office commences shall not be counted towards this period. The Annual General Meeting may stipulate a shorter term of office for the members of the Supervisory Board whom it elects.
- (3) Each member of the Supervisory Board may resign from office at one month's notice – with or without compelling reasons – by giving a written declaration to the company, represented by the Executive Board, and to the Chairman of the Supervisory Board (a declaration made by the latter shall be submitted to his Deputy).
- (4) The successor to a member of the Supervisory Board who resigns prior to the expiry of his term of office shall be elected for the remaining term of office of the former member.

### § 10 Chairman, Deputy, committees

- (1) Directly following the Annual General Meeting at which the new Supervisory Board is elected, a meeting of the Supervisory Board shall be held without the issue of a specific invitation in order to elect from amongst its members the Chairman and his Deputy; this meeting shall be chaired by the most senior member of the Supervisory Board by age. The election shall be made for the term of office of the member of the Supervisory Board in question. If one of the elected persons resigns from office prematurely, the Supervisory Board shall hold a fresh election without delay.
- (2) The Supervisory Board may form committees from amongst its members and – insofar as legally permissible – may empower them to take decisions.

## § 11 Convening of meetings, adoption of resolutions

- (1) Meetings of the Supervisory Board shall be convened by the Chairman or his Deputy as and when required by law or by business operations.
- (2) Members of the Supervisory Board who are prevented from personally attending a meeting of the Supervisory Board or participating in its committees may submit their votes in writing through another member of the Supervisory Board.
- (3) The Supervisory Board constitutes a quorum if at least two-thirds of the total number of members which it must comprise are present; members whose votes are submitted in accordance with Subparagraph 2 shall also be deemed to be present. The meeting shall be chaired by the Chairman or – if he is prevented from attending – by his Deputy. If both are prevented from participating, the most senior member of the Supervisory Board by age in attendance who was elected by the shareholders shall chair the meeting.
- (4) Resolutions require a majority of the votes cast in order to be adopted. In the event of an equal division of votes – including in the case of elections – the Chairman shall have the casting vote. The method of voting shall be determined by the chairman of the meeting.
- (5) Resolutions may also be adopted without the convening of a meeting through voting using written, facsimile or telephone communication or by way of an e-mail carrying a digital signature, provided the majority of the members of the Supervisory Board do not object to this procedure when it is prescribed by the Chairman. Such resolutions shall be placed on record in writing by the Chairman and forwarded to all members.
- (6) The Chairman and – if he is prevented from attending – his Deputy shall be authorised to issue the declarations of intent on behalf of the Supervisory Board which are required to implement the resolutions of the Supervisory Board and its committees; they shall also be authorised to accept declarations for the Supervisory Board.
- (7) Minutes shall be drawn up of the deliberations of the Supervisory Board, and these shall be signed by the Chairman.

## § 12 Remuneration

- (1) In addition to the reimbursement of their expenses, the members of the Supervisory Board shall receive fixed annual remuneration amounting to EUR 10,000.00 per member. Furthermore, each member of the Supervisory Board shall receive variable remuneration of 0.03‰ of the earnings before interest and taxes (EBIT) reported in the consolidated financial statements drawn up by the company in accordance with the generally accepted accounting principles of IAS/IFRS (International Financial Reporting Standards). No variable remuneration shall be paid if the EBIT is negative. § 113 Paragraph 3 German Stock Corporation Act shall be observed.
- (2) If the Supervisory Board has constituted a Balance Sheet Committee, the members of this committee shall receive further remuneration for their activities in the amount of 30% of the fixed and variable remuneration granted under Paragraph 1. If the Supervisory Board has constituted a Standing Committee, Sentence 1 shall apply accordingly with the proviso that the further remuneration amounts to 15%.
- (3) The Chairman of the Supervisory Board or of a committee shall receive triple and the Deputy Chairman one-and-a-half times the amounts specified in Paragraphs 1 and 2.
- (4) Members who have only belonged to the Supervisory Board or a committee for part of the financial year shall receive the remuneration pro rata temporis.
- (5) Additionally, the General Meeting may approve further remuneration in general or for specific financial years – also with respect to activities performed on committees other than the Balance Sheet Committee and the Standing Committee.
- (6) The remuneration according to Paragraphs 1 and 2 for a financial year shall be payable upon conclusion of the General Meeting that ratifies the acts of the Supervisory Board for the financial year. The company shall reimburse any value-added tax payable on the remuneration.
- (7) In addition to the remuneration according to Paragraphs 1 and 2, each member of the Supervisory Board shall receive a meeting attendance fee of EUR 500.00 for participation in each of the meetings of the Supervisory Board and the committees; the fee shall be payable at the commencement of the meeting. Should a meeting of the Super-

visory Board fall on the same day as one or more meetings of the committees, the meeting attendance fee for the day in question shall be payable only once.

## V. General Meeting

### § 13 Venue, convening notice, Annual General Meeting

- (1) The General Meeting shall be held at the company's registered offices, in a community within the administrative district of Hannover or in a community in the Federal Republic of Germany with a population of more than 100,000.
- (2) The General Meeting shall be convened by the Executive Board. The Notice of Meeting must be published in the electronic edition of the German Federal Gazette at least 30 days prior to the date by the end of which the shareholders must register (§ 14). In this context the day of the announcement and the final day by which shareholders must have registered for the General Meeting shall not be counted.
- (3) The Annual General Meeting shall take place within the first 14 months after the conclusion of each financial year. In particular, it shall decide upon the ratification of the acts of the Executive Board and the Supervisory Board as well as on the appropriation of profits.

### § 14 Participation rights and voting rights

- (1) The shareholders entitled to participate in the General Meeting and exercise voting rights are those who are entered in the company's share register and who have registered their participation in writing with the Executive Board at the registered office of the company no later than the third working day prior to the General Meeting; Saturdays shall not be considered as working days within the meaning of this provision.
- (2) In the event that the company has nominated proxies and if these proxies are authorised to exercise the voting rights, the proxy voting rights may be granted within the scope of legal provisions using any means permitted by the company. The details of the proxy statement will be provided in the newspapers authorised to publish the company's announcements together with the notice of the General Meeting.

## § 15 Chairmanship, broadcasting of the meeting

- (1) The General Meeting shall be chaired by the Chairman of the Supervisory Board, or by his Deputy if he is prevented from attending. If both are prevented from attending, the meeting shall be chaired by the most senior member of the Supervisory Board by age in attendance.
- (2) The Chairman may determine that the items of the Agenda can be taken in an order that deviates from the published Agenda. He shall determine the method and sequence of the votes. He shall further determine the order of speakers and may – within legally permissible bounds – decide upon the combination of materially related matters on which resolutions are to be taken into a single voting item. The Chairman is also authorised to impose appropriate restrictions on question and speaking time in specific cases or on question and speaking time for the entire General Meeting, for individual items of the Agenda and for individual speakers at the commencement or in the course of the General Meeting. Furthermore, he may rule that a debate be closed insofar as this is necessary for the proper conduct of the General Meeting.
- (3) If announced in the invitation to the General Meeting, the chairman of the meeting may require video and/or audio broadcasting of the General Meeting in a manner to be specified at his discretion.

## § 16 Adoption of resolutions

- (1) Voting rights shall commence upon full payment of the contribution on the share. Each no-par-value share confers one vote upon the shareholder.
- (2) In the absence of mandatory legal provisions to the contrary, the resolutions of the General Meeting shall be adopted by a simple majority of the votes cast and, insofar as the law requires a majority of the shares, by a simple majority of the share capital represented in the voting.

## § 17 Elections

If a majority is not achieved in the first round of voting in elections, a run-off election shall be held between the candidates who received the greatest number of votes. In the event of an equal division of votes, lots will be drawn.

## VI. Advisory Board

### § 18 Advisory Board

- (1) An Advisory Board consisting of at most ten members may be set up in order to promote business relations. The Advisory Board shall support the Executive Board in the fulfilment of its tasks.
- (2) The members of the Advisory Board shall be appointed for a period of at most five years by the Executive Board, which shall also determine the remuneration for the members of the Advisory Board.
- (3) The Supervisory Board may stipulate rules of procedure for the Advisory Board.

## VII. Annual financial statements and appropriation of profits

### § 19 Annual financial statements

In the first ten months of a financial year the Executive Board shall compile the balance sheet, statement of income, notes (annual financial statements) and management report for the financial year just ended and shall submit them to the Supervisory Board and the auditors. The audit report is to be forwarded to the Supervisory Board immediately upon completion. The Executive Board shall be given a prior opportunity to express its comments.

## § 20 Appropriation of profits

- (1) Once the Executive Board and Supervisory Board adopt the annual financial statements, they may allocate to other retained earnings up to half of the net income remaining after deduction of the amounts to be contributed to the statutory reserve and any loss carry-forward. Furthermore, they may allocate additional portions of the net income to other retained earnings, provided the other retained earnings do not exceed half of the share capital due to the additional allocation.
- (2) In the resolution on the appropriation of the disposable profit, the General Meeting may allocate further amounts to retained earnings or carry them forward as profit.
- (3) The dividend will be calculated according to the amount of the contribution that has been paid in. For contributions paid in during a financial year, the participation in profits can be specified as commencing on the date of payment of the contribution, moved back to the beginning of the current financial year or deferred until the beginning of the next financial year.
- 4) With the consent of the Supervisory Board, the Executive Board may make a partial payment on the probable disposable profit to the shareholders upon completion of the financial year.
- (5) Within the scope of the legal provisions the General Meeting may also approve a non-cash distribution in addition to or in lieu of the cash distribution.

## VIII. Amendments to the Articles of Association

### § 21 Articles of Association

The Supervisory Board is authorised to make amendments to the Articles of Association insofar as they merely affect the wording.



*Published by*

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