

## **Annual General Meeting on 8 May 2018**

### **Counter motions**

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The following counter motions were received in due time for the Annual General Meeting on 8 May 2018. Shareholders can support these motions by voting NO on Items 3 and 4 on the Agenda, i.e. against the management's proposal.

The texts of these counter motions have been translated from the German originals for the convenience of English-speaking readers. The German texts are authoritative and final for the purposes of interpretation.

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Hannover, 24 April 2018

## **Counter-motion in respect of Item 3 on the Agenda, Resolution ratifying the acts of management of the members of the Board of Management for the financial year 2017:**

*Dachverband der Kritischen Aktionärinnen und Aktionäre* moves not to ratify the acts of management of the members of the Board of Management for the financial year 2017.

### **Rationale:**

The Talanx Group claims to have incorporated “environmental, social and governance considerations into its business operations”. “As an internationally operating insurance group and an investor with a long-term orientation”, Talanx alleges to be “committed to responsible enterprise management that is geared to sustainable value creation”. However, this claim does not stand up to a reality check, as demonstrated by a look at Talanx’s business operations with regard to fighting climate change. Poland is a clear example:

TuiR Warta, Talanx’s subsidiary in Poland, is one of the biggest insurers of Polish energy companies. It has sold insurance policies to many coal mines and power plants in Poland. Unfortunately, the latest developments in Poland’s coal sector run counter to the targets set in the Paris Agreement and instead serve to cement the prevailing energy mix in Poland, with damaging consequences for human health and the environment. Moreover, Poland’s utilities plan to expand their coal capacity, which will place further obstacles in the way of developing more efficient power generation based on renewable energy.

The Board of Management, the Supervisory Board and the Talanx shareholders should wonder why their own subsidiary, TuiR Warta, has an entire portfolio of insurance services with Polish power companies who are planning to massively expand coal power production. Not only is TuiR Warta supporting actions that irresponsibly damage our climate, but it is ignoring the risk of the assets being unprofitable over the medium term. Not to mention the fact that they are unethical and entail considerable reputational risks for Talanx and the other companies involved.

In the case of Talanx, it should be noted that TuiR Warta not only insured the Koźienice Power Station, but also provided insurance cover for the station’s expansion, which was completed in December 2017. The Koźienice Power Station is now the EU’s largest hard coal-fired power station. The company that owns the Koźienice Power Station, ENEA, currently plans to build a new hard coal-fired 1,000 MW power station, the Ostrołęka C Power Station, roughly 100 km from Warsaw. Ostrołęka C is being developed by ENEA and Energa, another Polish utility. Another utility insured by Talanx’s Polish subsidiaries is PGE. It, too, is planning to build new power units for the Opole Power Station. The power units that are already in operation are also insured with Warta. Talanx’s subsidiary also provides insurance cover for PGE’s open-pit brown coal mining operation in Turów. This open-pit mine poses an alarming threat to human health and the environment; pollution increases while the groundwater level decreases. In addition to its expansion plans in Opole, PGE is also planning to increase capacity in Turów and start a new open-pit mine in Złoczew, where up to 600 million tons of brown coal are deposited.

It seems that the actions of Warta, Talanx’s Polish subsidiary, are completely devoid of any commitment to sustainability. Instead, Warta seems to see the climate-damaging coal sector as nothing but a profit opportunity for more insurance business. This environmental irresponsibility is particularly obvious in its insurance deals with ZE PAK. This brown-coal complex of open-pit mining and power station gets 95% of its energy from dirty fuels. ZE PAK plans to open up three more open-pit mines representing roughly 1 billion tons of brown coal.

However, Talanx subsidiaries’ environmental irresponsibility goes even further: Talanx is the main shareholder of Hannover RE, which acts as the re-insurer of PZU, an insurance group owned by the Polish government. As PZU’s market share in the business of insuring mines and fossil fuel power plants in Poland increases, so does its participation in these controversial coal businesses and so

does Hannover RE's – and consequently Talanx's – responsibility for this environmentally harmful business model.

This is why we at *Dachverband der Kritischen Aktionärinnen und Aktionäre* refuse to ratify the acts of management of the members of the Board of Management for the financial year 2017.

**Counter-motion in respect of Item 4 on the Agenda, Resolution ratifying the acts of management of the members of the Supervisory Board for the financial year 2017:**

*Dachverband der Kritischen Aktionärinnen und Aktionäre* moves not to ratify the acts of management of the members of the Supervisory Board for the financial year 2017.

**Rationale:**

Talanx AG's Supervisory Board failed to instruct the Board of Management to establish processes within the company aimed at truly integrating "environmental, social and governance considerations" into its business operations and to ensure that responsible corporate management based on sustainability becomes the basic guideline for the company's actions.

This is why we at *Dachverband der Kritischen Aktionärinnen und Aktionäre* refuse to ratify the acts of management of the members of the Supervisory Board for the financial year 2017.

Cologne, 23 April 2018

Markus Dufner

Geschäftsführer, *Dachverband der Kritischen Aktionärinnen und Aktionäre*

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**Management's response:**

In our assessment, both counter-motions are unfounded. We therefore recommend voting YES on Items 3 and 4 on the Agenda and thus in favour of the ratification of the acts of management of the Board of Management and Supervisory Board.

Hannover, 24 April 2018

Board of Management