

Annual General Meeting on 9 May 2019

Counter motions

We received the following counter motion for the Annual General Meeting on 9 May 2019 in due time. You can support this motion by voting NO to Item 3 on the Agenda, i.e. against the management proposal.

The text of this counter motion has been translated from the German original for the convenience of English-speaking readers. The German text is authoritative and final for the purposes of interpretation.

Hannover, 25 April 2019

Counter-motion of the *Dachverband der Kritischen Aktionärinnen und Aktionäre* for the Annual General Meeting of Talanx AG on 9 May 2019

In respect of Item 3 on the Agenda: Ratifying the management actions of the members of the Board of Management for the 2018 financial year

The *Dachverband der Kritischen Aktionärinnen und Aktionäre* (Association of Ethical Shareholders Germany) moves not to ratify the management actions of the members of the Board of Management.

Rationale:

The Board of Management of Talanx AG is not doing enough in respect of its responsibility to take more effective measures to protect the climate and safeguard human rights. The measures taken to date are inadequate in terms of making a reasonable contribution towards meeting the goals of the Paris Agreement on climate protection, the United Nations (UN) Sustainable Development Agenda and the UN Global Compact – goals to which Talanx AG has stated its commitment.

Exclusion of coal is laudable, but exemptions could significantly weaken climate-related benefits

Before Easter, Talanx amended its underwriting policy for coal-related risks and announced that – in principle – it no longer intended to underwrite any risks relating to newly planned coal-fired power stations or coal mines. This is a positive move. However, Talanx expressly permits exemptions for countries in which coal accounts for a particularly high share of the energy mix and in which there is insufficient access to alternative energies. Although such exceptions may only be made following an analysis and are supposed to be limited, the vague wording offers so much scope for interpretation that it may lead to a large number of exemptions. Every newly constructed coal-fired power station mortgages the climate and must be avoided. Furthermore, the meaning of the underwriting policy for minority subsidiaries of Talanx is unclear, as is the question of whether the exit from coal in 2038 only applies to coal-fired power plants and coal mines or also to companies that operate facilities such as these. Talanx must eliminate this lack of clarity by drawing up a precise implementation plan for its underwriting policy.

As Talanx makes explicit reference to the goals of the Paris Agreement, above and beyond coal the group must begin planning its withdrawal from fossil fuels, as burning any fossil fuels drives climate change.

Breach of due diligence obligations with respect to human rights in the reinsurance of dams

The Board of Management's approach to implementing an ESG (environmental, social and governance) management policy based on sustainability criteria and human rights conventions remains to be clarified. Via its subsidiary Hannover Re, Talanx AG is involved in controversial large dam projects that violate the human rights of the local population and destroy the environment.

The Hidroituango dam, which will be Columbia's largest dam when completed and has long been the subject of fierce criticism from environmental and human rights groups, faced initial complications at the end of May 2018. The central tunnel to divert the Cauca river around the construction site became blocked on 28 April as a result of landslides, trees and mudslides after heavy rainfall. The second diversion tunnel had previously been sealed by the construction firm.

As the dam walls of Hidroituango had already been constructed, the water continued to rise to dangerous levels and flooded nearby communities. The water that had built up in the tunnels then suddenly poured through on 12 May 2018 and the resultant flash floods affected further areas of land, destroying towns, incurring millions of dollars in damage and causing large-scale displacement of the population at risk. More than 20,000 people were affected and have not been adequately compensated to date.

Hannover Re, a subsidiary of Talanx AG, is involved in the catastrophic Hidroituango dam project as the reinsurance company for the dam's insurers. Talanx estimates the associated costs at EUR 87.2 million. The breach of this dam is partly responsible for the fact that, at EUR 376 million, Talanx AG's major claims burden in 2018 vastly exceeded the planned budget of EUR 260 million.

Human rights organisations in Germany and the Columbian organisation “Rios Vivos” have issued clear warnings about the human and environmental consequences of the major Hidroituango project and have strongly appealed to German companies and politicians to avoid any involvement in this project.

Management's response:

In our assessment, the countermotion is unfounded. We therefore recommend voting YES to Item 3 on the Agenda and thus in favour of ratifying the management actions of the members of the Board of Management for the 2018 financial year. If necessary, we will provide more details of our response at the Annual General Meeting.

Hannover, 25 April 2019

Board of Management