

Invitation to the Annual General Meeting of Talanx AG on 11 May 2017

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Key Figures Talanx Group

		2016	2015	2014	2013	2012
Gross written premiums	<i>in EUR million</i>	31,106	31,799	28,994	28,151	26,659
Net premiums earned	<i>in EUR million</i>	25,742	25,937	23,844	23,113	21,999
Underwriting result	<i>in EUR million</i>	-1,520	-1,370	-2,058	-1,619	-1,447
Net investment income	<i>in EUR million</i>	4,023	3,933	4,144	3,792	3,795
Net return on investment ¹⁾	<i>in %</i>	3.6	3.6	4.1	4.0	4.3
Operating profit (EBIT)	<i>in EUR million</i>	2,300	2,182	1,892	1,766	1,748
Net income (after financing costs and taxes)	<i>in EUR million</i>	1,568	1,409	1,368	1,252	1,144
of which attributable to shareholders of Talanx AG	<i>in EUR million</i>	907	734	769	732	626
Return on equity ²⁾	<i>in %</i>	10.4	9.0	10.2	10.2	10.0
Earnings per share						
Basic earnings per share	<i>in EUR</i>	3.59	2.90	3.04	2.90	2.86
Diluted earnings per share	<i>in EUR</i>	3.59	2.90	3.04	2.90	2.86
Combined ratio in property/casualty primary insurance and Property/Casualty Reinsurance ³⁾	<i>in %</i>	95.7	96.0	97.9	97.1	96.4
Assets under own management	<i>in EUR million</i>	107,174	100,777	96,410	86,310	84,052
Total investments	<i>in EUR million</i>	118,855	115,611	112,879	100,962	98,948
Total assets	<i>in EUR million</i>	156,571	152,760	147,298	132,793	130,350
Employees	<i>full-time equivalents</i>	20,039	20,334	19,819	20,004	20,887

¹⁾ Ratio of net investment income excluding interest income on funds withheld and contract deposits and profit on investment contracts to average assets under own management.

²⁾ Ratio of annualised net income for the reporting period excluding non-controlling interests to average equity excluding non-controlling interests.

³⁾ Combined ratio taking into account interest income on funds withheld and contract deposits, before elimination of intra-Group cross-segment transactions.

Invitation to the Annual General Meeting

Talanx Aktiengesellschaft

German Securities Code (WKN): TLX100

ISIN DE000TLX1005

Dear Shareholders,

We hereby invite you to attend the Annual General Meeting of Talanx Aktiengesellschaft, Hannover, to be held on

Thursday, 11 May 2017 at **10.30 am (CEST)** (doors open at 9.30 am (CEST)) in the HCC Hannover Congress Centrum (Kuppelsaal), Theodor-Heuss-Platz 1-3, 30175 Hannover/Germany.

Agenda and Proposed Resolutions

1. Presentation of the adopted annual financial statements and the approved consolidated financial statements together with the combined management report for Talanx Aktiengesellschaft and the Group for the financial year 2016 and the report of the Supervisory Board

The aforesaid documents also comprise the remuneration report and the explanatory report on the information pursuant to § 289 (4), § 315 (4) of the German Commercial Code (HGB) and have been made available for inspection on the Internet at www.talanx.com/agm as from the date of convocation of the Annual General Meeting. They will also be sent to the shareholders upon request. Furthermore, the documents will be made available, and explanatory comments will be provided at the Annual General Meeting.

The Supervisory Board has approved the annual financial statements drawn up by the Board of Management and the consolidated financial statements; the annual financial statements are thereby adopted. The Annual General Meeting is not required to adopt a resolution on Item 1 of the Agenda.

2. Resolution on the appropriation of the disposable profit

The Board of Management and the Supervisory Board propose that the disposable profit for the financial year 2016 in the amount of EUR 824,895,710.35 (in words: eight hundred and twenty-four million eight hundred and ninety-five thousand seven hundred and ten Euros and thirty-five Cents) be appropriated as follows:

Distribution of EUR 1.35 (in words: one Euro thirty-five Cents) dividend on each eligible no-par-value share:	341,276,805.90 EUR
Profit carried forward to new account:	483,618,904.45 EUR
Disposable profit:	824,895,710.35 EUR

3. Resolution ratifying the acts of management of the members of the Board of Management for the financial year 2016

The Board of Management and the Supervisory Board propose that the acts of management of the members of the Board of Management who held office in the financial year 2016 be ratified for this period.

4. Resolution ratifying the acts of management of the members of the Supervisory Board for the financial year 2016

The Board of Management and the Supervisory Board propose that the acts of management of the members of the Supervisory Board who held office in the financial year 2016 be ratified for this period.

5. Appointment of the auditor for the audit of the annual financial statements and the consolidated financial statements for the financial year 2017 as well as of the auditor for the review of interim financial statements and interim management reports

a) Upon recommendation of the Finance and Audit Committee of the Supervisory Board, the Supervisory Board proposes to appoint KPMG AG Wirtschaftsprüfungsgesellschaft, Hannover/Germany, as auditor for the audit of the annual financial statements and the consolidated financial statements for the financial year 2017 and as auditor for the review of interim (condensed) financial statements and management reports for the financial year 2017, if and to the extent such interim (condensed) financial statements and management reports are prepared and reviewed.

b) Upon recommendation of the Finance and Audit Committee of the Supervisory Board, the Supervisory Board proposes to appoint PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Hannover/Germany, as auditor for the review of the interim (condensed) financial statements and management report for the first quarter of the financial year 2018, if and to the extent such interim (condensed) financial statements and management report are prepared and reviewed.

6. Resolution on the authorisation to acquire and use treasury shares and to exclude the tender and subscription rights as well as the cancellation of the existing authorisation

The authorisation to acquire treasury shares as resolved by the universal extraordinary general meeting of 29 September 2012 expires on 28 September 2017. In order to enable the Company to continue to acquire and subsequently use treasury shares for another five years, a new authorisation is to be granted cancelling the expiring authorisation.

The Board of Management and the Supervisory Board propose to adopt the following resolutions:

a) Authorisation to acquire and use treasury shares

aa) The Company shall be authorised to acquire treasury shares until 10 May 2022 up to a total amount of 10% of the current share capital or – if this amount is lower – of the Company's share capital existing at the time of exercise of the authorisation within the scope of legal provisions for any permissible purpose in accordance with the following stipulations.

The acquisition shall take place, at the discretion of the Board of Management and with the consent of the Supervisory Board,

- via the stock exchange,
- via a public purchase offer to all shareholders,
- via a public solicitation to all shareholders to submit sales offers, or
- in other ways observing the principle of equal treatment (§ 53a of the German Stock Corporation Act (AktG)).

If the shares are acquired via the stock exchange, the purchase price per share (excluding incidental acquisition costs) paid by the Company must not exceed or fall below the arithmetic mean of the auction closing prices of shares of the same class of the Company in XETRA trading (or a functionally comparable successor system to the XETRA system) at the Frankfurt Stock Exchange on the last five exchange trading days before the day of acquisition by more than 10%.

If the shares are acquired via a public purchase offer, the purchase price per share (excluding incidental acquisition costs) offered and paid by the Company must not exceed or fall below the arithmetic mean of the auction closing prices of shares of the same class of the Company in XETRA trading (or a functionally comparable successor system to the XETRA system) at the Frankfurt Stock Exchange on the last five exchange trading days before the date of the publication of the offer by more than 10%.

If the shares are acquired via a public solicitation to all shareholders to submit sales offers, the purchase price per share (excluding incidental acquisition costs) paid by the Company must not exceed or fall below the arithmetic mean of the auction closing prices of shares of the same class of the Company in XETRA trading (or a functionally comparable successor system to the XETRA system) at the Frankfurt Stock Exchange on the last five exchange trading days before the date on which sales offers are accepted by more than 10%.

If, after publication of a public purchase offer or a public solicitation to submit sales offers, there are significant price deviations compared with the offered purchase or selling price or the limit values of any purchase or selling price range, the offer or the solicitation to submit sales offers may be adjusted. In this case, the relevant reference period will be the five exchange trading days before the date of the publication of the adjustment; the 10%-limit for the exceeding or falling below is to be applied to this (adjusted) amount.

The volume of a public purchase offer or a public solicitation to submit sales offers can be restricted. If a public purchase offer or a public solicitation to submit sales offers is oversubscribed, the acquisition can be made according to the proportionate shareholdings of the tendering shareholders relative to each other (shareholding ratios) or according to the proportion of the tendered shares (tender ratios). Furthermore, commercial rounding is permissible to avoid fractional shares. The Company may provide for preferred acceptance of small lots of shares of up to 100 tendered shares per shareholder. Any further tender rights are precluded. The purchase

offer or the solicitation to submit sales offers may each provide for additional conditions. The Board of Management shall decide on the further details.

If the purchase of shares takes place in other ways observing the principle of equal treatment (§ 53a AktG), the tender right of the shareholders can be precluded for factual reasons by analogous application of §186 (3) and (4) AktG.

- bb) The Board of Management, with the consent of the Supervisory Board, shall be empowered to use treasury shares acquired on the basis of this authorisation or former authorisations for all legally permissible purposes, including without limitation the following:
- (1) The treasury shares may be redeemed without a further resolution of the Annual General Meeting. The redemption may also be effected without a capital reduction by increasing the pro-rata amount of the other no-par-value shares in the share capital of the Company; in this case, the Board of Management is authorised to adjust the number of no-par-value shares set forth in the Articles of Association.
 - (2) The treasury shares may be offered and transferred to third parties against non-cash consideration, especially in the context of mergers and acquisitions of companies, parts of companies or interests in companies.
 - (3) The treasury shares may be sold via the stock exchange or via a public offer to all shareholders in proportion to their relative shareholdings.
 - (4) The treasury shares may be sold otherwise than via the stock exchange or via a public offer to all shareholders, provided that the shares are sold against cash payment and at a price which is not substantially below the stock exchange price of the Company's shares of the same kind at the time of the sale.

- (5) Treasury shares representing a proportional amount of the share capital of up to EUR 1,000,000 (in words: one million Euros) may be used to fulfil the Company's obligations under employee participation programmes, by offering or transferring treasury shares to persons who are in an employment relationship with the Company or one of its Group entities within the meaning of § 18 AktG.
- (6) The treasury shares may be delivered in accordance with the respective terms and conditions to the holders of bonds (convertible bonds and warrant bonds), participating bonds and profit-sharing rights of the Company or its Group entities within the meaning of § 18 AktG, which are issued or guaranteed until 10 May 2022 based on the authorisations of the Annual General Meeting of the Company of 11 May 2017.
- (7) In case of a sale of treasury shares under a public offer to all shareholders or in case of a capital increase with subscription rights, treasury shares may be granted to the holders of bonds (convertible bonds and warrant bonds), participating bonds and profit-sharing rights of the Company or its Group entities within the meaning of § 18 AktG, which are issued or guaranteed until 10 May 2022 based on the authorisations of the Annual General Meeting of the Company of 11 May 2017, in the same amount in which the holders would be entitled to a subscription right to shares of the Company upon exercise of the warrant or conversion right or fulfilment of the (conditional) conversion obligation.
- cc) All the above authorisations to acquire and use treasury shares may be exercised in whole or in part, on one or more occasions, individually or jointly, by the Company or its Group entities within the meaning of § 18 AktG or by third parties within the meaning of § 71d AktG for the account of the Company or its Group entities.
- dd) The subscription rights of shareholders shall be excluded in the cases specified under lit. bb) (2) and (4) to (7) above. In the case of

a public offer to all shareholders according to lit. bb) (3), the subscription rights of shareholders shall be excluded insofar as this is necessary to avoid fractional amounts. In the case of lit. bb) (4), (6) and (7), the authorisation is limited to the sale or transfer of shares which, in total, account for a proportionate amount of no more than 10% of the current share capital or – if this amount is lower – of the share capital existing at the time of exercise of the authorisation. The amount attributable to shares that were issued or sold during the term of this authorisation on the basis of a corresponding authorisation under exclusion of subscription rights in direct or analogous application of § 186 (3) sentence 4 AktG shall be counted towards the amount of 10% of the share capital.

The sum total of shares sold in accordance with this authorisation to use treasury shares under exclusion of subscription rights must not exceed a pro-rata amount of the share capital of EUR 63,199,408 (in words: sixty-three million one hundred and ninety-nine thousand four hundred and eight Euros) (corresponding to 20% of the current share capital); shares issued during the term of this authorisation from authorised capital under exclusion of subscription rights as well as shares to be issued during the term of this authorisation to service bonds with conversion or warrant rights or (conditional) conversion obligations, shall also be counted towards this limit provided that the bonds are issued under exclusion of subscription rights under the authorisation resolution granted by the Annual General Meeting of 11 May 2017 pursuant to Item 9 lit. a) of the Agenda until 10 May 2022.

b) Cancellation of the authorisation of 29 September 2012

The authorisation to acquire treasury shares resolved by the universal extraordinary general meeting of 29 September 2012 pursuant to Item 3 lit. a) of the agenda is hereby cancelled. The cancellation of the authorisation shall take effect as soon as the authorisation proposed in lit. a) becomes effective.

7. Resolution on the authorisation to use derivatives in connection with the acquisition of treasury shares and cancellation of the existing authorisation

Supplementary to the authorisation to acquire treasury shares pursuant to § 71 (1) No. 8 AktG proposed for adoption by resolution under Item 6 of the Agenda, the Company shall also be authorised to acquire treasury shares by using derivatives. Thereby it is not intended to increase the total volume of shares that can be acquired; it merely opens up further alternative courses of action for acquiring treasury shares. This authorisation is not intended to restrict the Company in any way in its use of derivatives, insofar as such use is legally permissible without authorisation from the Annual General Meeting.

The Board of Management and the Supervisory Board propose to adopt the following resolutions:

a) Authorisation to use derivatives in connection with the acquisition of treasury shares

aa) The acquisition of treasury shares under the authorisation pursuant to Item 6 lit. a) aa) and cc) of the Agenda of this Annual General Meeting is also permitted by using put options, call options, forward transactions or other equity derivatives or a combination of these instruments (hereinafter collectively referred to as “derivatives”).

bb) Derivatives may be used at the discretion of the Board of Management by utilising one of the following options:

(1) The issue or purchase of derivatives may take place via the EUREX derivative exchange or a comparable successor system. In this case the Company shall inform the shareholders of the planned issue or planned purchase of the derivatives by placing an announcement in the Company’s designated publications. Even if the derivatives are issued or purchased at the same time, they may have different exercise prices for different call dates.

- (2) The issue or purchase of derivatives may be concluded with a credit institution or undertakings operating in accordance with § 53 (1) sentence 1 or § 53b (1) sentence 1 or (7) of the German Banking Act (KWG) (hereinafter collectively referred to as “financial institution”) provided that, upon exercise of the derivatives, this financial institution only delivers shares that were previously purchased in compliance with the principle of equal treatment.
- (3) The issue or acquisition of derivatives can be publicly offered to all shareholders or concluded with a financial institution subject to the proviso that the financial institution offers the corresponding derivatives to all shareholders for subscription. The volume of a public offer can be restricted. Insofar as a public offer is oversubscribed, the issue or purchase can take place according to the proportionate shareholdings of the subscribing shareholders relative to each other (shareholding ratios) or according to the proportion of subscriptions (subscription ratios). Furthermore, commercial rounding is permissible to avoid fractions. The purchase offer may provide for additional conditions. All further details will be determined by the Board of Management.

The acquisition of shares through the use of derivatives is limited to a volume of no more than 5% of the current share capital or – if this amount is lower – of the share capital existing at the time of exercise of the authorisation. The term of the derivatives shall not exceed 18 months in each case and shall be so determined that the acquisition of shares through the exercise of the derivatives will take place by 10 May 2022 at the latest.

- cc) The premium paid or received by the Company for the purchase or issue of derivatives must not significantly deviate from the theoretical fair value of the derivative in question calculated using recognised financial mathematical models. The purchase price per share payable upon exercise of the derivatives shall not exceed or fall by more than 10% below the arithmetic mean of the auction closing prices of shares of the relevant class in XETRA trading (or

a functionally comparable successor system to the XETRA system) on the Frankfurt Stock Exchange on the last five exchange trading days before the date on which the relevant transaction is concluded (in each case excluding incidental acquisition costs, but including the premium received or paid).

dd) If treasury shares are acquired using derivatives pursuant to lit. bb) (1) and/or (2), the right of the shareholders to conclude such transactions with the Company is excluded in analogous application of § 186 (3) sentence 4 AktG. Shareholders shall only have a right to tender their shares to the Company insofar as the Company is obligated to purchase such shares under the terms and conditions of the derivative contracts. Any further tender rights are excluded.

ee) The provisions in Item 6 lit. a) bb) to dd) of the Agenda shall apply to the use of treasury shares acquired through the use of derivatives under this authorisation.

b) Cancellation of the authorisation of 29 September 2012

The authorisation to acquire treasury shares using derivatives granted by the universal extraordinary general meeting of 29 September 2012 under Item 3 lit. b) of the agenda is hereby cancelled. The cancellation of the authorisation shall take effect as soon as the authorisation proposed in lit. a) becomes effective.

8. Resolution on the authorisation to issue registered bonds with conditional conversion obligations and with the possibility of excluding subscription rights, on the creation of Contingent Capital I, on the cancellation of the existing Contingent Capital II, as well as on the amendment of the Articles of Association

The authorisation to issue registered bonds as resolved by the universal extraordinary general meeting of 15 May 2012 expires on 14 May 2017. In order to enable the Company to continue to issue registered bonds for another five years, a new authorisation shall be granted cancelling the expiring authorisation. In order to service the registered bonds a

Contingent Capital I is to be created and the existing Contingent Capital II is to be cancelled, and a corresponding amendment of the Articles of Association is to be resolved.

The Board of Management and the Supervisory Board propose to adopt the following resolutions:

a) Authorisation to issue registered bonds with the possibility of excluding subscription rights

aa) Term of the authorisation, nominal amount

The Board of Management shall be authorised, with the prior consent of the Supervisory Board, to issue on one or more occasions until 10 May 2022 registered bonds with a total nominal amount of up to EUR 500,000,000 (in words: five hundred million Euros) with or without limitation of maturity (“registered bonds”) and to impose on the holders of the registered bonds conditional conversion obligations in respect of up to 101,119,057 (in words: one hundred and one million one hundred and nineteen thousand fifty-seven) no-par-value shares of the Company each representing a pro-rata amount of the share capital of EUR 1.25 (in words: one Euro twenty-five Cents), without granting conversion or subscription rights.

The registered bonds may also be issued by a subordinated Group entity of the Company within the meaning of § 18 AktG. In this case, the Board of Management is authorised to guarantee the registered bonds on behalf of the Company and to impose on the holders of the registered bonds conditional conversion obligations in respect of the Company’s no-par-value shares.

bb) Exclusion of subscription rights

The Board of Management shall be authorised, with the prior consent of the Supervisory Board, to completely exclude the shareholders’ subscription rights to the registered bonds.

cc) Conditional conversion obligation

The holders of the registered bonds are obliged to convert their registered bonds if the following conditions precedent are fulfilled:

- (1) (A) The Company's Annual General Meeting has adopted a resolution on the increase of the Company's share capital or (B) the Company's Board of Management has, where required with the consent of the Supervisory Board, adopted a resolution on the use of authorised capital of the Company to issue new shares, in each case against contributions and the granting of subscription rights to the Company's shareholders ("capital increase");
- (2) the holders of the registered bonds have waived their subscription rights in respect of the new shares from the capital increase to the extent that they receive Company shares for the conditional mandatory conversion of the registered bonds issued;
- (3) the subscription price for the shares obtained by the Company's shareholders (with the exception of the bondholders) when exercising the subscription right has been fixed;
- (4) the implementation (whether in whole or in part) of the capital increase in respect of the shares subscribed for by the Company's shareholders (with the exception of the bondholders) has been entered in the commercial register of the Company; and
- (5) the capital to be converted under the registered bonds is still outstanding at the time the capital increase becomes effective and is not due for repayment

If – in case of the full conversion of all registered bonds outstanding – the holders of the registered bonds would receive shares in the Company in a number that exceeds the number of shares that they would be able to obtain based on their subscription rights under the capital increase, the conversion will only be implemented to such extent that the number of Company shares to be delivered

under the conversion equals the number of Company shares that shareholders would obtain under their subscription rights.

If and to the extent that, following a mandatory conversion, registered bonds continue to exist, the bondholders are obliged to convert the remaining registered bonds in accordance with the aforesaid conditions when (and as soon as) the conditions are again fulfilled.

All further details will be determined by the Board of Management.

dd) Conversion ratio

The number of shares to be delivered to the bondholders as a result of the conversion (conversion ratio) will be calculated by dividing the nominal amounts of the registered bonds to be converted by the subscription price determined by the Company in the course of the capital increase in respect of the shares obtained by the Company's shareholders (with the exception of the bondholders); the number of shares to be delivered will be limited to the number of Company shares that the bondholders could have obtained based on their subscription rights under the capital increase if they had not waived their subscription rights in this respect.

ee) Further provisions

The terms and conditions of the bonds may provide that, at the option of the Company, the registered bonds, instead of being converted into (new) shares issued from contingent capital, may be converted at the Company's discretion into already existing shares of the Company.

If, in the mandatory conversion the number of shares of the Company available to be issued from contingent capital does not suffice to deliver a number of Company shares that equals the number of shares available to be delivered under the subscription right, the registered bonds will only be converted to the extent shares from

contingent capital are available. The bondholders are entitled to demand redemption of all or some of the registered bonds that have not (or not completely) been converted for this reason for immediate repayment. The bondholders have the choice, when exercising their subscription rights, either (i) to contribute the repayment claim for all registered bonds called and declared due and payable up to the amount which is required for obtaining the shares to which the bondholder is entitled, by way of a contribution in kind, or (ii) to contribute the corresponding amount as a cash contribution. The bondholders will be entitled to exercise their subscription rights against a cash contribution also to the extent that the value of the repayment claims contributed as a contribution in kind under (i) does not suffice to exercise all subscription rights to which the bondholders are entitled. Any interest claims accrued on the registered bonds will not be contributed and are payable upon maturity of the registered bonds.

The Board of Management is authorised to determine the further details of the issue and structure of the registered bonds, in particular interest rate, issue price and denomination.

b) Creation of Contingent Capital I

Contingent Capital I will be created in order to service the registered bonds issued on the basis of the aforementioned authorisation under lit. a).

The share capital will be increased contingently by up to EUR 126,398,821.25 (in words: one hundred and twenty-six million three hundred and ninety-eight thousand eight hundred and twenty-one Euros and twenty-five Cents) by issuing up to 101,119,057 (in words: one hundred and one million one hundred and nineteen thousand and fifty-seven) new no-par-value shares of the Company each representing a pro-rata amount of the share capital of EUR 1.25 (in words: one Euro twenty-five Cents) (Contingent Capital I). The type of the no-par-value new shares will correspond to the type of share existing at the time the shares are issued. The contingent capital

increase serves the purpose of granting no-par-value shares to the holders of registered bonds that are issued by the Company or a subordinated Group entity within the meaning of § 18 AktG on the basis of the aforementioned authorisation under lit. a) until 10 May 2022 against cash contribution upon fulfilment of the conditional conversion obligations. The new shares will be issued in accordance with the conversion ratio to be determined as set forth in the aforementioned authorisation resolution.

The contingent capital increase will only be implemented in case of the issuance of registered bonds under the authorisation resolution in lit. a) of this Item of the Agenda of the Annual General Meeting on 11 May 2017 and only insofar as the holders of registered bonds who are obliged to convert their bonds fulfil their conversion obligations. The new shares will belong to the same class as the shares issued to investors in the context of the respective capital increase.

The Board of Management is authorised to determine the further details for the implementation of the contingent capital increase.

The Supervisory Board is authorised to make adjustments to the wording of § 5 and § 6 of the Articles of Association to reflect the relevant issue of shares subscribed under the subscription right and to make all other adjustments of the Articles of Association relating thereto that only concern the wording. This shall apply mutatis mutandis in the case of the non-utilisation of the authorisation to issue registered bonds after expiry of the authorisation period.

c) Amendment of the Articles of Association

The following § 6 (1) will be newly inserted into the Articles of Association and the existing § 6 (1) will be cancelled:

“(1) The share capital will be increased contingently by up to EUR 126,398,821.25 (in words: one hundred and twenty-six million three hundred and ninety-eight thousand eight hundred and twenty-one Euros and twenty-five Cents), divided into up to 101,119,057 (in words: one hundred and one million one hundred and nineteen thousand

and fifty-seven) no-par-value shares each representing a pro-rata amount of the share capital of EUR 1.25 (in words: one Euro twenty-five Cents) (Contingent Capital I). The type of the no-par-value shares will correspond to the type of shares existing at the time the shares are issued. The contingent capital increase will only be implemented to the extent that holders of registered bonds issued or guaranteed by the Company or a subordinated Group entity within the meaning of § 18 AktG until 10 May 2022 under the authorisation resolution under Item 8 lit. a) of the Agenda of the Annual General Meeting of 11 May 2017, who are obligated to convert their registered bonds issued against cash contribution fulfil their conversion obligations. The new shares will be issued in accordance with the conversion ratio to be determined as set forth in the aforementioned authorisation resolution. The Board of Management is authorised to determine the further details for the implementation of the contingent capital increase.”

d) Cancellation of the existing Contingent Capital II created on 15 May 2012

The resolution to authorise the issuance of registered bonds and the exclusion of subscriptions rights, as well as to create a Contingent Capital II adopted by the universal extraordinary general meeting of 15 May 2012 is hereby cancelled. The cancellation of the resolution shall take effect as soon as the authorisation proposed under lit. a), the creation of the Contingent Capital I proposed under lit. b) and the amendment of the Articles of Association proposed under lit. c) have become effective.

9. Resolution on the authorisation to issue bonds (convertible bonds and warrant bonds), participating bonds as well as profit-sharing rights with the possibility of attaching conversion or warrant rights or (conditional) conversion obligations and the possibility of excluding subscription rights, on the cancellation of the existing authorisations, on the creation of Contingent Capital II, on the cancellation of the existing Contingent Capital III, as well as on the amendment of the Articles of Association

The authorisations to issue bonds, participating bonds as well as profit-sharing rights as resolved by the universal extraordinary general meeting of 28 August 2012 expire on 27 August 2017. In order to enable the Company to continue to issue bonds, participating bonds as well as profit-sharing rights for another five years, a new authorisation is to be granted cancelling the expiring authorisations.

The Board of Management and the Supervisory Board propose to adopt the following resolutions:

a) Authorisation to issue bonds (convertible bonds and warrant bonds), participating bonds as well as profit-sharing rights

aa) Authorisation, volume, nominal amount, term

The Board of Management is authorised, with the consent of the Supervisory Board and in accordance with the following conditions, to issue on one or more occasions until 10 May 2022 bonds (convertible bonds and warrant bonds), participating bonds and/or profit-sharing rights to each of which conversion or warrant rights or (conditional) conversion obligations may be attached (the aforementioned bonds, participating bonds as well as profit-sharing rights are hereinafter jointly referred to as “bonds”) with a total nominal amount of up to EUR 500,000,000 (in words: five hundred million Euros) with an unlimited maturity period or a limited maturity period of up to 30 years.

The bonds may also be issued against consideration in kind provided that the value of the consideration in kind corresponds to the issue price. Furthermore, in compliance with the permitted total nominal amount, the bonds may be issued not only in Euros but also in the legal currency of any OECD country. The bonds may be issued as bearer or as registered bonds, and they may also be issued by Group entities of the Company within the meaning of § 18 AktG; in the latter case, the Board of Management shall be authorised, with the consent of the Supervisory Board, to guarantee the bonds on behalf of the Company and to grant warrant or conversion rights on the Company’s shares to the holders of such bonds.

bb) Granting of conversion or warrant rights or (conditional) conversion obligations, antidilution provisions

The bonds may, also to the extent that they are issued by Group entities of the Company within the meaning of § 18 AktG, be issued with conversion or warrant rights or (conditional) conversion obligations attached in respect of up to 25,279,760 (in words: twenty-five million two hundred and seventy-nine thousand seven hundred and sixty) new no-par-value shares of the Company each representing a pro-rata amount of the share capital of EUR 1.25 (in words: one Euro twenty-five Cents).

In the event that the bonds have been combined with conversion or warrant rights or (conditional) conversion obligations on the Company's shares, the conversion or subscription price per share to be fixed in each case shall correspond to at least 80% of the arithmetic mean of the auction closing prices of shares of the relevant class in XETRA trading (or a functionally comparable successor system to the XETRA system) on the Frankfurt Stock Exchange during the last ten exchange trading days prior to the date when the Board of Management's resolution regarding the issue of the bonds is adopted. In the case of subscription rights trading, the relevant days are the days until the last exchange trading day prior to the announcement of the conversion or subscription price on which the subscription rights are traded, unless the Board of Management finally determines the conversion or subscription price already prior to the commencement of subscription rights trading.

If the bonds issued by the Company have conversion or warrant rights or (conditional) conversion obligations in respect of the Company's shares attached and if, during the term of these bonds, the Company increases the share capital granting its shareholders a subscription right or if it issues additional bonds with conversion or warrant rights or (conditional) conversion obligations in respect of the Company's shares without also granting, at the same time, to the holders of the bonds issued in accordance with this resolution the subscription right to which they would have been entitled upon

exercise of their conversion or warrant right or upon fulfilment of their (conditional) conversion obligations, if any, the conversion or subscription price determined in each case shall be reduced notwithstanding § 9 (1) AktG in accordance with the further terms and conditions of the bonds in question (antidilution provision).

The proportional amount of the share capital represented by the shares to be subscribed for under each bond shall not, under any circumstances, exceed the nominal amount of the bond.

cc) Subscription right, exclusion of subscription rights

Upon issue of the bonds, the shareholders are entitled to a subscription right. The bonds may also be offered to a third party including a bank or group of banks, with the obligation to offer the bonds for subscription to the shareholders. However, the Board of Management is authorised, with the consent of the Supervisory Board, to exclude the subscription right of the shareholders

(1) in order to offer the bonds that have conversion or warrant rights or (conditional) conversion obligations on Company's shares attached to individual investors for subscription against cash payment, provided the proportion of shares to be issued under the bonds does not exceed 10% of the current share capital or – if this amount is lower – of the share capital existing when the resolution regarding the exercise of the authorisation is adopted and provided the issue price does not significantly fall below the theoretical fair value of the bonds calculated using recognised financial mathematical models. The amount attributable to shares that were issued or sold during the term of this authorisation on the basis of a corresponding authorisation under exclusion of subscription rights in direct or analogous application of § 186 (3) sentence 4 AktG shall be counted towards the amount of 10% of the share capital;

(2) in order to exempt fractional amounts from subscription;

- (3) insofar as this is necessary in order to grant holders of instruments with conversion or warrant rights or (conditional) conversion obligations, that were issued by the Company or by Group entities of the Company within the meaning of § 18 AktG in respect of the Company's shares a subscription right to the bonds in the same amount in which they would be entitled to a subscription right for shares of the Company upon exercise of the warrant or conversion right or fulfilment of any (conditional) conversion obligation, or
- (4) if the bonds are issued against contributions in kind and the exclusion of subscription rights is in the overriding interest of the Company.

The sum total of shares to be issued under bonds issued in accordance with this authorisation under exclusion of subscription rights must not exceed a pro-rata amount of the share capital of EUR 63,199,408 (in words: sixty-three million one hundred and ninety-nine thousand four hundred and eight Euros) (corresponding to 20% of the current share capital); shares issued during the term of this authorisation from authorised capital under exclusion of subscription rights as well as shares sold during the term of this authorisation on the basis of an authorisation to use treasury shares pursuant to § 71 (1) No. 8 sentence 5 AktG under exclusion of subscription rights shall also be counted towards this limit.

dd) Further terms and conditions of the bonds

The Board of Management is authorised to determine the further details of the issue and structure of the bonds, in particular the issue price, denomination, term, amount of annual coupon payment, redemption, and participation in the distribution of the profit and the liquidation proceeds, as well as, where bonds are issued with conversion or warrant rights, the exercise periods and any (conditional) conversion obligations, the adjustment of the (where applicable variable) conversion/subscription price, the conditions for conversion into shares (including any cash payments by the

Company or the holder of the bonds in addition to or in lieu of conversion), as well as the details of the delivery of the shares (including the question whether treasury shares and/or new shares from capital increases are to be used), and, especially, those details necessary to ensure that the bonds qualify as equity within the meaning of § 89 of the German Insurance Supervision Act (VAG) (or any successor rules) or within the meaning of the so-called Solvency II Directive (Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009) and related transposition measures adopted at national level or by the European Union as amended from time to time.

b) Cancellation of the authorisations of 28 August 2012

The authorisations to issue bonds and to exclude subscription rights, to issue participating bonds with the possibility of attaching conversion or warrant rights, and to exclude the warrant right as well as to issue profit-sharing rights with the possibility of attaching conversion or warrant rights, and to exclude the warrant right, which authorisations were resolved by the universal extraordinary general meeting of 28 August 2012 pursuant to Items 1, 2 and 3 of the agenda are cancelled. The cancellation of the authorisations shall take effect as soon as the authorisation proposed under lit. a) has become effective.

c) Creation of Contingent Capital II

Contingent Capital II is created in order to service the bonds (convertible bonds and warrant bonds) and participating bonds as well as profit-sharing rights with the possibility of attaching conversion or warrant rights or (conditional) conversion obligations, issued on the basis of the authorisation proposed above under Item 9 lit. a) of the Agenda.

The share capital will be increased contingently by up to EUR 31,599,700 (in words: thirty-one million five hundred and ninety-nine thousand seven hundred Euros) by issuing up to 25,279,760

(in words: twenty-five million two hundred and seventy-nine thousand seven hundred and sixty) new no-par-value shares each representing a pro-rata amount of the share capital of EUR 1.25 (in words: one Euro twenty-five Cents) (Contingent Capital II). The type of the no-par-value shares will correspond to the type of shares existing at the time the shares are issued. The contingent capital increase serves the purpose of granting no-par-value shares to the holders of bonds (convertible bonds and warrant bonds) and participating bonds as well as profit-sharing rights with conversion or warrant rights or (conditional) conversion obligations (attached) that will be issued by the Company or its subordinated Group entities within the meaning of § 18 AktG until 10 May 2022 on the basis of the authorisation resolution adopted by the Annual General Meeting of 11 May 2017 pursuant to Item 9 lit a) of the Agenda. The new shares are to be issued at the price that is determined as the conversion or subscription price in accordance with the aforementioned authorisation resolution.

The contingent capital increase shall only be implemented if bonds are issued in accordance with the aforementioned authorisation resolution of the Annual General Meeting of 11 May 2017 and only insofar as the holders of bonds with conversion or warrant rights or (conditional) conversion obligations (attached), who are obliged or entitled to convert their bonds, exercise their conversion or warrant rights or fulfil their (conditional) conversion obligations, if any, and to the extent that no shares that are already existing are used for servicing the bonds.

The Board of Management is authorised to determine the further details for the implementation of the contingent capital increase.

The Supervisory Board is authorised to make adjustments to the wording of § 5 and § 6 of the Articles of Association to reflect the respective issue of shares subscribed under the subscription right and to make all other adjustments of the Articles of Association relating thereto that only concern the wording. This shall apply mutatis mutandis in the case of the non-utilisation of the authorisation

to issue bonds with conversion or warrant rights or (conditional) conversion obligations (attached) after expiry of the authorisation.

d) Amendment of the Articles of Association

The following § 6 (2) will be newly inserted into the Articles of Association and the existing § 6 (2) will be cancelled:

“(2) The share capital will be increased contingently by up to EUR 31,599,700 (in words: thirty-one million five hundred and ninety-nine thousand seven hundred Euros), divided into up to 25,279,760 (in words: twenty-five million two hundred and seventy-nine thousand seven hundred and sixty) no-par-value shares each representing a pro-rata amount of the share capital of EUR 1.25 (in words: one Euro twenty-five Cents) (Contingent Capital II). The type of the no-par-value shares will correspond to the type of shares existing at the time the shares are issued. The contingent capital increase serves the purpose of granting no-par-value shares to the holders of bonds (convertible bonds and warrant bonds) and participating bonds as well as profit-sharing rights with conversion or warrant rights or (conditional) conversion obligations (attached) that are issued by the Company or its subordinated Group entities within the meaning of § 18 AktG until 10 May 2022 on the basis of the authorisation of the Annual General Meeting of 11 May 2017 under Item 9 lit a) of the Agenda. The new shares are to be issued at the price that is determined as the conversion or subscription price in accordance with the aforementioned authorisation resolution. The contingent capital increase shall only be implemented if bonds (convertible bonds and warrant bonds) and participating bonds as well as profit-sharing rights with conversion or warrant rights or (conditional) conversion obligations (attached) are issued in accordance with the aforementioned authorisation resolution of the Annual General Meeting of 11 May 2017 and only insofar as the holders of bonds (convertible bonds and warrant bonds) and participating bonds as well as profit-sharing rights with conversion or warrant rights or (conditional) conversion obligations (attached), who are obliged or entitled to convert their bonds, exercise their conversion or warrant rights or fulfil their (conditional) conversion

obligations, if any, and to the extent that no shares that are already existing are used for servicing the bonds. The Board of Management is authorised to determine the further details for the implementation of the contingent capital increase.”

e) Cancellation of the existing Contingent Capital III of 28 August 2012

The resolution on the creation of Contingent Capital III adopted by the universal extraordinary general meeting of 28 August 2012 pursuant to Item 4 of the Agenda is cancelled. The cancellation of the resolution shall take effect as soon as the creation of the Contingent Capital II proposed under lit. c) and the amendment of the Articles of Association proposed under lit. d) have become effective.

10. Resolution on the renewal of the authorised capital with the authorisation to exclude subscription rights and the corresponding amendment of the Articles of Association

The Board of Management and the Supervisory Board propose that the authorised capital be renewed and the following resolutions be adopted:

a) Authorisation to renew the authorised capital

The Board of Management is authorised, with the consent of the Supervisory Board, to increase the share capital until 10 May 2022 on one or more occasions but, in aggregate, by no more than EUR 157,998,521.25 (in words: one hundred and fifty-seven million nine hundred and ninety-eight thousand five hundred and twenty-one Euros and twenty-five Cents) by issuing up to 126,398,817 (in words: one hundred twenty-six million three hundred and ninety-eight thousand eight hundred and seventeen) new registered no-par-value shares each representing a pro-rata amount of the share capital of EUR 1.25 (in words: one Euro twenty-five Cents) against cash and/or contributions in kind (Authorised Capital).

The Board of Management 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 in order to grant the holders of warrants, convertible bonds and warrant bonds, participating bonds as well as profit-sharing rights – that were issued by the Company or its subordinated Group entities within the meaning of § 18 AktG – a subscription right to new shares in the same amount in which they would be entitled to subscribe for shares upon exercise of their conversion or warrant right or fulfilment of any (conditional) conversion obligation, or
- if the pro-rata amount of the share capital attributable 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 the exercise of the authorisation, and provided the issue price is not significantly lower than the stock exchange price. The amount attributable to shares that are issued or sold on the basis of a corresponding authorisation under exclusion of subscription rights in direct or analogous application of § 186 (3) sentence 4 AktG shall be counted towards the amount of 10% of the share capital.

In addition, the Board of Management shall be authorised, with the consent of the Supervisory Board, to exclude subscription rights in the case of capital increases against contributions in kind if the exclusion of subscription rights is in the overriding interest of the Company.

The sum total of shares that may be issued against cash and contributions in kind in accordance with this authorisation and under exclusion of subscription rights must not exceed a pro-rata amount of the share capital of EUR 63,199,408 (in words: sixty-three million one hundred and ninety-nine thousand four hundred and eight Euros) (corresponding to 20% of the current share capital); shares issued during the term of this authorisation in order to service bonds with conversion or warrant rights or (conditional) conversion

obligations, provided that the bonds are issued under exclusion of subscription rights during the term of this authorisation until 10 May 2022 on the basis of the authorisation resolution of the Annual General Meeting of 11 May 2017 pursuant to Item 9 lit. a) of the Agenda as well as shares sold during the term of this authorisation on the basis of an authorisation to use treasury shares pursuant to § 71 (1) No. 8 sentence 5 AktG under exclusion of subscription rights shall also be counted towards this limit.

The Board of Management is also authorised, with the consent of the Supervisory Board, to determine the further content of the rights attached to the shares and the conditions for the issuance of the shares.

b) Amendment of the Articles of Association

The following § 7 (1) will be newly inserted into the Articles of Association and the existing § 7 (1) will be cancelled:

“(1) The Board of Management is authorised, with the consent of the Supervisory Board, to increase the share capital until 10 May 2022 on one or more occasions but, in aggregate, by no more than EUR 157,998,521.25 (in words: one hundred fifty-seven million nine hundred and ninety-eight thousand five hundred and twenty-one Euros and twenty-five Cents) by issuing up to 126,398,817 (in words: one hundred and twenty-six million three hundred and ninety-eight thousand eight hundred and seventeen) new registered no-par-value shares each representing a pro-rata amount of the share capital of EUR 1.25 (in words: one Euro twenty-five Cents) against cash and/or contributions in kind (Authorised Capital).

The Board of Management 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 in order to grant the holders of warrants, convertible bonds and warrant bonds, participating bonds as well as profit-sharing rights – that were issued by the Company or its subordinated Group entities within the meaning of § 18 AktG – a subscription right to new shares in the same amount in which they would be entitled to subscribe for shares upon exercise of their conversion or warrant right or fulfilment of any (conditional) conversion obligation, or
- if the pro-rata amount of the share capital attributable 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 the exercise of the authorisation, and provided the issue price is not significantly lower than the stock exchange price. The amount attributable to shares that are issued or sold on the basis of a corresponding authorisation under exclusion of subscription rights in direct or analogous application of § 186 (3) sentence 4 AktG shall be counted towards the amount of 10% of the share capital.

In addition, the Board of Management shall be authorised, with the consent of the Supervisory Board, to exclude subscription rights in the case of capital increases against contributions in kind if the exclusion of subscription rights is in the overriding interest of the Company.

The sum total of shares that may be issued against cash and contributions in kind in accordance with this authorisation and under exclusion of subscription rights must not exceed a pro rata amount of the share capital of EUR 63,199,408 (in words: sixty-three million one hundred and ninety-nine thousand four hundred and eight Euros) (corresponding to 20% of the current share capital); shares issued during the term of this authorisation in order to service bonds with conversion or warrant rights or (conditional) conversion obligations, provided that the bonds are issued under exclusion of subscription rights during the term of this authorisation until 10 May 2022 on the basis of the authorisation resolution of the Annual

General Meeting of 11 May 2017 pursuant to lit. a) of Item 9 of the Agenda as well as shares sold during the term of this authorisation on the basis of an authorisation to use treasury shares pursuant to § 71 (1) No. 8 sentence 5 AktG under exclusion of subscription rights shall also be counted towards this limit.

The Board of Management is also authorised, with the consent of the Supervisory Board, to determine the further content of the rights attached to the shares and the conditions for the issuance of the shares.”

11. Resolution on the possibility to use a portion of the Authorised Capital to issue shares to employees of the Company or of Group entities and on the corresponding amendment of the Articles of Association

The Board of Management and the Supervisory Board propose that the authorisation in § 7 (2) of the Articles of Association regarding the use of a portion of the Authorised Capital be renewed and that the following resolutions be adopted:

a) Authorisation to use the Authorised Capital to issue shares to employees of the Company

The Board of Management is authorised, with the consent of the Supervisory Board, to use an amount of up to EUR 1,000,000 (in words: one million Euros) of the Authorised Capital proposed under Item 10 of the Agenda for the issuance of up to 800,000 (in words: eight hundred thousand) new registered no-par-value shares each representing a pro-rata amount of the share capital of EUR 1.25 (in words: one Euro twenty-five Cents) as employee shares. For this purpose, the Board of Management 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 who are in an employment relationship with the Company or one of its Group entities within the meaning of § 18 AktG. This authorisation may be exercised on one or more occasions, subject, however, to the maximum amount defined in sentence 1.

b) Amendment of the Articles of Association:

The following § 7 (2) will be newly inserted into the Articles of Association and the existing § 7 (2) will be cancelled:

“(2) The Board of Management is authorised, with the consent of the Supervisory Board, to use an amount of up to EUR 1,000,000 (in words: one million Euros) of the Authorised Capital existing pursuant to Paragraph (1) for the issuance of up to 800,000 (in words: eight hundred thousand) new registered no-par-value shares each representing a pro-rata amount of the share capital of EUR 1.25 (in words: one Euro twenty-five Cents) as employee shares. For this purpose, the Board of Management 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 who are in an employment relationship with the Company or one of its Group entities within the meaning of § 18 AktG. This authorisation may be exercised on one or more occasions, subject, however, to the maximum amount defined in sentence 1.”

Reports of the Board of Management to the Annual General Meeting

Report of the Board of Management to the Annual General Meeting on Items 6 and 7 of the Agenda pursuant to § 71 (1) No. 8 sentence 5 in conjunction with § 186 (4) sentence 2 AktG

Under Items 6 and 7 of the Agenda, it is proposed to the Annual General Meeting that the Company be authorised for a period of five years until 10 May 2022 to acquire treasury shares up to a total amount of 10% of the current share capital or – if this amount is lower – the share capital existing at the time of exercise of the authorisation. The Company last adopted an authorisation resolution for the acquisition of treasury shares at the universal extraordinary general meeting of 29 September 2012. This authorisation expires on 28 September 2017. The Board of Management and the Supervisory Board request the shareholders of the Company under Items 6 and 7 of the Agenda to resolve on a new authorisation.

Options for the acquisition of treasury shares

Under Item 6 of the Agenda, the Company is to be enabled to acquire treasury shares via the stock exchange, via a public purchase offer to all shareholders, via a public solicitation to all shareholders to submit sales offers or otherwise in compliance with the principle of equal treatment (§ 53a AktG) thus increasing the Company's flexibility. In addition, in these cases shareholders who are willing to sell can decide for themselves how many shares and, if a price range has been determined, at what price they wish to offer shares to the Company.

If shares are acquired via a public purchase offer or via a public solicitation to submit sales offers, the volume of the offer or the volume of the solicitation to submit offers may be limited. If such a public offer or such a public solicitation to submit offers is oversubscribed, the Company shall take account of the principle of equal treatment of shareholders by means of a pro-rata allotment of shares either according to the shareholding ratio of the tendering shareholders or according to the ratio of offered shares (tender ratio). In order to avoid minor remainders of shares and also to prevent any de facto discrimination of minority shareholders, the Board of Management is to be enabled, with the consent of the Supervisory Board, to make provision for preferential acceptance of small tenders of up to 100 shares. In addition, commercial rounding is permitted to avoid fractional

shares. This simplification of the process justifies exclusion of any further tender rights and is appropriate to the shareholders.

If the purchase of shares takes place in other ways, any tender right of the shareholders can be excluded for factual reasons by analogous application of § 186 (3) and (4) AktG. Such purchase under exclusion of the tender right is permitted if it serves a purpose that is in the prevailing interest of the Company and suitable and required to achieve this purpose. This will specifically be the case if the purchase via the stock exchange or a public purchase offer to all shareholders or a public solicitation to all shareholders to submit sales offers is unsuitable to achieve this purpose, or too extensive, too slow or otherwise – also taking into account the shareholders' interests – disproportionate. This does not result in any disadvantages for the shareholders if the purchase is in the interest of the Company and – also taking into account the shareholders' interests – reasonable.

Item 7 of the Agenda further provides that the acquisition of treasury shares may also take place using put options or call options, forward transactions or other equity derivatives or a combination of these instruments. This additional alternative course of action offers the Company greater flexibility in structuring the acquisition. For example, the Company can protect itself against rising share prices by purchasing call options (the use of which requires payment of an option premium) and thus only needs to acquire the number of shares that it actually needs at the agreed later exercise date. This may be reasonable with a view to preserving liquidity when acquiring treasury shares.

In this context, the provisions that govern the structuring of the derivatives and define the shares which are suitable for delivery ensure that the Company observes the principle of equal treatment of shareholders under this form of acquisition, too.

Accordingly, the issue or purchase of derivatives via the EUREX derivatives exchange or a comparable successor system shall be possible if the Company informs the shareholders of the planned issue or planned purchase of derivatives by placing an announcement in the Company's designated publications. In accordance with the legal assessment of § 71 (1) No. 8 sentence 4 AktG, such utilisation of a stock exchange takes account of the principle

of equal treatment of shareholders. In addition, the prior announcement gives shareholders the opportunity to purchase or sell corresponding derivatives via the relevant derivatives exchange. Any right of shareholders to conclude derivatives transactions directly with the Company is excluded in this case in analogous application of § 186 (3) sentence 4 AktG. This exclusion is justified because the Company is able, on the basis of the high liquidity of exchange-traded derivatives, to use such derivatives quickly, flexibly and cost-effectively when they are purchased through a stock exchange. By comparison, the conclusion of derivatives transactions directly with shareholders is considerably more time-consuming and cost-intensive. Moreover, it is uncertain in this case whether a derivatives volume as desired by the Company can be reached at all.

Furthermore, the Company is to be enabled to conclude derivatives transactions with one or more credit institution(s) or undertakings operating in accordance with § 53 (1) sentence 1 or § 53b (1) sentence 1 or (7) KWG. On the basis of the derivatives, they may only deliver those shares to the Company that were previously purchased compliant with the principle of equal treatment, in particular via purchase on the stock exchange. This requirement justifies the exclusion of any right on the part of shareholders to conclude a derivatives contract with the Company in analogous application of § 186 (3) sentence 4 AktG. This enables the Company to effect derivatives transactions at short notice and to respond flexibly and quickly to market situations.

Lastly, the Company is to be enabled to publicly offer the issue or purchase of derivatives to all shareholders or to conclude the issue or purchase of derivatives with a financial institution subject to the proviso that this institution offers the corresponding derivatives to all shareholders for subscription. If a public offer is oversubscribed, the Company shall take account of the principle of equal treatment of shareholders by means of a pro-rata allotment of shares either according to the shareholding ratio of the tendering shareholders or according to the tender ratio; furthermore, commercial rounding is permitted to avoid fractional amounts.

When treasury shares are acquired using derivatives, shareholders have a right to tender their shares to the Company only insofar as the Company is obligated to purchase shares from them under the derivatives

transactions. Any further tender rights are excluded in analogous application of § 186 (3) sentence 4 AktG. This is justified because, otherwise, the planned use of derivatives would not be possible for the Company, and the benefits associated with this use for the Company and thus for its shareholders could not be achieved.

Options for the use of treasury shares

With regard to the possible intended uses, Item 6 of the Agenda proposes that the Board of Management should be empowered, with the consent of the Supervisory Board, to use treasury shares acquired on the basis of this or a previous authorisation for all legally permissible purposes, and in particular as follows:

It shall be possible to redeem the shares without a further resolution of the General Meeting. In this context, the Board of Management shall be able to provide that the redemption shall not result in a reduction of the share capital, but instead that the proportionate amount of the remaining shares in the share capital shall increase. The Board of Management shall only avail itself of these options if, after having carefully considered the matter, it is of the opinion that the redemption is in the interest of the Company and thus also of its shareholders.

The Company shall also be able to sell treasury shares in order to raise fresh capital. Thus, the Board of Management is to be empowered to offer the shares for purchase via the stock exchange or via a public offer to all shareholders. The equal treatment of shareholders is safeguarded by ensuring that shares are only sold to the shareholders according to the existing shareholding ratios. The Board of Management is entitled to facilitate technical implementation through the exclusion of the subscription right for fractional amounts. Such fractional amounts are normally of small value to the individual shareholder and the possible dilution effect is normally marginal, too, because of its limitation to fractional amounts. The Company shall strive to utilise free fractional amounts in the best interests of the shareholders.

The authorisation further provides for the sale of shares other than via the stock exchange under exclusion of the subscription right in analogous application of § 186 (3) sentence 4 AktG. This is conditional upon the

shares being sold for cash payment at a price which is not substantially less than the stock exchange price of the Company's shares at the time of sale. This takes account of the need to protect the shareholders against economic dilution. The Board of Management will determine the placement price of the shares with the consent of the Supervisory Board shortly before sale and keep any potential discount on the stock exchange price as low as possible accounting for the market conditions prevailing at the time of placement. The shares placed under exclusion of the subscription right may not in total exceed 10% of the current share capital or – if this amount is lower – the share capital existing at the time of exercise of the authorisation. The amount attributable to shares that were issued or sold during the period of the authorisation on the basis of a corresponding authorisation under exclusion of the subscription right in direct or analogous application of § 186 (3) sentence 4 AktG shall be counted towards the amount of 10% of the share capital. Irrespective of whether corresponding authorisations with the option of excluding subscription rights are used individually or cumulatively, the overall limit of 10% of the share capital pursuant to § 186 (3) sentence 4 AktG must not be exceeded. The various proposed authorisations and the authorisations included in the Articles of Association with the possibility of excluding the subscription right pursuant to § 186 (3) sentence 4 AktG are intended to enable the Board of Management to select the financing instrument best suited to the interests of the Company and the shareholders in the specific situation.

The possibility of excluding the subscription right provided by law enables the Board of Management to act quickly, flexibly and cost-effectively on opportunities presented by the stock market without necessitating the time-consuming and cost-intensive settlement of subscription rights. This facilitates the optimisation of rapid capital procurement for the Company, especially because experience shows that the opportunity to act more quickly results in a larger cash inflow. For this reason, the use of treasury shares in this way is also in the interest of the shareholders. The shareholders can maintain their shareholding ratio via purchases on the stock exchange.

It is further envisaged that the Board of Management is to be able to offer and transfer treasury shares against contributions in kind. This applies, in particular, in the context of mergers or acquisitions of companies,

parts of companies or interests in companies. This will give the Board of Management the necessary discretionary powers to be able to respond to opportunities for the acquisition of other companies, interests in companies or parts of companies swiftly, flexibly, and without placing a strain on liquidity in order to enhance its competitive position and profitability. In such instances, the sellers frequently insist on receiving a consideration in a form other than cash or cash only. Offering shares instead of or in addition to a cash contribution may constitute an interesting alternative. This option creates extra flexibility and improves the Company's chances when seeking to make acquisitions. Both the authorisation to make an issue against contributions in kind and the exclusion of subscription rights in this regard shall, however, only be used if the acquisition of the object in question is in the overriding interest of the Company and acquisition by other means, especially by way of purchase, is legally or de facto impossible or possible only on less favourable terms. In such instances, the Company will nevertheless always examine whether an equally appropriate means of acquiring the object is available, the effects of which interfere less markedly with the position of the shareholders. The Board of Management shall further take account of the interests of the shareholders by carefully examining whether the value of the contribution in kind is reasonably proportionate to the value of the shares.

The authorisation also provides for treasury shares to be used under exclusion of the subscription right for servicing rights or obligations to acquire shares of the Company deriving from or in connection with bonds (convertible bonds and warrant bonds), participating bonds as well as profit-sharing rights issued by the Company or one of its Group entities within the meaning of § 18 AktG. The shares used under exclusion of the subscription right must not in total exceed 10% of the current share capital or – if this amount is lower – the share capital existing at the time of exercise of the authorisation. The amount attributable to shares that were issued or sold during the term of the authorisation on the basis of a corresponding authorisation under exclusion of the subscription right in direct or analogous application of § 186 (3) sentence 4 AktG shall be counted towards the amount of 10% of the share capital. Such a buy-back may be expedient in order to be able to fulfil obligations from the bonds using treasury shares. It should be considered in this regard that – subject to the adoption of resolutions to the contrary by the Annual General Meeting –

the bonds themselves may only be issued observing the subscription right of shareholders. The subscription right of shareholders is therefore either indirectly safeguarded or excluded on the basis of a corresponding authorisation that is adopted separately. Such separate authorisations, on which the Board of Management reports separately, are proposed to be resolved by the Annual General Meeting under Items 8 and 9 of the Agenda.

Lastly, it shall be possible to offer or transfer shares under employee participation programmes to persons who are in an employment relationship with the Company or one of its Group entities within the meaning of § 18 AktG. In this context, it may make sense economically to use treasury shares instead of a capital increase. The exclusion of the subscription rights of shareholders required in this regard is justified by the benefits that an employee participation programme offers to the Company and hence also to its shareholders. The issuing of shares to employees is considered by the Board of Management and the Supervisory Board as an important instrument for promoting long-term employee loyalty and is therefore of particular interest to the Company. In addition, the granting of employee shares as a form of remuneration is tax-privileged through tax allowances.

By means of the authorisations requested under Items 6 and 7 of the Agenda, the Company is to be permitted to exclude the subscription right in certain cases mentioned above to the extent this should be necessary in the overriding interest of the Company. This possibility is, however, subject to a limitation in order to prevent potential dilution of the shareholders excluded from subscription rights. The sum total of shares that may be sold under the authorisation to use treasury shares under exclusion of subscription rights must not exceed a pro-rata amount of the share capital of EUR 63,199,408 (corresponding to 20% of the current share capital). Shares issued out of authorised capital under exclusion of subscription rights during the term of the authorisations requested under Items 6 and 7 of the Agenda as well as shares issued during the term of these authorisations under the authorisation to service bonds with conversion or warrant rights or (conditional) conversion obligations pursuant to Item 9 lit. a) of the Agenda shall also be counted towards this limit. To this extent, the Company is precluded from issuing shares under exclusion of subscription rights on the basis of several of the aforementioned

authorisations, except for the authorisation granted under Item 8 lit. a) of the Agenda, if the total amount of shares issued would exceed the limit of 20% of the current share capital. For example, the Company could not fully utilise the authorisation proposed under Item 10 of the Agenda to issue shares out of authorised capital under exclusion of subscription rights in an amount equal to 15% of the share capital and also sell treasury shares under the authorisations proposed in Items 6 and 7 of the Agenda under exclusion of subscription rights in a portion of 10% of the share capital. This would conflict with the overall limit of 20% of the current share capital.

The Board of Management will report on any exercise of these authorisations at the respective next Annual General Meeting.

Report of the Board of Management on Item 8 of the Agenda pursuant to § 203 (2), § 221 (4) in conjunction with § 186 (4) sentence 2 AktG

In accordance with Item 8 of the Agenda, the Board of Management so far was authorised by the resolution adopted by the universal extraordinary general meeting of 15 May 2012 to issue, with the consent of the Supervisory Board, registered bonds with conditional conversion obligations in respect of the Company's shares. The authorisation expires on 14 May 2017. Therefore, the Board of Management and the Supervisory Board ask the Company's shareholders under Item 8 lit. a) of the Agenda to consent to the renewal of the authorisation to issue registered bonds with a maturity until 10 May 2022. The proposed scope of the authorisation provides for a volume of up to EUR 500,000,000 thus remaining well below the previous scope of the authorisation with a volume of up to EUR 1,100,000,000.

The registered bonds are issued with a conditional conversion obligation which provides for a conversion into shares of the Company if various conditions precedent have been fulfilled. These conditions precedent stipulate, inter alia, that a mandatory conversion takes place if the Company implements a capital increase with subscription rights and the holders of the registered bonds have waived their subscription right under the capital increase with subscription rights in the same amount in which they receive shares under the mandatory conversion. The conversion of the registered bonds will then be effected at the subscription price of the shares under the

capital increase with subscription rights. As a consequence, there will be no fixing of the conversion price at the time of issuance of the registered bonds.

At the time the registered bonds are issued, the Company's shareholders generally have a subscription right in accordance with § 221 (4) AktG.

The authorisation requested under Item 8 of the Agenda is to enable the Company to entirely exclude the subscription right should this be necessary in the overriding interest of the Company.

The issuance of registered bonds under the authorisation requested under Item 8 lit. a) of the Agenda constitutes a liquid pre-financing of a future capital increase with subscription rights which can be structured as a financing alternative to a bank credit line. An exclusion of subscription rights may thus be necessary for example in the event that registered bonds are to be issued in order to obtain short-term liquidity. In this case, the granting of a subscription right may be less attractive because the subscription period to be adhered to will render the raising of short-term liquidity more difficult.

The interests of the shareholders are safeguarded in this and other cases by the fact that registered bonds are only converted if the subscription right to shares under a capital increase with subscription rights has been waived in an equivalent amount. This means that a bondholder that can convert its registered bonds into 100 shares at the same time waives its subscription right to 100 shares under the capital increase with subscription rights. In the event that this shareholder only has a right to subscribe for 80 shares, it may only convert its registered bonds into 80 shares. The amount (thus) remaining under the registered bonds will not be converted but, upon maturity of the registered bonds, will be repaid in cash. In fact, despite the exclusion of subscription rights, there is no dilution of shareholders because, due to the conditional mandatory conversion, no more shares will be created than would have been created under the capital increase with subscription rights.

A limitation of the total amount of subscription rights so excluded is not possible due to the structure of the registered bonds since, at the time of issuance of the registered bonds, the number of shares into which a

conversion can be effected is not yet clear. For the conversion, the subscription price under the capital increase with subscription rights is decisive. With an issuance volume of the registered bonds of EUR 500,000,000 and a subscription price of EUR 25, up to 20,000,000 shares can be converted, whereas with a subscription price of EUR 10, conversion of up to 50,000,000 shares is possible. The only (existing) limitation is the Contingent Capital I to be created under Item 8 of the Agenda, which provides for the possibility of issuing up to 101,119,057 shares (representing approximately 40% of the share capital).

The Board of Management will report on any exercise of these authorisations at the respective next Annual General Meeting.

Report of the Board of Management on Item 9 of the Agenda pursuant to § 203 (2), § 221 (4) in conjunction with § 186 (4) sentence 2 AktG

The Board of Management was so far authorised by resolutions adopted by the universal extraordinary general meeting of 28 August 2012 under item 9 of the agenda to issue, with the consent of the Supervisory Board, certain bonds (convertible bonds and warrant bonds), participating bonds and/or profit-sharing rights with conversion or warrant rights or (conditional) conversion obligations in respect of the shares of the Company. This authorisation expires on 27 August 2017. The Board of Management and the Supervisory Board therefore request the shareholders of the Company under Item 9 lit. a) of the Agenda to renew the authorisation to issue such instruments (hereinafter jointly referred to as “bonds”) with a maturity until 10 May 2022.

The bonds may be furnished with conversion or warrant rights or (conditional) conversion obligations on shares of the Company. This enables the holders of the bonds to acquire shares of the Company by converting their contributions already rendered to the Company into equity (conversion right) or by rendering an additional contribution to the Company's equity (warrant right). In case bonds are issued, the Company may also determine that – upon request by the Company – the issued bonds are to be exchanged for Company shares at a later point in time (conversion obligation). According to the proposed resolution, a total contingent capital of up to EUR 31,599,700 is available to the Company in order to deliver shares upon exercise of the conversion or warrant rights or upon fulfilment of

the (conditional) conversion obligation; this contingent capital will enable the Company to issue up to 25,279,760 new no-par-value shares (corresponding to 10% of the current share capital). The maximum total nominal amount of the bonds is EUR 500,000,000.

As envisaged by the Board of Management, the types of bonds (bearer or registered bonds) as proposed under Item 9 of the Agenda (convertible bonds and warrant bonds, participating bonds and/or profit-sharing rights) will primarily be used, if and when necessary, in order to quickly and flexibly strengthen the Company's capital resources.

Since – at this moment in time – the terms and conditions of the issue of the aforesaid bonds have been formulated in rather open terms, the Company will be able, firstly, to respond appropriately to current market conditions and to raise new capital at the lowest possible costs. Secondly, the Company will be able to enhance its equity position in compliance with the requirements of § 89 VAG (or any successor rules) or of the so-called Solvency II Directive (Directive 2009/138/EC) and related transposition measures adopted at a national level or by the European Union as amended from time to time. Purely as a precautionary measure, the proposed authorisation is also intended to create the possibility of using these bonds in the same way as authorised capital for the liquidity-preserving acquisition of assets, especially for the acquisition of companies and interests therein. In practice, however, such use is likely to be of subordinate importance compared to authorised capital.

Where bonds are issued, the shareholders of the Company, in principle, have a subscription right pursuant to § 221 (4) AktG. The purpose of the authorisation requested under Item 9 of the Agenda is to enable the Company to exclude the subscription right in specific cases as set forth below should this be necessary in the overriding interest of the Company. However, this option is subject to a maximum amount in order to prevent potential dilution of the shareholders excluded from subscription rights. The sum total of shares to be issued under bonds that were issued under exclusion of subscription rights must not exceed a pro-rata amount of the share capital of EUR 63,199,408 (corresponding to 20% of the current share capital). Shares issued out of authorised capital under exclusion of subscription rights during the term of the authorisation requested under

lit. a) of Item 9 of the Agenda as well as shares issued during the term of this authorisation to use treasury shares pursuant to § 71 (1) No. 8 sentence 5 AktG under exclusion of subscription rights shall also be counted towards this limit. To this extent, the Company is precluded from issuing or using shares under exclusion of subscription rights on the basis of several of the aforementioned authorisations, except for the authorisation granted under lit. a) of Item 8 of the Agenda, if the sum total of such shares issued or used exceeds 20% of the current share capital. For example, the Company would not be able to fully utilise the authorisation proposed under Item 10 of the Agenda to issue shares out of authorised capital under exclusion of subscription rights in a portion of 15% of the share capital and also issue bonds, pursuant to the proposed authorisation under lit. a) of Item 9 of the Agenda under exclusion of subscription rights that may be converted into shares in a portion of 10% of the share capital. This would conflict with the overall limit of 20% of the current share capital.

Specifically, an exclusion of subscription rights shall be permissible in the following cases:

- Where bonds with conversion or warrant rights or (conditional) conversion obligations in respect of shares of the Company are issued against cash, the Board of Management is to be authorised in analogous application of § 186 (3) sentence 4 AktG to exclude subscription rights if the issue price of the bond in question does not significantly fall below its fair value. This exclusion of subscription rights could, under certain circumstances, become necessary if a bond is to be placed quickly in order to exploit a favourable market climate. Because subscription rights are excluded, the Company will in this case enjoy the flexibility needed to exploit a favourable stock market situation at short notice. On the other hand, issuance of the bonds discussed here with the granting of subscription rights may, under certain circumstances, be less attractive since the issue price has to be fixed at a very early point in time in order to observe the subscription period. Especially at a time when markets are highly volatile, this may give rise to a need to accept substantial price markdowns.

In this case, the interests of shareholders are safeguarded by ensuring that the bonds are not issued significantly under fair value, as a

consequence of which the value of the subscription right is reduced to practically zero. This authorisation is subject to the limit of 10% of the share capital provided for in § 186 (3) sentence 4 AktG. This 10% limit includes shares that have already been issued or sold under exclusion of subscription rights during the term of the authorisation in direct or analogous application of § 186 (3) sentence 4 AktG. Irrespective of whether corresponding authorisations with the option of excluding subscription rights are used individually or cumulatively, the overall limit of 10% of the share capital in accordance with § 186 (3) sentence 4 AktG must not be exceeded. The purpose of the various proposed authorisations and the authorisations included in the Articles of Association with the option of excluding subscription rights in accordance with § 186 (3) sentence 4 AktG is to enable the Board of Management to select in a specific situation the financing instrument that is most appropriate to serving the interests of the Company and the shareholders.

- Moreover, the Board of Management is to be authorised, with the consent of the Supervisory Board, to exclude subscription rights for fractional amounts when issuing bonds while, in principle, preserving the shareholders' subscription rights. This may become necessary if a practicable subscription ratio cannot be achieved otherwise. Such fractional amounts are normally of small value to the individual shareholder and the possible dilution effect is generally marginal because of its limitation to fractional amounts. The Company shall strive to utilise free fractional amounts in the best interests of the shareholders.
- Furthermore, the subscription rights shall be excluded, insofar as this is necessary, in order to also grant to holders of bonds with conversion or warrant rights or (conditional) conversion obligations a subscription right in the same amount in which they would be entitled to a subscription right for shares of the Company upon exercise of the warrant or conversion right or fulfilment of any (conditional) conversion obligation. The terms and conditions of the financing instruments of the type described here normally include antidilution provisions in order to provide for the case that the Company issues more such financing instruments or shares in respect of which the shareholders have subscription rights. In order to ensure that the value of these financing instruments is not impaired by such measures, the holders

of such financing instruments will generally be compensated inasmuch as the conversion or subscription price will be reduced or they will also receive subscription rights in respect of any subsequently issued financing instruments or shares. In order to retain the greatest possible flexibility in this regard, the option of excluding subscription rights is to be made in this case, too. This will make placement easier and hence ultimately further the Company's optimal financial structure.

- Finally, provision shall be made for excluding the subscription rights in order to enable the issuance of bonds against contributions in kind. The purpose of the authorisation to issue bonds against contributions in kind is to enable the Company, purely as a precautionary measure, to also use such financing instruments in connection with the acquisition of assets. This can, in particular, serve practical reasons in the context of the acquisition of companies, parts of companies or interests therein. In such instances, sellers frequently insist on receiving a consideration in a form other than cash or cash only. Offering bonds with warrants or conversion rights or profit-sharing rights instead of or in addition to granting shares or cash contributions may constitute an interesting alternative. This option creates extra flexibility and improves the Company's chances when seeking to make acquisitions.

Both the authorisation to make an issue against contributions in kind and the exclusion of subscription rights in this regard shall, however, only be used if the acquisition of the object in question is in the overriding interest of the Company and acquisition by other means, especially by way of purchase, is legally or de facto impossible or possible only on less favourable terms. In such instances, the Company will nevertheless always examine whether an equally appropriate means of acquiring the object is available, the effects of which interfere less markedly with the position of the shareholders. Thus, where contributions in kind are acquired, it will normally be necessary to check whether, for example, instead of excluding the subscription right it is also possible to grant to the shareholders not participating in the contribution transaction a parallel subscription right against cash contributions. In order to further account for the interests of shareholders, the Board of Management will carefully review when acquiring contributions in

kind against the issue of a bond and/or the issue of new shares whether the value of the contribution in kind is reasonably proportionate to the value of the issued instruments.

The Board of Management will report on any exercise of these authorisations at the respective next Annual General Meeting.

Report of the Board of Management on Items 10 and 11 of the Agenda pursuant to § 203 (2) in conjunction with § 186 (4) sentence 2 AktG

The Company last adopted a resolution on authorised capital at the universal extraordinary general meeting of 29 September 2012. This authorisation expires on 28 September 2017. The Board of Management and the Supervisory Board request the shareholders of the Company under Items 10 and 11 to approve new Authorised Capital with a maturity until 10 May 2022.

The new Authorised Capital, as in the past, is intended to provide the Board of Management with an effective means of responding promptly to current market developments, especially a favourable stock market situation. If this becomes necessary to secure Talanx AG's competitive position and therefore maintain its rating, the proposed authorisation constitutes a flexible tool for enhancing the Company's capital resources even in the short term. This should be viewed in particular in light of the fact that, given the current condition of capital markets and the state of the insurance industry, opportunities to improve the Company's competitive position – for example through acquisitions of companies – as well as the need to take corporate actions in connection with such acquisitions may arise at short notice. In this event, the Company must be able to respond quickly and flexibly without having to wait for the next Annual General Meeting.

In principle, shareholders are to be granted subscription rights with respect to such measures. The granting of subscription rights may also take the form of the new shares being acquired by a credit institution subject to the obligation to offer them to the shareholders by way of a so-called "indirect" subscription right. Under the proposed resolution, however, subscription rights may be excluded under the conditions set forth in § 186 (3) sentence 4 AktG for the purpose of smoothing of

fractional amounts, servicing of bonds with conversion or warrant rights or (conditional) conversion obligations, as well as for the issue of shares against contributions in kind.

However, the options for excluding subscription rights provide for a maximum amount in order to prevent potential dilution of the shareholders excluded from subscription rights. The sum total of shares issued on the basis of authorised capital under exclusion of subscription rights must not exceed a pro-rata amount of the share capital of EUR 63,199,408 (corresponding to 20% of the current share capital). Shares issued during the term of the authorisations requested under Items 10 or 11 of the Agenda to service bonds with conversion or warrant rights or (conditional) conversion obligations issued under the authorisation pursuant to Item 9 lit. a) of the Agenda under exclusion of subscription rights as well as shares sold during the term of this authorisation under an authorisation to use treasury shares pursuant to § 71 (1) No. 8 sentence 5 AktG under exclusion of subscription rights shall also be counted towards this limit. To this extent, the Company is precluded from issuing or using shares under exclusion of subscription rights on the basis of several of the aforementioned authorisations, except for the authorisation granted under Item 8 lit. a) of the Agenda, if the sum total of such shares issued or used exceeds 20% of the current share capital. For example, the Company would not be able to fully utilise the authorisation proposed under Item 10 of the Agenda to issue shares out of Authorised Capital under exclusion of subscription rights in a portion of 15% of the share capital and also issue bonds, pursuant to the proposed authorisation under Item 9 lit. a) of the Agenda under exclusion of subscription rights that may be converted into shares in a portion of 10% of the share capital. This would conflict with the overall limit of 20% of the current share capital.

Specifically, an exclusion of subscription rights shall be permissible in the following cases:

- The Board of Management shall be authorised, with the consent of the Supervisory Board, to exclude subscription rights for fractional amounts when issuing new shares while, in principle, preserving the shareholders' subscription rights. This may become necessary if a practicable subscription ratio cannot be achieved otherwise. Such fractional

amounts are normally of small value to the individual shareholder and the possible dilution effect is generally marginal, too, because of its limitation to fractional amounts. The Company shall strive to utilise free fractional amounts in the best interests of the shareholders.

- Furthermore, the subscription rights shall be excluded, insofar as this is necessary, in order to also grant to holders of instruments with conversion or warrant rights or (conditional) conversion obligations a subscription right in the same amount in which they would be entitled to a subscription right for shares of the Company upon exercise of the warrant or conversion right or fulfilment of any (conditional) conversion obligation. The terms and conditions of the financing instruments such as convertible bonds normally include so-called antidilution provisions in order to provide for the case that the Company issues more such financing instruments or shares in respect of which the shareholders have subscription rights. In order to ensure that the value of these financing instruments is not impaired by such measures, the holders of such financing instruments will generally be compensated inasmuch as the conversion or subscription price will be reduced or they will also receive subscription rights in respect of any subsequently issued financing instruments or shares. In order to retain the greatest possible flexibility in this regard, the option of excluding subscription rights is to be available in this case, too. This will make placement easier and hence ultimately further the Company's optimal financial structure.
- The Board of Management shall further be authorised, with the consent of the Supervisory Board, to issue shares in a pro-rata amount of up to 10% of the share capital existing at the time when the authorisation under Item 10 of the Agenda enters into force and when the resolution regarding the exercise of the authorisation is adopted, at near-market price under exclusion of subscription rights in accordance with § 186 (3) sentence 4 AktG. This authorisation is to enable the Board of Management to exploit a favourable stock market situation and place shares at short notice, especially with institutional investors. The exclusion of subscription rights in this case facilitates quick and flexible action and placement of the shares close to market price. In comparison, the issue of shares while granting subscription rights may under certain circumstances be less attractive because the issue price must be fixed

at a very early point in time in order to observe the subscription period. Especially at a time when markets are highly volatile, this may give rise to a need to accept substantial price markdowns.

In this case, the interests of shareholders are safeguarded by ensuring that the new shares must not be issued significantly below market price, as a consequence of which the value of the subscription right is reduced to practically zero in such cases. This authorisation is subject to the limit of 10% of the share capital provided for in § 186 (3) sentence 4 AktG. Those shares that have already been issued or sold under exclusion of subscription rights during the term of the authorisation requested under Items 10 and 11 of the Agenda under a corresponding authorisation in direct or analogous application of § 186 (3) sentence 4 AktG are to be counted towards this 10% limit. Irrespective of whether corresponding authorisations with the option of excluding subscription rights are used individually or cumulatively, the overall limit of 10% of the share capital in accordance with § 186 (3) sentence 4 AktG must not be exceeded. The purpose of the various authorisations with the option of excluding subscription rights in accordance with § 186 (3) sentence 4 AktG is to enable the Board of Management to select in a specific situation the financing instrument that is most appropriate to serving the interests of the Company and the shareholders.

- Finally, provision shall be made for excluding the subscription rights in order to enable the issuance of shares against contributions in kind in the future, too. The purpose of the authorisation to issue shares against contributions in kind is intended to enable the Company to also use shares of the Company in connection with the acquisition of assets. This can, in particular, serve practical reasons in the context of the acquisition of companies, parts of companies or interests therein. In such instances, sellers frequently insist on receiving consideration in a form other than cash or cash only. Offering shares instead of or in addition to a cash contribution, may constitute an interesting alternative. This option creates extra flexibility and improves the Company's chances when seeking to make acquisitions.

Both the authorisation to make an issue against contributions in kind and the exclusion of subscription rights in this regard shall, however, only be used if the acquisition of the object in question is in the overriding interest of the Company and acquisition by other means, especially by way of purchase, is legally or de facto impossible or is possible only on less favourable terms. In such instances, the Company will nevertheless always examine whether an equally appropriate means of acquiring the object is available, the effects of which interfere less markedly with the position of shareholders. Thus, where contributions in kind are acquired, it will normally be necessary to check whether, for example, instead of excluding the subscription right it is also possible to grant the shareholders not participating in the contribution transaction a parallel subscription right against cash contributions. In order to further account for the interests of shareholders, the Board of Management will carefully review whether the value of the contribution in kind is reasonably proportionate to the value of the shares.

By means of the authorisation to use part of the Authorised Capital in accordance with Item 11 of the Agenda the Board of Management shall also be empowered, with the consent of the Supervisory Board, to issue new shares to employees of the Company (employee shares). For this purpose, it is also necessary that these shares be excluded from the statutory subscription rights of shareholders. The exclusion of the subscription rights of shareholders is justified by the benefits that an employee participation programme offers to the Company and hence also to its shareholders. The issuing of shares to employees is considered by the Board of Management and the Supervisory Board as an important instrument for promoting long-term employee loyalty and is therefore of particular interest to the Company. In addition, the granting of employee shares as a form of remuneration is tax-privileged through tax allowances. A discount as customary for employee shares may be granted when fixing the issue price. For shareholders, however, this does not result in any relevant dilution of shares since less than 1% of the current share capital is affected by the exclusion of subscription rights.

The Board of Management will report on any exercise of these authorisations at the respective next Annual General Meeting.

Information on the Rights of Shareholders

pursuant to § 122 (2), § 126 (1), § 127 and § 131 (1) AktG

Motions for additions to the Agenda at the request of a minority pursuant to § 122 (2) AktG

Shareholders whose shares account, in aggregate, for one-twentieth of the share capital or a notional interest of EUR 500,000 may request that items be included in the Agenda and published. Each new item must be accompanied by a statement of reasons or the wording of the proposed resolution. The request must be sent in writing to the Board of Management of Talanx Aktiengesellschaft and must be received by the Company at the address stated below under “Shareholders’ countermotions and election proposals pursuant to § 126 (1) and § 127 AktG” no later than on 10 April 2017, 24:00 (CEST).

Motions for additions to the Agenda will only be considered if the applicants prove that they have been the holders of the shares that fulfil the required minimum shareholding for at least ninety days prior to the day of receipt of the motion and that they will hold the share until the decision of the Board of Management on the motion has been made; in this respect, § 70 AktG shall apply to the calculation of the time of shareholding.

Motions for additions to the Agenda which must be published and which have not already been published on convocation of the Annual General Meeting will be published in the Federal Gazette (Bundesanzeiger) without undue delay following receipt of the motion and will be transmitted for publication to such media which can reasonably be expected to disseminate the information in the entire European Union. These motions will additionally be published on the Internet at www.talanx.com/agm and communicated in accordance with § 125 (1) sentence 3 AktG.

Shareholders’ countermotions and election proposals pursuant to § 126 (1) and § 127 AktG

Each shareholder is entitled to send countermotions in respect of proposals made by the Board of Management and/or the Supervisory Board regarding specific items on the Agenda, as well as proposals for the elections on the Agenda (§ 126 (1), § 127 AktG).

Shareholders' countermotions (subject to § 126 (2) and (3) AktG) and election proposals (subject to § 127 sentence 1, § 126 (2) and (3), § 127 sentence 3 AktG) will exclusively be made accessible on the Internet at www.talanx.com/agm provided that the preconditions set forth below are met. The countermotions and election proposals will be made accessible including the shareholder's name, the statement of reasons and the management's comments, if any.

Countermotions that are to be made accessible must be directed against a proposal of the Board of Management and/or the Supervisory Board, must address a specific Item on the Agenda, and must include a statement of reasons. Election proposals that are to be made accessible must relate to the elections on the Agenda; they need not include a statement of reasons.

Countermotions including the statement of reasons that are to be made accessible and are directed against a proposal of the Board of Management and/or the Supervisory Board regarding a specific item on the Agenda, as well as election proposals by shareholders relating to the elections on the Agenda must be received by the Company **no later than on 26 April 2017, 24:00 (CEST)**, at the address set out below:

Talanx Aktiengesellschaft
attn. Head of Corporate Office

- by mail:
Riethorst 2
30659 Hannover
- electronically:
vorstandsbuero@talanx.com
- by Telefax:
Fax: +49 (0) 511 3747 2520

Shareholders' right to information pursuant to § 131 (1) AktG

At the Annual General Meeting, each shareholder shall be informed, upon request, by the Board of Management about the Company's affairs, including the legal and business relationships with affiliated companies, as well as the situation of the Group and the companies included in the consolidated financial statements, to the extent that the information is necessary for proper assessment of the subject matter of the Agenda Item.

Explanatory notes regarding the rights of shareholders

Explanatory notes on the rights of shareholders pursuant to § 122 (2), § 126 (1), § 127, § 131 (1) AktG are also available on the Internet at www.talanx.com/agm.

Information regarding Participation

Registration for the Annual General Meeting

Pursuant to § 14 (1) of the Articles of Association, only those shareholders are entitled to attend the Annual General Meeting and to exercise voting rights who have registered for the Annual General Meeting **no later than on 4 May 2017, 24:00 (CEST) (time of receipt)**

- in writing under the postal address of
Talanx Aktiengesellschaft
Aktionärservice/Shareholders' service
Postfach 1460
61365 Friedrichsdorf
- or by telefax under the number:
+49 (0) 69 2222 3312
- or electronically on the website:
<https://netvote.talanx.de>

or under the link
www.talanx.com/agm

- or electronically under the e-mail address:
talnx.hv@linkmarketservices.de

and who are entered into the Company's share register at the time of the Annual General Meeting.

A shareholder's registration for the Annual General Meeting will not entail share blocking, i.e. even after having registered for attendance, shareholders remain free to dispose of their shares. However, a disposal may affect the right to attend the Annual General Meeting and the entitlement to exercise voting rights because these rights depend on the shareholding as registered in the share register at the time of the Annual General Meeting. This shareholding will equal the shareholding as registered in the share register on **4 May 2017, 24:00 (CEST)** (= technical record date), because, for technical reasons, no further transfer entries will be made in the share register between the expiry of the registration deadline for the Annual General Meeting and the end of the Annual General Meeting, i.e. from **4 May 2017, 24:00 (CEST)**, until and including **11 May 2017, 24:00 (CEST)**.

If a credit institution is registered in the share register, it may exercise voting rights attached to shares not owned by it only under an authorisation of the shareholder.

Due to the listing also on the Warsaw Stock Exchange specific data are to be transmitted pursuant to the applicable provisions under Polish law: At the latest on the day of the Annual General Meeting, a table showing the shareholders entitled to attend the Annual General Meeting together with the respective number of shares held and the respective voting rights, must be sent to the Polish Financial Market Authority (Komisja Nadzoru Finansowego – KNF). Furthermore, within seven days following the Annual General Meeting, a table showing those shareholders who have held at least 5% of the voting rights at the Annual General Meeting, together with the number of shares held and their proportion in percent of the shares represented at the Annual General Meeting and of the total number of shares, must be published and transmitted to the KNF and the Warsaw Stock Exchange.

Procedure for voting by proxy

Within the scope of statutory provisions, shareholders may have their voting rights exercised by a proxy, e.g. a credit institution or shareholders' association. Also in this case, the shareholder or proxy must ensure timely registration for the Annual General Meeting in accordance with the requirements set forth above under **"Registration for the Annual General Meeting"**.

The granting of a power of attorney, its revocation and the proof of authorisation vis-à-vis the Company require text form. A power of attorney may be granted by mail, e-mail, or telefax to the address, e-mail address or telefax number set forth above under **"Registration for the Annual General Meeting"**. For this purpose, please use the reply form enclosed with the registration documents for the Annual General Meeting. You can also use the Online Annual General Meeting service netVote.

If you authorise a credit institution, a shareholders' association or any other person or institution specified in § 135 (8) AktG or § 135 (10) AktG in conjunction with § 125 (5) AktG, the procedure, form and revocation of the power of attorney are subject to special rules. Please contact the relevant credit institution, shareholders' association or other person or institution specified in § 135 (8) AktG or § 135 (10) AktG in conjunction with § 125 (5) AktG for more details.

In addition, as service to its shareholders, the Company has nominated Dr. Florian Schmidt (Legal) and Bernhard Krebs (Corporate Office), both employees of the Company, in accordance with § 14 (3) of the Articles of Association as proxies who you can also authorise to exercise voting rights. The proxies nominated by the Company will exercise voting rights exclusively in accordance with the instructions given by the shareholder. The granting as well as any modifications of the power of attorney and the instructions to the proxies nominated by the Company can be made until **no later than 10 May 2017, 24:00 (CEST) (time of receipt)** by mail, e-mail or telefax at the address, e-mail address or telefax number set forth above under **"Registration for the Annual General Meeting"** (except for a power of attorney or instructions issued during the Annual General Meeting

using the form provided at the Annual General Meeting), provided you have registered by **no later than 4 May 2017, 24:00 (CEST) (time of receipt)**. In case several statements are received, priority is given to the most recently received statement. You can also use the Online Annual General Meeting service netVote.

In the event that sub-items under an agenda item are put to the vote individually without this having been communicated prior to the Annual General Meeting, the instruction given for that entire agenda item shall be deemed the instruction given for each of the individual sub-items.

Please note that the proxies nominated by the Company cannot accept any instructions on procedural motions, whether prior to or during the Annual General Meeting. Nor will the proxies nominated by the Company accept any orders or instructions for requests to speak, to appeal against resolutions adopted by the Annual General Meeting or to ask questions or submit motions. If a shareholder or an authorised third party personally attends the Annual General Meeting, the power of attorney and the instructions previously issued to the proxies nominated by the Company shall be deemed revoked automatically.

Procedure for postal vote

Shareholders may exercise their voting rights by postal vote – also, without attending the Annual General Meeting. Only those shareholders registered in the share register at the day of the Annual General Meeting will be entitled to exercise voting rights by postal vote, if they registered for the Annual General Meeting in due time in accordance with the requirements set forth above under **“Registration for the Annual General Meeting”**. Using the reply form enclosed with the registration documents for the Annual General Meeting, votes cast by postal vote as well as modifications regarding your postal votes must be received **no later than on 10 May 2017, 24:00 (CEST) (time of receipt)** by mail, e-mail, or telefax at the address, e-mail address or telefax number set forth above under **“Registration for the Annual General Meeting”**, provided you have registered by **no later than 4 May 2017, 24:00 (CEST) (time of receipt)**. In case of receipt of several statements, priority is given to the most recently received state-

ment. In addition, you can also use the Online Annual General Meeting service netVote for casting your vote by postal vote.

If a shareholder or an authorised third party personally attends the Annual General Meeting, any previously submitted postal votes shall be deemed revoked automatically. In the event that sub-items under an agenda item are put to the vote individually without this having been communicated prior to the Annual General Meeting, a vote cast on that entire agenda item shall be deemed the vote cast on each of the individual sub-items.

Please note that that you are unable – even if using the Online Annual General Meeting service netVote – to submit a postal vote for votings that may be held on counter motions or election proposals not brought forward prior to the Annual General Meeting or on other motions, including procedural motions, not notified prior to the Annual General Meeting.

Nor is it possible to bring forward prior to or during the Annual General Meeting requests to speak, questions, motions or election proposals or to lodge appeals against resolutions adopted by the Annual General Meeting via postal vote.

Authorised credit institutions, shareholders' associations and other persons or institutions specified in § 135 (8) AktG or § 135 (10) AktG in conjunction with § 125 (5) AktG may also exercise voting rights by postal vote.

Online Annual General Meeting service netVote – ordering admission cards via Internet

As a shareholder entered in the Company's share register, you can use the Internet to order admission cards for the Annual General Meeting, to issue to the proxies nominated by the Company powers of attorney and instructions for the exercise of your voting rights or to exercise your voting rights via postal vote. Detailed information in this respect is provided in the reply form enclosed with the registration documents for the Annual General Meeting, and on the Internet at www.talanx.com/agm.

Information regarding the shareholder hotline for shareholders and banks

Shareholders and credit institutions may send any questions regarding the Annual General Meeting of Talanx Aktiengesellschaft via e-mail to tal anx.hv@linkmarketservices.de. In addition, a shareholder hotline will be available Monday to Friday from 8:00 to 17:00 (CEST) under the telephone number 0800 10 16 358 from Germany (for free) or +49 (0) 61 96 88 70 709 from abroad.

Further information is also available on the Internet at www.talanx.com/agm

Live webcast of the Annual General Meeting

The opening of the Annual General Meeting by the Chairman of the meeting and the presentation of the Board of Management will be broadcast live, including video and audio, via the website of Talanx Aktiengesellschaft at www.talanx.com/agm. A video recording thereof will be available after the Annual General Meeting at the same Internet address. Oral contributions of the participants of the Annual General Meeting will not be recorded.

Number of shares and voting rights

As at the date of convocation of the Annual General Meeting, the total number of shares amounts to 252,797,634. As at the date of convocation of the Annual General Meeting, the total number of voting rights amounts to 252,797,634.

Website of the Company on which the information pursuant to § 124a AktG is available

The convocation of the Annual General Meeting, together with the information and explanations required under applicable law, is also available on the website www.talanx.com/agm. There you can also find the additional information pursuant to § 124a AktG.

Hannover, March 2017

Talanx Aktiengesellschaft
The Board of Management

Directions

Please enter “Schillstraße” in Hannover in your navigation device because some devices do not recognise “Theodor-Heuss-Platz”.

Parking:

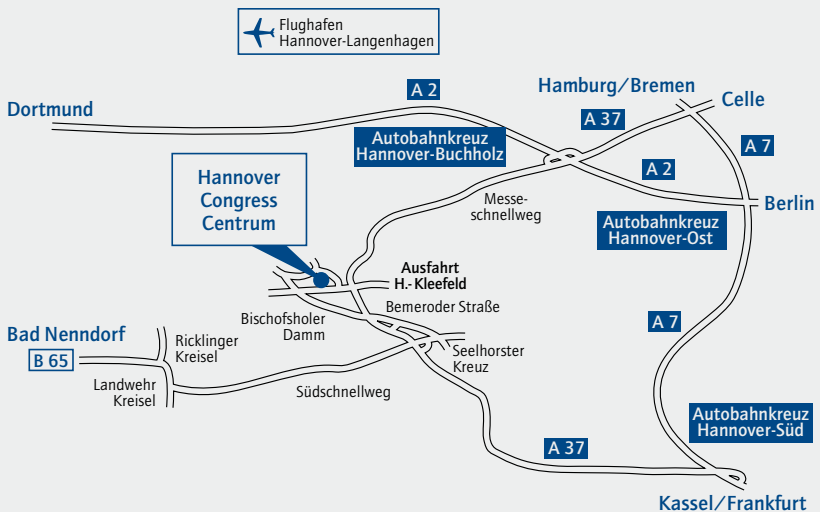
Schackstraße or parking garage at the HCC.

From the south

Stay on the A7 motorway until the motorway junction Hannover-Süd, continue on the A37/Messeschnellweg to the exit H.-Kleefeld. Turn left, then take a right at the first set of traffic lights into Clausewitzstraße.

From the north

Stay on the A7 motorway until the motorway junction Hannover-Ost, continue on the A37/Messeschnellweg. Take the exit H.-Kleefeld and turn right, then right again at the first set of traffic lights into Clausewitzstraße.



From the east

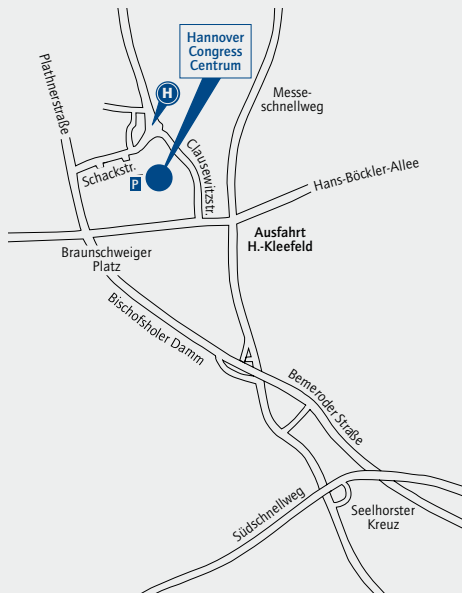
Stay on the A2 motorway via the motorway junction Hannover-Ost until you reach the motorway junction Hannover-Buchholz. Continue on the A37/ Messeschnellweg. Take the exit H.-Kleefeld and turn right, then right again at the first set of traffic lights into Clausewitzstraße.

From the west

Stay on the A2 motorway until you reach the motorway junction Hannover-Buchholz, then take a right towards Hannover via the A37/ Messeschnellweg. Take the exit H.-Kleefeld and turn right, then right again at the first set of traffic lights into Clausewitzstraße.

Public transport

From the central railway station take bus number 128 or 134 (direction "Peiner Straße") directly to Hannover Congress Centrum. The journey time is roughly 10 minutes. From Kröpcke you can take the suburban light rail line 11 (Zoo) to Hannover Congress Centrum. The journey time is roughly 10 minutes.





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