



## Hannover Rück SE

(a European Company (Societas Europaea – SE) incorporated in Hannover,  
Federal Republic of Germany)

### € 750,000,000 Subordinated Fixed to Floating Rate Bonds with scheduled maturity in 2039

ISIN XS2063350925, Common Code 206335092, WKN A2YPPF

Issue price: 98.962 per cent.

Hannover Rück SE (the "**Issuer**") will issue on or about 9 October 2019 (the "**Issue Date**") € 750,000,000 Subordinated Fixed to Floating Rate Bonds with scheduled maturity in 2039 (the "**Bonds**") in the denomination of € 100,000 each.

The Bonds will be governed by the laws of the Federal Republic of Germany ("**Germany**").

The Bonds will bear interest from and including the Issue Date to but excluding 9 October 2029 (the "**First Reset Date**") at a rate of 1.125 per cent. *per annum*, scheduled to be paid annually in arrear on 9 October in each year, commencing on 9 October 2020. Thereafter, unless previously redeemed, the Bonds will bear interest at a rate of 2.38 per cent. *per annum* above 3-month EURIBOR, being the Euro-zone inter-bank offered rate for three-month Euro deposits, scheduled to be paid quarterly in arrear on 9 January, 9 April, 9 July and 9 October in each year (each a "**Floating Interest Payment Date**"), commencing on 9 January 2030.

Under certain circumstances described in § 4 of the Terms and Conditions of the Bonds (the "**Terms and Conditions**"), interest payments on the Bonds may be deferred at the option of the Issuer or will be required to be deferred.

The Bonds are scheduled to be redeemed at the Redemption Amount (as defined in the Terms and Conditions) on the Floating Interest Payment Date falling on or around 9 October 2039 (the "**Scheduled Maturity Date**"), provided that the Conditions to Redemption and Repurchase (as defined in the Terms and Conditions) are fulfilled. If this is not the case, the Bonds will only be redeemed on the first Floating Interest Payment Date following the Scheduled Maturity Date on which the Conditions to Redemption and Repurchase are fulfilled.

Under certain circumstances described in § 5 of the Terms and Conditions, the Bonds may be subject to early redemption, always subject to the Conditions to Redemption and Repurchase being fulfilled.

The Bonds will initially be represented by a temporary global bond in bearer form (the "**Temporary Global Bond**"). Interests in the Temporary Global Bond will be exchangeable, in whole or in part, for interests in a permanent global bond (the "**Permanent Global Bond**") and together with the Temporary Global Bond, the "**Global Bonds**") not earlier than 40 days after the Issue Date (the "**Exchange Date**"), upon certification as to non-U.S. beneficial ownership. The Global Bonds will be deposited with a common safekeeper for Clearstream Banking S.A. and Euroclear Bank SA/NV (together, the "**Clearing System**").

This prospectus (the "**Prospectus**") constitutes a prospectus within the meaning of Article 6.3 of Regulation (EU) No 2017/1129 of the European Parliament and of the Council of 14 June 2017 (as amended, the "**Prospectus Regulation**"). This Prospectus will be published in electronic form together with all documents incorporated by reference on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and on the website of the Issuer ([www.hannover-re.com/debt-issues](http://www.hannover-re.com/debt-issues)).

This Prospectus has been approved by the *Commission de Surveillance du Secteur Financier*, Luxembourg ("**CSSF**") in its capacity as competent authority under the Prospectus Regulation. The CSSF only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should neither be considered as an endorsement of the Issuer that is subject of this Prospectus nor of the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Bonds.

This Prospectus will be valid until 6 October 2020 and may in this period be used for admission of the Bonds to trading on a regulated market. In case of a significant new factor, material mistake or material inaccuracy relating to the information included in this Prospectus which may affect the assessment of the Bonds, the Issuer will prepare and publish a supplement to the Prospectus without undue delay in accordance with Article 23 of the Prospectus Regulation. The obligation of the Issuer to supplement this Prospectus will cease to apply once the Bonds have been admitted to trading on the regulated market of the Luxembourg Stock Exchange and at the latest upon expiry of the validity period of this Prospectus.

Application has been made to the Luxembourg Stock Exchange for the Bonds to be listed on the official list of the Luxembourg Stock Exchange (the "**Official List**") and to be admitted to trading on the Luxembourg Stock Exchange's regulated market. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments (as amended, "**MiFID II**").

This Prospectus does not constitute an offer to sell, or the solicitation of an offer to buy, the Bonds in any jurisdiction where such offer or solicitation is unlawful.

**The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") and subject to certain exceptions, the Bonds may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons.**

The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

Following the First Reset Date, interest amounts payable under the Bonds are calculated by reference to 3-month EURIBOR ("**EURIBOR**"), which is provided by the European Money Market Institute ("**EMMI**"). As at the date of this Prospectus, EMMI appears on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("**ESMA**") pursuant to Article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) (the "**Benchmark Regulation**").

Prospective purchasers of the Bonds should ensure that they understand the nature of the Bonds and the extent of their exposure to risks and that they consider the suitability of the Bonds as an investment in the light of their own circumstances and financial condition. Investing in the Bonds involves certain risks. Please review the section entitled "*Risk Factors*" beginning on page 6 of this Prospectus.

*Joint Lead Managers*

**Citigroup**

**Commerzbank**

**Crédit Agricole CIB**

**HSBC**

**J.P. Morgan**

*Co-Lead Managers*

**ABN AMRO**

**Bayerische Landesbank**

## RESPONSIBILITY STATEMENT

The Issuer with its registered office in Germany accepts responsibility for the information contained in this Prospectus and hereby declares that the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

The Issuer further confirms that (i) this Prospectus contains all relevant information with respect to the Issuer (also referred to as "**Hannover Re**" herein) and its consolidated subsidiaries taken as a whole (the "**Hannover Re Group**" or the "**Group**") and to the Bonds which is material in the context of the issue and the offering of the Bonds, including all relevant information which, according to the particular nature of the Issuer and of the Bonds is necessary to enable investors and their investment advisers to make an informed assessment of the assets and liabilities, financial position, profits and losses, and prospects of the Issuer and the Hannover Re Group and of the rights attached to the Bonds; (ii) the statements contained in this Prospectus relating to the Issuer, the Hannover Re Group and the Bonds are in every material respect true and accurate and not misleading; (iii) there are no other facts in relation to the Issuer, the Hannover Re Group or the Bonds the omission of which would, in the context of the issue and offering of the Bonds, make any statement in the Prospectus misleading in any material respect; and (iv) reasonable enquiries have been made by the Issuer to ascertain such facts and to verify the accuracy of all such information and statements.

## NOTICE

No person is authorised to give any information or to make any representation other than those contained in this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Issuer or Citigroup Global Markets Limited, Commerzbank Aktiengesellschaft, Crédit Agricole Corporate and Investment Bank, HSBC Bank plc and J.P. Morgan Securities plc (together, the "**Joint Lead Managers**") and ABN AMRO BANK N.V. and Bayerische Landesbank (the "**Co-Lead Managers**" and together with the Joint Lead Managers, the "**Managers**").

This Prospectus should be read and understood in conjunction with any supplement hereto and with all documents incorporated herein or therein by reference.

The legally binding language of this Prospectus is English. Any part of the Prospectus in German language constitutes a translation, except for the Terms and Conditions in respect of which German is the legally binding language.

In this Prospectus, all references to "€", "EUR" or "Euro" are to the currency introduced at the start of the third stage of the European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No. 974/98 of 3 May 1998 on the introduction of the Euro, as amended. References to "billions" are to thousands of millions.

Each investor contemplating purchasing any Bonds should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. This Prospectus does not constitute an offer of Bonds or an invitation by or on behalf of the Issuer or the Managers to purchase any Bonds. Neither this Prospectus nor any other information supplied in connection with the Bonds should be considered as a recommendation by the Issuer or the Managers to a recipient hereof and thereof that such recipient should purchase any Bonds.

This Prospectus reflects the status as at its date. The offering, sale and delivery of the Bonds and the distribution of the Prospectus may not be taken as an implication that the information contained herein is accurate and complete subsequent to the date hereof or that there has been no adverse change in the financial condition of the Issuer since the date hereof.

To the extent permitted by the laws of any relevant jurisdiction, none of the Manager, any of its affiliates or any other person mentioned in the Prospectus, except for the Issuer, accepts responsibility for the accuracy and completeness of the information contained in this Prospectus or any other documents incorporated by reference and accordingly, and to the extent permitted by the laws of any relevant jurisdiction, none of these persons accept any responsibility for the accuracy and completeness of the information contained in any of these documents. The Managers have not independently verified any such information and accept no responsibility for the accuracy thereof.

This Prospectus does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

The distribution of this Prospectus and the offering, sale and delivery of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required to inform themselves about and to observe any such restrictions. For a description of the restrictions see the section "*Subscription and Sale of the Bonds – Selling Restrictions*" below. In particular, the Bonds have not been and will not be registered under the Securities Act and are subject to United States tax law requirements. Subject to certain exceptions, the Bonds may not be offered, sold or delivered within the United States of America or to U.S. persons as defined in Regulation S under the Securities Act ("**Regulation S**").

The Bonds issued pursuant to this Prospectus are complex financial instruments and are not a suitable or appropriate investment for all investors. In some jurisdictions, regulatory authorities have adopted or published laws, regulations or guidance with respect to the offer or sale of securities such as the Bonds to retail investors.

For the avoidance of doubt the content of any website referred to in this Prospectus does not form part of this Prospectus and the information on such websites has not been scrutinised or approved by the CSSF as competent authority under the Prospectus Regulation.

#### **MIFID II PRODUCT GOVERNANCE / TARGET MARKET: PROFESSIONAL INVESTORS AND ECPS ONLY**

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Bonds (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

#### **PRIIPS REGULATION / PROSPECTUS REGULATION / PROHIBITION OF SALES TO EEA RETAIL INVESTORS**

The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by the PRIIPs Regulation for offering or selling the Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

Where acting as agent on behalf of a disclosed or undisclosed client when purchasing, or making or accepting an offer to purchase, any Bonds (or any beneficial interests therein) from the Issuer and/or the Managers the foregoing representations, warranties, agreements and undertakings will be given by and be binding upon both the agent and its underlying client.

#### **BENCHMARK REGULATION: STATEMENT ON REGISTRATION OF BENCHMARK ADMINISTRATOR**

Following the First Reset Date, interest amounts payable under the Bonds are calculated by reference to the EURIBOR, which is provided by the EMMI. As at the date of this Prospectus, EMMI appears on the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the Benchmark Regulation.

## SINGAPORE SECURITIES AND FUTURES ACT PRODUCT CLASSIFICATION

In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the "SFA") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "CMP Regulations 2018"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Bonds are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

### STABILISATION

IN CONNECTION WITH THE ISSUE OF THE BONDS, COMMERZBANK AKTIENGESELLSCHAFT (THE "STABILISING MANAGER") (OR ANY PERSON ACTING ON BEHALF OF ANY STABILISING MANAGER) MAY OVER-ALLOT BONDS OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE BONDS AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, STABILISATION MAY NOT NECESSARILY OCCUR. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE BONDS IS MADE AND, IF BEGUN, MAY CEASE AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE BONDS AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE BONDS. ANY STABILISATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE STABILISING MANAGER (OR ANY PERSON ACTING ON BEHALF OF THE STABILISING MANAGER) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

### FORWARD-LOOKING STATEMENTS

This Prospectus contains certain forward-looking statements, including statements using the words "believes", "anticipates", "intends", "expects" or other similar terms. This applies in particular to statements under the caption "*Description of the Issuer and the Hannover Re Group*" and statements elsewhere in this Prospectus relating to, among other things, the future financial performance, plans and expectations regarding developments in the business of the Issuer and Hannover Re Group. These forward-looking statements are subject to a number of risks, uncertainties, assumptions and other factors that may cause the actual results, including the financial position and profitability of the Issuer or Hannover Re Group, to be materially different from or worse than those expressed or implied by these forward-looking statements. Neither the Issuer nor the Manager do assume any obligation to update such forward-looking statements and to adapt them to future events or developments.

### ALTERNATIVE PERFORMANCE MEASURES

Certain terms used in this Prospectus and financial measures presented in the documents incorporated by reference are not recognised financial measures under International Financial Reporting Standards as adopted by the European Union ("IFRS") ("**Alternative Performance Measures**") and may therefore not be considered as an alternative to the financial measures defined in the accounting standards in accordance with generally accepted accounting principles. The Issuer has provided these Alternative Performance Measures because it believes they provide investors with additional information to assess the operating performance and financial standing of Hannover Re Group's business activities. The definition of the Alternative Performance Measures may vary from the definition of identically named alternative performance measures used by other companies. The Alternative Performance Measures for Hannover Re Group presented by the Issuer should not be considered as an alternative to measures of operating performance or financial standing derived in accordance with IFRS. These Alternative Performance Measures have limitations as analytical tools and should not be considered in isolation or as substitutes for the analysis of the consolidated results or liabilities as reported under IFRS.

For further information, please see "*Description of the Issuer and the Hannover Re Group - Alternative Performance Measures*".

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## RISK FACTORS

*Before deciding to purchase the Bonds, investors should carefully review and consider the following risk factors and the other information contained in this Prospectus. Should one or more of the risks described below materialise, this may have a material adverse effect on the business, prospects, shareholders' equity, assets, financial position and results of operations (Vermögens-, Finanz- und Ertragslage) or general affairs of the Issuer or the Group. Moreover, if any of these risks occur, the market value of the Bonds and the likelihood that the Issuer will be in a position to fulfil its payment obligations under the Bonds may decrease, in which case the holders of the Bonds could lose all or part of their investments. Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with the Bonds are also described below.*

*The Issuer believes that the factors described below represent the principal risks inherent in investing in the Bonds, but the Issuer may be unable to pay interest, principal or other amounts on or in connection with the Bonds for other unknown reasons than those described below. Additional risks of which the Issuer is not presently aware could also affect the business operations of Hannover Re Group and have a material adverse effect on Hannover Re's business activities and financial condition and results of operations. Prospective investors should read the detailed information set out elsewhere in this Prospectus (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision.*

*Words and expressions defined in the Terms and Conditions shall have the same meanings in this section.*

*Potential investors should, among other things, consider the following:*

### **Risks relating to the Issuer and the Hannover Re Group**

Set out below are risks associated with the Issuer and the Hannover Re Group which may have a material impact on its business operations and/or the level and volatility of its profitability, and therefore its ability to perform its obligations under the Bonds, including:

#### ***Underwriting Risks and Other Business-Related Risks***

##### ***Natural catastrophe risk***

Natural catastrophes are partially covered by insurance policies in the property and casualty and life and health (re)insurance written by the Hannover Re Group. Such catastrophic events include, among other things, windstorms and hailstorms, floods, earthquakes, major fires, cold spells, factory explosions, and insurrections. Neither catastrophes as such nor the scale of loss and damage caused by such events can be predicted. Even though the Hannover Re Group monitors the aggregate risk tolerance with respect to catastrophic events in each geographical region, catastrophe-related damage and claims can lead to extraordinarily high losses outside this tolerance. Furthermore, the scale of catastrophe losses may increase in the coming years relative to the multi-year average.

A certain proportion of the required risk capital is attributable to risks from natural disasters. For the purpose of assessing Hannover Re Group's material catastrophe risks from natural hazards (especially earthquake, windstorm and flood) Hannover Re Group uses licensed stochastic catastrophe simulation models including latest results from scientific research and enriched with the expertise of own geoscientists from specialist departments. The model's outcome are probability distributions representing the full range of possible loss scenarios from every natural catastrophe worldwide. For the purposes of portfolio optimization and steering the geographical diversification maximum underwriting limits and thresholds are introduced for various extreme loss scenarios and return periods in light of profitability criteria. The monitoring of the risks resulting from natural hazards is rounded out by scenario analyses.

Meteorological extreme events like intense tropical cyclones, windstorms, floods are often seasonal with the highest proportion of annual losses occurring on average in the third quarter, with quarter to quarter comparisons varying very strongly. The ultimate impact of a catastrophic event or multiple catastrophic events on Hannover Re Group's financial condition, results of operations, business and prospects is difficult to predict and will be affected by a number of factors,

including, *inter alia*, the frequency of loss events, the severity of each event, the total amount of insured exposure in the area affected by each event and changes in the value of the insured property. To the extent the Hannover Re Group writes more natural catastrophe covers in the future, a greater impact in absolute terms of natural catastrophe losses on Hannover Re Group's results can be expected.

The possible effects of natural catastrophes are compounded by the correlation between climate change and severe storms, floods and drought as well as adverse agricultural yields. The effects of global warming and climate change cannot be predicted and are likely to aggravate potential loss scenarios, risk modeling and financial performance. Furthermore, climate change could lead to extreme weather events spreading to parts of the world that have not previously experienced extreme weather conditions.

In case of adverse natural catastrophe events covered under current and future contracts, a negative impact on Hannover Re Group's net income, business and prospects is possible.

#### *Reserving risk Property and Casualty*

Hannover Re Group companies systematically cover property and casualty risks underwritten by primary insurers and reinsurers and calculates the amount of technical provisions that are to be established for insured events in accordance with relevant actuarial methods that reflect assumptions and empirical values.

Due to their nature and possible delays in reporting man-made casualty losses, an adverse effect of a man-made casualty loss may not be recognized until some period after the occurrence of the loss. While the level of provisions constituted is regularly adjusted in the context of normal run-off with the aid of the latest information available to management. The adequacy of the provisions initially constituted and subsequently adjusted as necessary cannot be assured. These actuarial calculations are based on past experience with similar policies, forecasts regarding the future, and actuarial models. Over time, these assumptions could prove to be inaccurate and might therefore necessitate additional expenditures. Despite efforts to minimise such risk, deviations can occur if data is interpreted incorrectly or external factors outside the influence of the Hannover Re Group change.

A price determination which appropriately reflects the previously mentioned risk in the property and casualty reinsurance is complicated due to the increasing complexity and long-term nature of the run-off. In the insurance and reinsurance market this was demonstrated in the past, for example, by claims connected with asbestos and claims from the attack on the World Trade Center. On basis of the actual future development – especially with respect to risks that have currently not even been recognised as such – or as a consequence of the inaccurate selection or application of methods to calculate the constituted provisions, the Hannover Re Group might be compelled to increase the provisions to an unpredictable extent.

Should it be necessary to increase provisions or liabilities this could negatively affect the net income respectively cash flows and subsequently the capital adequacy of the Hannover Re Group.

#### *Man-made catastrophe risk*

Man-made disasters are partially covered by insurance policies in the property and casualty and life and health (re)insurance written by the Hannover Re Group. Complex technology intersecting with increased population density, infrastructure and higher rates of utilization of natural resources increase the likelihood and the magnitude of catastrophic man-made events. Man-made disasters involving chemical, biological or nuclear hazards in particular bear high potential for losses covered by companies within the Hannover Re Group.

Geopolitical risks have increased worldwide since the terror attacks on the United States on 11 September 2001, especially the risks of terrorist attacks and potential military responses to them, as well as risks created by political tensions between countries. The Hannover Re Group, as many other reinsurance companies, tries to exclude terror risks from their insurance terms, or considerably increased the premiums for the insurance of these risks. However, the potential of terror risks materialising could not be completely eliminated by these measures. While, on the one hand, an exclusion of liability is not possible with respect to all insurance contracts, consequential damage caused by terror attacks such as fire may, on the other hand, still give rise to claims brought against companies of the Hannover Re Group by policyholders. Another



risk is that potential future terror attacks might not be clearly identifiable as such or that there is at least no proof of a terror attack having occurred. If, in these cases, the limits or exclusions provided for in the insurance contracts cannot be enforced, this would result in increased claim expenditure. Hannover Re Group cannot definitely assess the consequences that future terror attacks may have on its business activities. Increased political risks and risks resulting from potential future terrorist attacks may have an adverse effect on the Hannover Re Group's net income.

In recent years, Hannover Re had offered insurers protection against cyber risk. Cyber-attacks on critical systems are becoming increasingly common. They can cause considerable financial losses and also damage corporate reputations. Moreover, they can severely hamper private and public life, especially if critical infrastructures are impacted – such as the health, transportation, traffic and energy sectors. In such instances supply bottlenecks with lasting effects as well as major disruptions to public safety may ensue. In a networked world the repercussions of cyber-attacks are intensifying because the volume of data stored around the world is constantly growing – and in this context it is not only one's own technical infrastructure that needs to be secured. On the contrary, the trend towards cloud computing is increasingly shifting the focus to third-party infrastructures and the associated network connection. Growth in connectivity between digital and physical worlds as well as the progress in commercial deployment of "internet of things" and "artificial intelligence" will further increase risk aggregation effects. Therefore, cyber events covered by the Hannover Re Group may have a negative influence on its net income.

#### *Premium risk*

The business conducted by the Hannover Re Group is founded on the deliberate assumption of risks through the conclusion of insurance and reinsurance contracts.

In deciding on whether reinsurance or retrocession agreements are to be entered, the Hannover Re Group relies on the provision of correct and sufficient risk information by the respective ceding company. Should the Hannover Re Group, on the basis of incorrect or incomplete information, wrongfully assess the covered risks, this may result in additional expenses. Even if the Hannover Re Group would have recourse against the ceding company it cannot be assured that these claims are adequate and enforceable. Inaccurate or inadequate information could result in the underwriting of unprofitable or loss-making reinsurance or retrocession contracts.

Furthermore, the Hannover Re Group makes use of risk quantification models based on simplified assumptions that cannot fully reflect actual circumstances. In addition to this, cedants may write business, the quality of which is incorrectly assessed by the Hannover Re Group as more favourable than it actually is.

Property and casualty reinsurance is a cyclical business. The same is true to a lesser extent of life reinsurance. The cycles in the reinsurance business are periods characterised by intense price competition and less restrictive underwriting standards followed by periods of higher premium rates and more selective underwriting standards. This means that the business volume of the Hannover Re Group does not develop in a linear manner, hence the volume of reinsurance business is subject to considerable fluctuations, which can be attributed to a broad range of factors. On the one hand, competition has increased in recent years in the reinsurance markets, especially as a result of market entry by new competitors, a general high availability of capital and thus capacities and as a result of large customers attempting to bear standard risks themselves or cover them through their own captive insurance companies. A continuation of this trend could reduce the volume of reinsurance and premiums in this segment. Other factors, which cannot always be foreseen and/or influenced, include *inter alia* the frequency and scale of catastrophic events, the availability of reinsurance capacities, the volatility of capital markets, the occurrence of new risks (for example as a result of new technologies) and general economic conditions. Furthermore, these factors can also bring about changes in treaty conditions and hence profit margins or lead to a slowdown or decline in the business development adversely affecting the financial position or net income of the Hannover Re Group.

#### *Longevity and mortality risk*

Life reinsurance business predominantly includes mortality risk – which provides a lump sum payment upon death of the life insured, and longevity risk – which typically provides a regular income for life. Mortality risk is the core business of the Life & Health reinsurance business.

In the last years, Hannover Re Group considerably extended covers for longevity business in the United Kingdom and in the process of expanding this offering into other markets. The ageing population in some countries has led to an increasing latent demand for annuity and pension provision. Longevity risk affects contracts where benefits are based upon the likelihood of survival, e.g. the risk to which a pension fund or life insurance company could be exposed as a result of higher-than-expected payout patterns. Increasing life expectancy trends among annuity policyholders and pensioners can result in payout levels that are higher than originally accounted for. As a result, as life expectancy increases, strains are placed on such organizations obligated to pay higher retirement benefits than initially expected.

In case, a similar movement of mortality is observed between mortality and longevity business, this has an offsetting effect. However, the portfolios covered in mortality versus longevity risk are typically different (e.g., different countries, gender structure, age groups or distribution channels) which may reduce the offsetting impact.

Adverse development can result in higher-than-expected payout patterns and therefore affect the cash flow and profitability of the Hannover Re Group.

#### *Life and health catastrophe risk*

The Life & Health reinsurance business of the Hannover Re Group may be affected by events that affect a number of lives simultaneously. Such events could affect the experience of both the mortality and the morbidity at the same time. Consequently, an influenza pandemic is a material risk as it has the potential to impact all markets across the world. A pandemic, whether influenza or another infectious disease, has the potential to affect a significant percentage of the world's population, causing a high level of sickness and an increase in mortality rates. This could imply a temporary spike in mortality and morbidity claims and impact the net income of Hannover Re Group accordingly.

#### *Morbidity and disability risk*

Companies of the Hannover Re Group write different types of business where claim payments are contingent on the health status of individual lives. The most relevant types of business are health business (which compensates for medical expenses incurred), critical illness business (where benefits are paid upon the occurrence of pre-defined diseases) and disability business, (which provides a regular income or a lump sum payment upon continued inability to work as a result of a long-term illness or disability). For disability income business, morbidity benefits are often payable over potentially many years and there is uncertainty involved in estimating the number of years over which benefits will be paid.

The liabilities for future policy benefits for individual risks or classes of business may be greater or less than assumed and - if greater - negatively affect the profitability and cash flow of the Hannover Re Group.

#### *Lapse and expense risk*

Life or health insurance policies (with the exclusion of certain annuity business) typically provide a lapse option to the policyholders. The pricing and valuation of life insurance and reinsurance business therefore requires assumptions on future policyholder behaviour. Such behaviour may be different from expectations due to market development, capital market movements or other circumstances. If actual lapses differ from expectations, the amount of future premium income and claims outgoing will change.

As long-term business, the life and health business requires long-term administration efforts. Expense risk relates to the uncertainty of the cost of servicing and administering underwritten contracts. Administration expenses are exposed to inflation changes. Therefore, the risk that actual expense rates deviate from expected rates might lead to a negative influence on Hannover Re Group's economic result and net income.

#### *Strategic and rating risk*

Within the scope of its reinsurance business, the Hannover Re Group underwrites the business of primary insurers, which means that facts and circumstances in the insurers' environment may also indirectly influence the Hannover Re Group, in particular that insurers may write less business – as a result of which a smaller volume is also reinsured. The business result of the Hannover Re Group is influenced by its ability to acquire new insurance business at advantageous conditions, to expand existing profitable business relationships and to raise capital on the financial markets.

Of particular significance to this ability is the evaluation of the financial strength and creditworthiness and hence also indirectly of the competitiveness of the Hannover Re Group and its individual companies by specialized agencies (hereinafter referred to as its "rating"). The most important rating for the Hannover Re Group is the Insurer Financial Strength Rating, which evaluates the financial strength of the Issuer on the basis of the factors that are relevant to policyholders and ceding companies. These factors include, most notably, the capital adequacy, market positioning, risk management and earnings outlook.

The current Insurer Financial Strength Rating for the Issuer from S&P Global Ratings Europe Limited ("**S&P**") is "AA- " ("Very strong", stable outlook), while that of A.M. Best (EU) - Rating Services B.V. ("**A.M. Best**") is "A+" ("Superior", stable outlook). Rating agencies review their ratings and assessment methods continuously and could downgrade the Issuer's ratings, whether on the basis of changes in the results of operations and financial condition of the Issuer, of the Hannover Re Group or as a result of changes in the assessment of the reinsurance industry. A downgrade in the rating can have significant adverse implications for the conditions of new and existing business, impair competitiveness, limit access to the capital markets and increase the costs of financing for the Issuer. In addition, a downgrade can result in the materialization of new or accelerated maturity of existing liabilities that are contingent upon maintenance of a particular rating. A significant downgrade of the rating by S&P or A.M. Best could detrimentally affect the ability of the Hannover Re Group to generate new business.

#### *Counterparty default risk*

As part of its business, companies belonging to the Hannover Re Group acquire a large number of receivables and recoverables against counterparties, especially cedants, retrocessionaires, insurance brokers, financial institutions and intermediaries. Third parties that owe money, securities or other assets to companies of the Hannover Re Group may not pay or perform under their obligations. These parties include the issuers whose securities the Hannover Re Group companies hold, borrowers under loans made, trading counterparties, counterparties under swaps, credit default and other derivative contracts, clearing agents, exchanges, clearing houses and other financial intermediaries. If obligors of the Hannover Re Group companies experience financial difficulty and cannot or do not pay the full amounts owed to it, the Hannover Re Group would be exposed to risks of financial losses and a possible downgrading of its credit rating, and might be required to write down or write off certain assets. In addition, with respect to secured or covered transactions, the Hannover Re Group companies' credit risk may be exacerbated when the collateral held by those transactions cannot be realized or is liquidated at prices not sufficient to recover the full amount of the loan, reinsurance recoverable or derivative exposure.

As a result, default by one or more of these parties on their obligations to the Hannover Re Group companies due to bankruptcy, lack of liquidity, downturns in the economy or real estate values, operational failure or other reasons, or even rumours about potential defaults by one or more of these parties or regarding the financial services industry generally, could lead to market value losses or defaults harming the Hannover Re Group companies.

The Hannover Re Group systematically uses retrocessions and protection covers or transfers risks from reinsurance business to the retrocession (and in a limited extent to the capital) markets to smooth results and optimize its net income. Hannover Re also accepts reinsurance risks and passes these on to retrocessionaires only for the purpose of earning a fee ("fronting"). In this context it attaches considerable importance to the quality and credit status of its retrocessionaires or the providers of a security. Often, the retrocessionaires' obligations are highly collateralised. Deteriorating market conditions for retrocession globally or the financial situation at retrocessionaires may lead to the risk that individual claims cannot be recovered if individual retrocessionaires should become unable or unwilling to pay.

In life and health reinsurance, a particular risk arises because some capital investment portfolios are not directly under the control of the reinsurer. This applies to certain U.S. life insurance policies ("modified coinsurance"). Under these contracts, the cedant retains securities in a securities account that secure the risks that it has ceded to the reinsurer. Payments to the reinsurer are rendered only at a later point in time and contain a portion of the gross premium collected from the cedant and the income on the securities. Accordingly, the Hannover Re Group has to rely on third parties for the proper administration of the related investment portfolio. In such circumstances, it is common for the reinsurer to mitigate this risk by having agreed investment guidelines with the cedant which specify the risk limits to which the underlying

portfolio is to be managed to. Changes in the value of such investment portfolios may adversely impact the net income of the Hannover Re Group.

#### *Emerging risk*

The term "emerging risks" is used to refer to previously unknown risks that could cause substantial future losses and, therefore, are of major concern to insurance and reinsurance companies. Unlike traditional risks, emerging risks are difficult to analyze because they often exist as a hidden risk. Insurance premiums for emerging risks are difficult to calculate due to lack of historical data about or experience with such risks or their consequences. The hallmark of emerging risks (such as in the field of nanotechnology, climate change, disruption of critical infrastructure, cyber or pandemics) is that the content of such risks cannot as yet be reliably assessed – especially with respect to Hannover Re Group's treaty portfolio. Such risks evolve gradually from weak signals to unmistakable tendencies. Presently, the consequences of potential, worldwide climate change is considered an emerging risk. There are a wide scientific consensus and a growing public concern that globally increasing emissions of greenhouse gases, especially carbon dioxide, are causing an increase in the average worldwide surface temperatures. This increase in average temperatures could increase the frequency of hurricanes, floods, droughts, forest fires, and could cause sea levels to rise due to the melting of the polar ice caps.

The Hannover Re Group aims to detect, assess, steer and monitor these risks through a process involving experts from the relevant fields of knowledge. Despite its efforts at early identification and continuous monitoring of emerging risks, Hannover Re may not be able to identify all emerging risks and implement measures to avoid or minimize claims exposure to them. Defects and inadequacies in the identification and response to emerging risks could lead to unforeseen damages, furthermore the realization of one or several of these risks could have a detrimental effect on the assets, financial position and net income of the Hannover Re Group.

#### ***Risks related to the Capital Markets***

The Hannover Re Group's financial results are, amongst other things, subject to market risk on its invested assets. Risks can arise, among other things, from adverse changes in interest rates, inflation rates, equity prices, credit spreads, foreign exchange rates, real estate prices and other relevant parameters such as market volatility or liquidity.

#### *Default and spread risk*

Credit spread risk is an important factor for Hannover Re Group's fixed-income security holdings. Credit spread refers to the difference in the rate of interest between a risk-bearing security and a risk-free security of the same tenor and currency. Market changes in these risk premiums lead to changes in the market value of the corresponding securities in a manner analogous to changes in prevailing interest rates. An increase in credit spreads beyond the expected figures could give rise to higher default probabilities for bonds and lower prices, causing negative impact on Hannover Re Group's capital position. If defaults occurred with a higher frequency than the initial credit spreads implied this would have an impact on net investment income.

The Hannover Re Group companies also have exposure to a number of financial institutions and other corporates in the form of debt instruments, derivative transactions and equity investments. Although Hannover Re Group's investment guidelines are designed to limit undue concentration of risk, the Hannover Re Group could become significantly exposed to a particular counterparty. In addition, a feared or actual deterioration in the credit of one or more major counterparties, could lead to write downs for a large number of other market participants. Existing protection schemes, such as the deposit insurance fund (*Einlagensicherungsfonds*) of the Federal Association of German Banks could turn out to be insufficient to avoid or compensate for losses of payments. General economic uncertainty and volatility in the capital markets could intensify these risks going forward. If a significant amount of its investments becomes impaired for any reason, this could materially and adversely affect Hannover Re Group's results of operations and financial condition.

In addition to that, the small portion of insurance linked securities Hannover Re is invested in is also subject to risks arising primarily from natural catastrophes. The occurrence of risks arising from the related natural catastrophes could

also have a negative impact on Hannover Re Group's investment income, results of operations and financial condition as well.

#### *Foreign exchange risk*

The Hannover Re Group writes (re)insurance business worldwide in numerous international currencies and prepares annual and interim financial statements in Euro, as a consequence of which the Hannover Re Group is exposed to the risk that actual foreign currency exchange rates deviate from previous exchange rates. Due to the fact that the financial statements of some of its foreign subsidiaries, associated companies, special purpose entities and special funds are prepared in non-Euro currencies, the largest volumes of which are in the U.S. Dollar, the British Pound, the Australian Dollar, the Canadian Dollar and the South African Rand, evolving currency translation risk might result in a lower value of these investments in foreign entities and a decreased shareholders' equity and could have a negative impact on the capital adequacy of the Hannover Re Group following adverse developments of such currencies compared to the Euro.

Foreign exchange risk can also arise if the assets and liabilities of Hannover Re Group are not in the same currency, or if contracts for administrative and other services are contracted in a currency different to the currency implied in the premium and loss determination. In some jurisdictions, the sale of contracts in other than the local currency leads to an impact on rates of persistency (e.g. minimum interest) or discontinuance (lapse ratio) in the event that the policyholders are exposed to a mismatch. Such currency transaction in connection with such contracts might also adversely affect the financial condition, results of operations and cash flow of the Hannover Re Group.

Furthermore, Hannover Re receives dividends, profit transfers and interest payments from its foreign subsidiaries, associated companies, special purpose entities and special funds, partly in currencies other than Euro. A negative development of exchange rates might result in a lower value of these cash flows in Euro terms.

#### *Equity risk*

Equity risk derives from the possibility of unfavourable changes in the value of listed and unlisted equities, equity derivatives or equity index derivatives in the portfolio of the Hannover Re Group. The portfolio predominantly includes investments in unlisted (private) equities and to a rather small extent investments in listed equities.

Although private equity investments are not as directly related to stock markets as listed equities, there is a certain degree of influence from stock market movements on them. However, changes in their fair value here tend to be prompted less by general market conditions than by entity-specific assessments. The risks are associated principally with the business model and profitability of the entities invested in.

Unfavorable changes in the value of investments in equities can have a material negative impact on the financial conditions, results of operations, cash flow and shareholders' equity of the Hannover Re Group.

#### *Interest rate risk*

Changes in prevailing interest rates (including fluctuations in the level of both short- and long-term interest rates, or enduring negative rates) may adversely affect the Hannover Re Group's assets and net income. The majority of the Hannover Re Group's holdings are invested in fixed-income securities; the bulk of which are denominated in Euro and U.S. Dollar. An increase in the interest rate level could substantially decrease the value of the financial assets. If the market price were to fall below amortised cost for a sustained period, this could have a negative impact on Hannover Re Group's capital position.

Risks may also arise from a protracted period of low interest level in the international financial markets which might affect the asset management performance. Should the current level of interest rates be sustained or decline even further, this may adversely affect the financial position and net income of the Hannover Re Group.

Additionally, the assets and liabilities of the Hannover Re Group are not necessarily fully matched in terms of interest rate duration (e.g. on equity-backing securities). Therefore, an interest rate risk consequently remains. A change in interest rates may accordingly have an adverse effect on the economic or general capitalization of the Hannover Re Group.

### *Real asset risk*

Hannover Re Group companies have a significant real estate and infrastructure investment portfolio in form of direct and fund investments. Real estate and infrastructure risk may continue to grow owing to further extending the investments in these sectors. Market values of real asset projects and underlying fund investments are exposed to downturn in market prices and volatility of their income. Real asset risk is growing along with the size of the associated portfolio, reflecting exposure to different sectors and geographies.

The occurrence of any of the risks described above could have a material negative impact on the financial conditions, results of operations and cash flow of the Hannover Re Group.

### ***Operational Risks***

#### *Compliance and regulatory change risk*

As an internationally operating reinsurance group, the Hannover Re Group is active in many countries. The business of most Hannover Re Group companies is subject to detailed and extensive laws and regulations. In most of the jurisdictions, in which the companies of the Hannover Re Group operate, the conduct of insurance and reinsurance business requires approvals and licenses granted by courts, public and other authorities following an audit and licensing process. Hence, Hannover Re Group companies are subject to the political and legal framework in each of these countries and relies to a certain extent on the cooperation and reliability of public authorities (e.g. insurance supervisory authorities) and local business partners (e.g. distributors). Embargoes and financial sanctions against certain governments, entities or individuals also pose risks for Hannover Re Group's international activities. In the event of violations of embargoes or financial sanctions, Hannover Re Group could face legal consequences (for example, withdrawal of licenses or fines) or suffer reputational risks from actual or alleged violations of its various legal duties. In light of the large number of regulations, provisions and standards of conduct with which the Hannover Re Group must comply in various countries, there is an inherent risk of liability due to actual or alleged violations of such norms, which may also lead to regulatory bodies investigating Hannover Re Group's business with potential financial and/or reputational risks being associated therewith. The Group aims to reduce such risk by means of comprehensive compliance programs but these compliance programs may fail to prevent such violations.

Non-compliance with laws and regulations may give rise to costs or otherwise adversely affect the business of the Hannover Re Group. In some countries, changes may also be introduced with retroactive effect. Any of the above could also lead to increased regulatory supervision, affect Hannover Re Group's ability to attract and retain customers, impair access to the capital markets, imply higher capital requirements and capital costs or have other adverse effects on the Hannover Re Group in ways that are not predictable. As an example, the Hannover Re Group and its legal entities in the EU face the risk that the regulator withdraws the approval to use an internal capital model due to non-compliance with regulatory standards. As a consequence, the Hannover Re Group and its legal entities in the EU would have a disadvantage compared to peers allowed to use an internal model and, could face higher financing costs for issuing additional instruments eligible as own funds which may consequently negatively impact financial condition and net income of the Hannover Re Group.

#### *Business process and data quality risk*

Business process risks are associated with the risk of deficient or flawed internal processes, which can arise as a consequence of an inadequate process organization. Inadequate processes can lead to inefficiencies and cause delays in operations or incapability to produce required results. Accurate and credible data is a critical success factor. Wrong or flawed data can lead to incorrect accounts and statements. Furthermore, analysis and projections for pricing, reporting and steering purposes can be distorted by incorrect data. Data quality plays also a critical role for insurance companies using internal models. It cannot be completely ensured that all data received, stored or produced in a complex organization is accurate.

Inadequate processes and inaccurate data can have a negative impact on costs and earnings of Hannover Re Group and could also negatively affect its reputation.

## *Tax risk*

The respective tax laws in the various countries in which Hannover Re and its group companies operate are constantly changing. The tax burden of the Hannover Re Group is dependent on various aspects of tax laws as well as their application and interpretation. Tax laws can be changed retroactively, and their application/interpretation can be amended by the tax authorities and the courts. Such changes could increase the tax burden of the Hannover Re Group and could have a detrimental effect on the assets, financial position and net income of the Hannover Re Group.

In particular:

- Hannover Re Group could be adversely affected if Bermuda is included on an EU list of non-cooperative jurisdictions for tax purposes or if the effective 95% tax exemption on dividends received by subsidiaries that are based on Bermuda ceases to apply due to a change of German tax laws or as a possible consequence of Bermuda being included on an EU list of non-cooperative jurisdictions for tax purposes.
- Significant additional tax liabilities of the Hannover Re Group may arise from inaccurate estimates as to tax provisions, tax refund claims, tax reserves and deferred tax items. In addition, the (partial) non-recognition of technical reserves for tax purposes could lead to additional tax liabilities. Further, changes in corporate tax rates might affect the value of deferred tax assets and liabilities.
- In the United States, the "Tax Cuts and Jobs Act" has significantly changed how in particular multinational enterprises are taxed. As part of this U.S. tax reform, the Base Erosion and Anti-Abuse Tax (the "**BEAT**"), which may prevent certain deductions of specified payments to a non-U.S. related person, as well as any future changes in its interpretation e. g. by the U.S. Internal Revenue Service ("**IRS**"), if any, may apply to the Hannover Re Group from 2018 onwards. The BEAT could significantly increase the U.S. tax liability of the Hannover Re Group. This could adversely impact the results of operation and the financial condition of the Hannover Re Group.
- The Hannover Re Group manages risk and capital by selectively retaining business in risk accumulation and aggregation points where diversification and risk management techniques can be used most efficiently. The aggregation points for the Group's North America Life business have traditionally been Ireland and Germany, but in light of Hannover Life Reassurance Company of America (Bermuda) Ltd. ("**HLRA Bermuda**")'s significant growth coupled with the U.S. tax reform, the Group has changed the jurisdiction of this aggregation point to Bermuda. The Hannover Re Group has increased the capitalization of HLRA Bermuda and has moved a significant portion of U.S. sourced inbound business to HLRA Bermuda in 2018. HLRA Bermuda has elected to be treated as a US corporation for tax purposes and is subject to corporate income tax in the United States. The movement of the business to HLRA Bermuda entails an inherent transfer pricing risk which might result in additional tax liabilities for the Hannover Re Group.
- Internal restructurings within the Hannover Re Group can subject Hannover Re to unanticipated tax problems. Tax authorities and/or tax courts could classify certain restructuring measures in a manner which results in additional tax liabilities or the loss of other tax benefits for the Hannover Re Group.
- The European Union adopted Council Directive (EU) 2016/1164 laying down rules against tax avoidance practices that directly affect the functioning of the internal market (so called "**ATAD**") on 12 July 2016. The ATAD provides for a minimum harmonization of the controlled foreign corporation ("**CFC**") rules of the EU member states. On the basis of the ATAD, Germany is expected to change its local CFC legislation. The change of German CFC legislation might lead to additional tax liabilities for the Hannover Re Group. As of the date of this prospectus, draft regulations on the change of Germany's CFC legislation have not been published yet.
- Many countries, together with the OECD, are currently considering to substantially change the current system of international taxation which, if enacted, could increase the tax obligations in countries where the Hannover Re Group does business.

### *Fraud risk*

Fraud risks refer to the risk of intentional violations of laws or regulations by members of staff (internal fraud) and/or by external persons or organizations (external fraud), in order to gain a personal advantage

The Hannover Re Group is exposed to risk of misconduct and fraud, including policy (i.e. application-related) fraud and claims fraud arising from a variety of sources including employees, suppliers, intermediaries, customers and other third parties.

Hannover Re has in place controls aimed to ensure that risk selection is within the Group's risk appetite and that risk assumption adheres to the Group's pricing and reserving guidelines. Notwithstanding these controls, errors or misconduct by employees or agents may lead to losses, including direct financial loss and losses relating to redirecting payments, making false payments, or falsifying data to improve employee performance statistics. These may arise from, among other things, dealings with brokers, fraud, errors, failure to document transactions properly, failure to obtain proper internal approval, or failure to comply with internal guidelines and/or regulatory requirements. It is not always possible for the Hannover Re Group to deter or prevent employee or agent misconduct and the precautions taken to prevent and detect this activity have not been and may not in the future be completely effective in all cases.

The Hannover Re Group is also at risk from customers who misrepresent or fail to provide full disclosure in relation to the risk against which they are seeking cover before such cover is purchased, and from customers who fabricate claims and/or inflate the value of their claims. It is also at risk from its employees failing to follow procedures designed to prevent fraudulent activity, as well as from its agents' fraudulent activity, such as falsifying policies or failing to remit premiums collected from customers on behalf of the Hannover Re Group. Additionally, attempts at fraud are becoming more sophisticated, including through the use of technology. A failure to combat the risks of fraud effectively could adversely affect the profits of the Hannover Re Group as claims incidence and average payouts could increase.

### *Changes in accounting standards*

Changes to EU endorsed International Financial Reporting Standards ("**IFRS**") for (re)insurance companies have been proposed in recent years and further changes may be proposed in the future.

On 18 May 2017, the International Accounting Standards Board (the "**IASB**") published IFRS 17 'Insurance Contracts' with an effective date of 1 January 2021, though it was announced in November 2018 that the IASB had decided to propose extending the effective date to 1 January 2022. In June 2019, the IASB published an Exposure Draft titled Amendments to IFRS 17 (the "**Exposure Draft**"), detailing its review of the reported concerns and implementation challenges of IFRS 17 and proposing to defer the effective date to 1 January 2022. However, this remains subject to the comment period for the Exposure Draft which ended on 25 September 2019, with the IASB aiming to issue an amendment to IFRS 17 in the second quarter of 2020.

IFRS 17 introduces significant changes to the presentation and measurement of insurance contracts, including the effect of technical reserves and reinsurance on the value of insurance contracts.

Similarly, the Hannover Re Group continues to defer the implementation of IFRS 9 'Financial Instruments' (which replaced IAS 39 with effect from 1 January 2018) until 1 January 2022 to coincide with the introduction of IFRS 17.

IFRS 17 and IFRS 9 are intended to increase transparency, consistency and comparability in the reporting of new and existing business by (re)insurers, with clearer reporting on sources of profits and quality of earnings. The new standard changes the reported value of insurance and reinsurance contracts in the balance sheet and recognition of revenue in the profit or loss.

Given the current stage of the Group's implementation of IFRS 17 and IFRS 9 together with recent further proposed amendments to IFRS 17 by the IASB and developing industry practice and interpretation of the same, there is uncertainty as to what the impact of implementing these standards will be in the Hannover Re Group's profit or losses and balance sheet. Consequently, changes in IFRS 17 and IFRS 9 could have an adverse effect on the Hannover Re Group's financial performance and condition (including through changes affecting the calculation of Shareholder's equity or taxation).



These and any other changes to IFRS, to the extent applicable, that may be proposed in the future, whether or not specifically targeted at (re)insurance companies, could have a material adverse effect on the Hannover Re Group's business, prospects, financial condition or net income.

## **Risks relating to the Bonds**

### *Risks associated with the characteristics of the Bonds*

The risks associated with the characteristics of the Bonds include risks resulting from the subordination of the Bonds, risks related to the fixed rate interest rate applicable until the First Reset Date, risks related to the floating rate interest applicable from the First Reset Date, risks related to interest rate benchmarks, risks related to the nature of the Bonds as long-term securities, risks related to a possible early redemption of the Bonds and risks in connection with the application of the German Act on Issues of Debt Securities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen*, "**SchVG**").

### *Risks resulting from the subordination of the Bonds*

The obligations under the Bonds constitute unsecured obligations of the Issuer ranking *pari passu* among themselves.

The terms of the Bonds provide that the obligations of the Issuer under the Bonds rank subordinated to all of the Issuer's (i) unsubordinated obligations, (ii) obligations subordinated pursuant to § 39(1) of the German Insolvency Code (*Insolvenzordnung*), (iii) subordinated obligations ranking at least *pari passu* with the Issuer's obligations subordinated by operation of law pursuant to § 39(1) of the German Insolvency Code and (iv) subordinated obligations required to be preferred by mandatory provisions of law.

In the event of the dissolution, liquidation, insolvency or any proceeding to avoid insolvency of the Issuer, the obligations of the Issuer under the Bonds will be fully subordinated to all claims against the Issuer which pursuant to the Terms and Conditions are expressed to, or by operation of law, rank senior to the obligations of the Issuer under the Bonds. In any such event, payments will not be made under the Bonds until all claims ranking senior to the obligations of the Issuer under the Bonds have been satisfied in full.

The holders of the Bonds (the "**Bondholders**" and each a "**Bondholder**") must be aware that, in the circumstances described above, (i) the Issuer will make payments in respect of the Bonds only in accordance with the subordination described above, and (ii) the rights of the Bondholders under the Bonds will be subject to the provisions of insolvency laws applicable to the Issuer from time to time. In a liquidation, dissolution, insolvency, composition or other proceeding for the avoidance of insolvency of, or against, the Issuer, it is very likely that the Bondholders may recover proportionately less than the holders of unsubordinated obligations of the Issuer or may recover nothing at all.

In addition to other limitations on the payment of interest, Arrears of Interest and principal (also see "*Risks related to the nature of the Bonds as long-term securities*" and "*Risks related to deferral of interest payments and restrictions on payment of Arrears of Interest*" below), the Terms and Conditions provide for a pre-insolvency payment prohibition. This means that prior to the commencement of any insolvency or liquidation proceedings over the assets of the Issuer, the Bondholders will only have a due (*fällig*) claim for the relevant scheduled payment of interest, payment of Arrears of Interest or for redemption if no reason for the opening of insolvency proceedings in respect of the Issuer in accordance with the applicable insolvency regulations exists and if the payment of the relevant amount would not itself cause the insolvency of the Issuer or accelerate the process of the Issuer becoming insolvent. These payment conditions constitute a payment prohibition to pay meaning that any payments on the Bonds may only be made by the Issuer if it is made in accordance with the aforementioned conditions. Any payment made in breach of this prohibition must be repaid to the Issuer irrespective of any agreement to the contrary.

### *Risks related to the fixed rate interest applicable until the First Reset Date*

The Bonds bear interest at a fixed rate from and including the Issue Date to but excluding the First Reset Date.

During that time, Bondholders are exposed to the risk that the price of such Bonds may fall because of changes in the market yield. While the nominal interest rate (i.e. the coupon) of the Bonds is fixed until, but excluding, the First Reset

Date, the market yield typically changes on a daily basis. As the market yield changes, the price of the Bonds typically changes in the opposite direction. If the market yield increases, the price of the Bonds typically falls. If the market yield falls, the price of the Bonds typically increases. Bondholders should be aware that movements of the market yield can adversely affect the price of the Bonds and can lead to losses for the Bondholders.

Bondholders should also be aware that the market yield has two components, namely the risk-free rate and the credit spread. The credit spread is reflective of the yield that investors require in addition to the yield on a risk-free investment of equal tenor as a compensation for the risks inherent in the Bonds. The credit spread changes over time and can decrease as well as increase for a large number of different reasons. The market yield of the Bonds can change due to changes of the credit spread, the risk-free rate, or both.

#### *Risks related to the floating rate interest applicable from the First Reset Date*

If the Bonds are not called during the period from and including 9 July 2029 to and including the First Reset Date, the Bonds will bear interest at a floating rate from the First Reset Date (including) until the Final Maturity Date (excluding).

The floating rate applicable to the Bonds from (and including) the First Reset Date is based on two components, namely the Euro-zone inter-bank offered rate for three-month Euro deposits ("**EURIBOR**") and a margin (the "**Margin**"). The floating rate interest is payable quarterly, and the applicable rate will be determined immediately prior to any Floating Interest Period based on the then prevailing 3-months EURIBOR rate. The Margin was fixed prior to the issue date of the Bonds and will apply to any Floating Interest Period.

Bondholders should be aware that the floating rate interest income is subject to changes to 3-month EURIBOR and therefore cannot be anticipated. Hence, Bondholders are not able to determine a definite yield to maturity of the Bonds following the First Reset Date at the time they purchase them, so that their return on investment cannot be compared with that of investments in fixed rate instruments (i.e. instruments with a coupon that is fixed until maturity).

Because the Margin is fixed prior to the issuance of the Bonds, Bondholders are moreover subject to the risk that the Margin does not reflect the market spread that investors require in addition to 3-month EURIBOR as a compensation for the risks inherent in the Bonds.

Furthermore, during each Floating Interest Period, it cannot be ruled out that the price of the Bonds may fall as a result of changes in the current interest rate on the capital market (market interest rate), as the market interest rate fluctuates. During each of these periods, the investor is exposed to the same risk as described under "*Risks related to the fixed rate interest applicable until the First Reset Date*" above.

#### *Interest rate benchmark risks*

Reference rates and indices, including interest rate benchmarks, such as the EURIBOR, which are used to determine the interest amounts payable under financial instruments or the value of such financial instruments ("**Benchmarks**"), have, in recent years, been the subject of political and regulatory scrutiny as to how they are created and operated. This has resulted in regulatory reform and changes to existing Benchmarks, with further changes anticipated. International proposals for reform of Benchmarks include in particular the European Council's regulation (EU) 2016/1011 of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (the "**Benchmark Regulation**") which is fully applicable since 1 January 2018.

These reforms and changes may cause a Benchmark to perform differently than it has done in the past or to be discontinued. Any change in the performance of a Benchmark or its discontinuation, could have a material adverse effect on financial instruments referencing or linked to such Benchmark such as the Bonds following the First Reset Date.

Following the First Reset Date, interest amounts payable under the Bonds are calculated by reference to the EURIBOR, which is provided by the European Money Market Institute. The rate of interest for each Floating Interest Period will be determined on the corresponding Interest Determination Date by reference to Reuters Page EURIBOR01 (or such other screen page of Reuters or such other information service, which is the successor to Reuters Page EURIBOR01 for

purposes of displaying such rates) (the "**Screen Page**"). In circumstances where EURIBOR is discontinued, neither the Screen Page, nor any successor or replacement may be available.

Under the Terms and Conditions, certain benchmark replacement provisions will apply if a Benchmark used as a reference for the calculation of interest amounts payable under the Bonds were to be discontinued or otherwise unavailable:

If a Benchmark used to calculate interest amounts payable under the Bonds for any interest period has ceased to be calculated or administered, the Issuer shall endeavour to appoint an independent adviser, which must be an independent financial institution of international repute or other independent financial adviser experienced in the international capital markets. Such independent adviser will be tasked with determining whether an officially recognised successor rate to the discontinued Benchmark exists. If that is not the case, the independent adviser will attempt to find an alternative rate which, possibly after application of adjustments or spreads, can replace the discontinued Benchmark. If the independent adviser determines a successor rate or alternative rate (the "**New Benchmark Rate**"), such rate will replace the previous Benchmark for purposes of determining the relevant rate of interest. Such determination will be binding for the Issuer, the Calculation Agent, the Paying Agents and the Bondholders. Any amendments pursuant to these fall-back provisions will apply with effect from the effective date specified in the Terms and Conditions.

If the Issuer fails to appoint an independent adviser or if the adviser fails to determine a New Benchmark Rate following a discontinuation of a relevant Benchmark, the reference rate applicable to the immediately following reset period shall be the original benchmark rate determined on the last preceding Interest Determination Date, provided, however, that, in case of the first Floating Interest Period, the reference rate shall be the original benchmark rate on the screen page on the last day preceding the relevant Interest Determination Date on which such original benchmark rate was displayed. The same will apply if the replacement of a relevant Benchmark would result in a Regulatory Event (as defined in the Terms and Conditions).

The replacement of a Benchmark could have adverse effects on the economic return of the Bondholder compared to the applicable original benchmark rate.

*Risks related to the nature of the Bonds as long-term securities including the risk of a delay of redemption*

The Bonds are scheduled to be redeemed at par on 9 October 2039 (the "**Scheduled Maturity Date**"), provided that on such date the Conditions to Redemption and Repurchase (as defined and described in Terms and Conditions) are fulfilled. Before that date, the Issuer has, under certain conditions, the right to redeem or repurchase the Bonds, but is under no obligation to do so. If on the Scheduled Maturity Date the Conditions to Redemption and Repurchase are not met, redemption may be delayed beyond the Scheduled Maturity Date for an indefinite period of time. Therefore, Bondholders may receive the amounts due upon redemption at a much later point in time than initially expected.

Under the Terms and Conditions, the Bondholders have no right to require the redemption of the Bonds prior to the Scheduled Maturity Date, and on or following the Scheduled Maturity Date only if the Conditions to Redemption and Repurchase are fulfilled.

Bondholders should be aware that the Terms and Conditions do not contain any event of default provisions that would allow Bondholders to accelerate the Bonds on the occurrence of an event of default.

There is also no guarantee that an active public market in the Bonds will develop.

Prospective investors should be aware that they may be required to bear the financial risk of an investment in the Bonds for a long period and may not recover their investment before the end of this period.

*Risks related to a possible early redemption of the Bonds*

The Issuer may redeem the Bonds at its option, subject to the Conditions to Redemption and Repurchase being fulfilled, at par plus accrued interest on any day during the period from and including 9 July 2029 to and including the First Reset Date and on any Floating Interest Payment Date thereafter.

The right of redemption at the option of the Issuer may affect the market value of the Bonds. During any period when the Issuer may, or may be perceived to be able to, elect to redeem the Bonds, the market value of the Bonds generally will not rise substantially above the price at which they can be redeemed. Certain market expectations may exist among investors in the Bonds with regard to the Issuer making use of its option to call the Bonds for redemption prior to their scheduled maturity. Should the Issuer's actions diverge from such expectations, or should the Issuer be prevented from meeting these expectations, the market value of the Bonds may be adversely affected.

In addition, the Issuer may prior to 9 July 2029 also redeem the Bonds at its option, subject to the Conditions to Redemption and Repurchase being fulfilled, at any time at par plus accrued interest:

- (i) if, as a result of any future change in, or amendment or clarification to, the laws, regulations or other rules of the Issuer's country of domicile for tax purposes, (x) the Issuer will be obliged to pay Additional Amounts, or (y) interest payable by the Issuer in respect of the Bonds is no longer, or will no longer be, fully deductible by the Issuer for income tax purposes in the Issuer's country of domicile for tax purposes, and in each case this cannot be avoided by the Issuer taking such measures it (acting in good faith) deems reasonable and appropriate; or
- (ii) if the Issuer must not or must no longer record the obligations under the Bonds as liabilities on the balance sheet in the Issuer's annual consolidated financial statements prepared in accordance with the Applicable Accounting Standards and this cannot be avoided by the Issuer taking such measures it (acting in good faith) deems appropriate; or
- (iii) if under the Applicable Supervisory Regulations the Bonds would not be eligible (in whole or in part) to qualify for the inclusion of the Bonds in the calculation of the own funds as Tier 2 Capital for purposes of the determination of the solvency of the Issuer, the group solvency of the Hannover Re Group (including the capital adequacy of internationally active insurance groups (IAIG)) or the group solvency of the Ultimate Parent's Group (as defined in the Terms and Conditions) (including the capital adequacy of internationally active insurance groups (IAIG)), or that the Bonds no longer fulfil such requirements (in whole or in part), except where this is merely the result of exceeding any applicable limits on the inclusion of the Bonds in the determination of the own funds as Tier 2 Capital of the Issuer, of the Hannover Re Group and/or of the Ultimate Parent's Group pursuant to the Applicable Supervisory Regulations; or
- (iv) if as a consequence of a change in, or clarification to, the rating methodology (or the interpretation thereof) S&P Global Ratings Europe Limited or A.M. Best (EU) Rating Services B.V. or any respective successor, which change or clarification becomes effective on or after the date of issue of the Bonds, the capital treatment (including the assigned equity content) of the Bonds for the Issuer or the Hannover Re Group worsens in the reasonable opinion of the Issuer, as compared to the capital treatment (including the assigned equity content) of the Bonds for the Issuer or the Hannover Re Group assigned at or around the date of issue of the Bonds; or
- (v) if at any time the Issuer or any subsidiary of the Issuer has purchased Bonds equal to or more than 80 per cent. of the aggregate principal amount of the Bonds initially issued and the aggregate principal amount of the Bonds is reduced by this percentage in the global note accordingly.

If the Bonds are redeemed prior to 9 July 2029, a Bondholder is exposed to the risk that due to the early redemption his investment will have a lower than expected yield and to the risks connected with any reinvestment of the cash proceeds received as a result of the early redemption. Such cash proceeds may be lower than the then prevailing market price of the Bonds.

#### *Risks in connection with the application of the German Act on Issues of Debt Securities*

Because the Terms and Conditions provide for meetings of Bondholders or the taking of votes without a meeting, the Terms and Conditions may be amended by majority resolution of the Bondholders and a Bondholder is subject to the risk of being outvoted by a majority resolution of the Bondholders. The rules pertaining to resolutions of Bondholders are set out in the SchVG and are largely mandatory. Pursuant to the SchVG the relevant majority for Bondholders' resolutions is generally based on votes cast, rather than on the aggregate principal amount of the Bonds outstanding, therefore, any such

resolution may effectively be passed with the consent of less than a majority of the aggregate principal amount of the Bonds outstanding. As such a majority resolution is binding on all Bondholders, certain rights of a Bondholder against the Issuer under the Terms and Conditions may be amended or reduced or even cancelled, which could have significant negative effects on the value of the Bonds and the return from the Bonds.

Because the Terms and Conditions provide that the Bondholders are entitled to appoint a Bondholders' Representative by a majority resolution of the Bondholders, it is possible that a Bondholder may be deprived of its individual right to pursue and enforce its rights under the Terms and Conditions against the Issuer, as such right will pass to the Bondholders' Representative who is then exclusively responsible to claim and enforce the rights of all the Bondholders.

### ***Risks resulting from the Bonds representing regulatory capital***

The risks resulting from the Bonds representing regulatory capital include risks resulting from the Bonds being structured to meet the criteria to qualify as regulatory capital (own funds), risks related to deferral of interest payments and restrictions on payments of Arrears of Interest and risk related to a deferral of redemption (see also "*Risks related to the nature of the Bonds as long-term securities including the risk of a delay of redemption*" above).

#### *Risks resulting from the Bonds being structured to meet the criteria to qualify as regulatory capital (own funds)*

The Bonds are structured to meet the criteria to qualify as regulatory capital under Solvency II. The Terms and Conditions are drafted accordingly, implying various risks for investors. In particular, there is the risk that the Issuer may be obliged to defer redemption of the Bonds beyond the Scheduled Maturity Date, or to defer payment of interest beyond any Interest Payment Date, whenever the Issuer, the Hannover Re Group or HDI V.a.G. as the ultimate parent company of the Issuer (or, if HDI V.a.G. is no longer the ultimate parent company of the Issuer, the company which is the ultimate parent company of the Issuer at the relevant time) (the "**Ultimate Parent Company**") and any company consolidated by the Ultimate Parent Company under the Applicable Supervisory Regulations for group solvency purposes (the "**Ultimate Parent's Group**") does not meet certain regulatory capital requirements. Moreover, due to the deep subordination of the Bonds there is a higher risk for investors to lose all or part of their investments. Should the Bonds fail to or cease to qualify as regulatory capital, there is a risk that the Bonds may be redeemed prior to the First Reset Date.

#### *Risks related to deferral of interest payments and restrictions on payment of Arrears of Interest*

If a Compulsory Deferral Event (as defined in the Terms and Conditions) has occurred and is continuing on the relevant Interest Payment Date, interest which accrued during the period ending on but excluding such Interest Payment Date will not be due and payable (*fällig*) on that Interest Payment Date. Any such failure to pay will not constitute a default of the Issuer or any other breach of its obligations under the Bonds or for any other purpose. Interest deferred will constitute Arrears of Interest, with no certainty for Bondholders as to when these Arrears of Interest will be paid. The Issuer will only be entitled to pay Arrears of Interest at any time if the Conditions to Settlement, as further described in the Terms and Conditions, are fulfilled with respect to such payment. These restrictions also apply in the case of a mandatory settlement of Arrears of Interest, as further described in the Terms and Conditions. In particular, the resulting Arrears of Interest will not bear interest.

The same applies if no Compulsory Deferral Event has occurred, and the Issuer elects in its discretion to defer the payment of accrued interest by giving not less than 10 and not more than 15 Business Days' prior notice to the Bondholders provided that, during the six months before the relevant Interest Payment Date, no Compulsory Interest Payment Event has occurred.

Bondholders will not receive any additional interest or compensation for the deferral of interest payments.

### ***Risks associated with the ability of the Issuer to make payments when due***

The risks associated with the ability of the Issuer to make payments when due include the risk that an investor in the Bonds will lose all or some of its investment should the Issuer become insolvent and the risk that the market value of the Bonds could decrease if the creditworthiness of the Hannover Re Group worsens.

*Risk that an investor in the Bonds will lose all or some of its investment should the Issuer become insolvent.*

Any person who purchases the Bonds is relying on the creditworthiness of the Issuer and has no rights against any other person.

Bondholders are subject to the risk of a partial or total failure of the Issuer to make interest and/or redemption payments that the Issuer is obliged to make under the Bonds. A materialisation of the credit risk (for example, due to the materialisation of any of the "*Risks relating to the Issuer and the Hannover Re Group*" as described above) may result in partial or total failure of the Issuer to make interest and/or redemption payments under the Bonds. This risk is aggravated by the fact that the Bonds are unsecured and subordinated (see above, "*Risks associated with the characteristics of the Bonds - Risk related to subordination*") and could result in a partial or total loss of the investor's investment in the Bonds.

*Risk that the market value of the Bonds could decrease if the creditworthiness of the Hannover Re Group worsens*

If the likelihood decreases that the Issuer will be in a position to fully perform all obligations under the Bonds when they fall due, for example, because of the materialisation of any of the risks regarding the Hannover Re Group or the Issuer, the market value of the Bonds will fall. The market price of the Bonds may also be negatively impacted if the Issuer is perceived to be likely to defer or has to defer payments of interest. In addition, even if the likelihood that the Issuer will be in position to fully perform all obligations under the Bonds when they fall due actually has not decreased, market participants could nevertheless have a different perception.

Furthermore, the market participants' assessment of the creditworthiness of corporate debtors in general or debtors operating in the same business as the Hannover Re Group could adversely change.

If any of these risks materialises, third parties would only be willing to purchase Bonds for a lower price than the price which prevailed before such risk materialised. Under these circumstances, the market value of the Bonds is likely to decrease.

## TERMS AND CONDITIONS OF THE BONDS

### Anleihebedingungen

*Diese Anleihebedingungen sind in deutscher Sprache abgefasst und mit einer Übersetzung in die englische Sprache versehen. Der deutsche Wortlaut ist allein rechtsverbindlich. Die englische Übersetzung dient nur zur Information.*

#### § 1

##### Definitionen

"**Alternativ-Benchmarksatz**" hat die in § 4(2)(e)(vii) festgelegte Bedeutung.

"**Anleihegläubiger**" hat die in § 2(4) festgelegte Bedeutung.

"**Anpassungsmarge**" hat die in § 4(2)(e)(vii) festgelegte Bedeutung.

"**Anwendbare Aufsichtsrechtliche Vorschriften**" bezeichnet die jeweils geltenden Vorschriften des Versicherungsaufsichtsrechts (einschließlich Solvency II oder anderer, etwaiger künftiger Richtlinien sowie sämtliche unmittelbar anwendbaren Vorschriften des Europäischen Unionsrechts) und darauf bezogene Regelungen und Verordnungen (einschließlich der Leitlinien und Empfehlungen der Europäischen Aufsichtsbehörde für das Versicherungswesen und die betriebliche Altersversorgung, der Verwaltungspraxis der Zuständigen Aufsichtsbehörde und einschlägiger Gerichtsentscheidungen einschließlich etwaiger zukünftiger Übergangsregelungen), die hinsichtlich der Solvabilität der Emittentin, der Gruppen-Solvabilität des Hannover Rück-Konzerns (wenn und soweit dieser im Hinblick auf die Gruppensolvabilität beaufsichtigt wird) und der Gruppen-Solvabilität des Mutterkonzerns (wenn und soweit dieser im Hinblick auf die Gruppensolvabilität beaufsichtigt wird) jeweils anwendbar sind. Dies erfasst auch die Regelungen und Verordnungen hinsichtlich der Gruppensolvabilität sowie der Kapitaladäquanz von international aktiven Versicherungsgruppen (IAIG).

"**Anwendbare Insolvenzrechtliche Vorschriften**" bezeichnet die Vorschriften des maßgeblichen Insolvenzrechts und darauf bezogene Regelungen und Verordnungen (einschließlich der Gerichtspraxis und einschlägiger Gerichtsentscheidungen), die jeweils in Bezug auf die Emittentin anwendbar sind.

"**Anwendbare Rechnungslegungsvorschriften**" bezeichnet die International Financial Reporting Standards (IFRS) oder andere allgemein anerkannte Rechnungslegungsgrundsätze,

### Terms and Conditions

*These Terms and Conditions are written in the German language and provided with an English language translation. The German text will be the only legally binding version. The English language translation is provided for convenience only.*

#### § 1

##### Definitions

"**Alternative Benchmark Rate**" has the meaning set out in § 4(2)(e)(vii).

"**Bondholder**" has the meaning set out in § 2(4).

"**Adjustment Spread**" has the meaning set out in § 4(2)(e)(vii).

"**Applicable Supervisory Regulations**" means the provisions of insurance supervisory laws (including Solvency II or any other future directive(s), as well as any directly applicable provisions of European Union law) and any rules and regulations thereunder (including the guidelines and recommendations of the European Insurance and Occupational Pensions Authority, the administrative practice of the Competent Supervisory Authority and any applicable decision of a court including any future grandfathering provisions) for solvency purposes of the Issuer, for group solvency of the Hannover Re Group (if and to the extent it is subject to supervision for group solvency purposes) and for group solvency of the Ultimate Parent's Group (if and to the extent it is subject to supervision for group solvency purposes) as applicable from time to time. These include the rules and regulations with respect to the group solvency and capital adequacy of internationally active insurance groups (IAIG).

"**Applicable Insolvency Regulations**" means the provisions of the relevant insolvency laws and any rules and regulations thereunder (including court case law and any applicable court decisions) applicable to the Issuer from time to time.

"**Applicable Accounting Standards**" means the International Financial Reporting Standards (IFRS) or any other accounting principles generally accepted as applied by

wie sie von der Emittentin zu den jeweiligen Bilanzstichtagen und für die jeweiligen Rechnungslegungsperioden jeweils angewendet werden, oder andere, von der Emittentin angewendete, allgemein anerkannte Rechnungslegungsgrundsätze, die diese in Zukunft ersetzen.

Ein "**Aufsichtsrechtliches Ereignis**" tritt ein, wenn nach den Anwendbaren Aufsichtsrechtlichen Vorschriften

- (i) die Schuldverschreibungen ganz oder teilweise nicht die Anforderungen für die Einbeziehung der Schuldverschreibungen in die Berechnung der Eigenmittel als Tier-2-Kapital für Zwecke der Ermittlung (A) der Solvabilität der Emittentin oder (B) der Gruppensolvabilität des Hannover Rück-Konzerns (einschließlich der Kapitaladäquanz von international aktiven Versicherungsgruppen (IAIG)) oder (C) der Gruppensolvabilität des Mutterkonzerns (einschließlich der Kapitaladäquanz von international aktiven Versicherungsgruppen (IAIG)) erfüllen, oder
- (ii) die Schuldverschreibungen derartige Anforderungen ganz oder teilweise nicht länger erfüllen, nachdem sie diese Anforderungen zunächst erfüllt haben,

es sei denn, dies beruht allein auf der Überschreitung der Anrechnungsobergrenzen für die Einbeziehung der Schuldverschreibungen in das Tier-2-Kapital der Emittentin, des Hannover Rück-Konzerns und/oder des Mutterkonzerns aufgrund der Anwendbaren Aufsichtsrechtlichen Vorschriften.

"**Benchmark-Ereignis**" hat die in § 4(2)(e)(vii) festgelegte Bedeutung.

"**Berechnungsstelle**" hat die in § 9(1) festgelegte Bedeutung.

"**Bildschirmseite**" hat die in § 4(2)(c) festgelegte Bedeutung.

Ein "**Clean-Up-Ereignis**" tritt ein, wenn die Emittentin oder eine Tochtergesellschaft der Emittentin zu jeder Zeit Schuldverschreibungen in einem Gesamtnennbetrag von 80% oder mehr des ursprünglich begebenen Gesamtnennbetrages der Schuldverschreibungen erworben hat, und der Gesamtnennbetrag der Schuldverschreibungen in der Globalurkunde um diesen Prozentsatz reduziert wurde.

"**Clearingsystem**" bedeutet jeweils Folgendes: Clearstream Banking S.A., Luxemburg ("**CBL**") Euroclear Bank SA/NV, Brüssel ("**Euroclear**") (CBL und Euroclear jeweils ein internationaler Zentralverwahrer von Wertpapieren

the Issuer at the relevant reporting dates and for the relevant reporting periods, or any other accounting principles generally accepted and applied by the Issuer which subsequently supersede them.

A "**Regulatory Event**" will occur if under the Applicable Supervisory Regulations

- (i) the Bonds would not be eligible (in whole or in part) to qualify for the inclusion of the Bonds in the calculation of the own funds as Tier 2 Capital for purposes of the determination (A) of the solvency of the Issuer or (B) the group solvency of the Hannover Re Group (including the capital adequacy of internationally active insurance groups (IAIG)) or (C) the group solvency of the Ultimate Parent's Group (including the capital adequacy of internationally active insurance groups (IAIG)), or
- (ii) the Bonds do no longer fulfil such requirements (in whole or in part), after having initially met these requirements,

except where this is merely the result of exceeding any applicable limits on the inclusion of the Bonds in the determination of the own funds as Tier 2 Capital of the Issuer, of the Hannover Re Group and/or of the Ultimate Parent's Group pursuant to the Applicable Supervisory Regulations.

"**Benchmark Event**" has the meaning set out in § 4(2)(e)(vii).

"**Calculation Agent**" has the meaning set out in § 9(1).

"**Screen Page**" has the meaning set out in § 4(2)(c).

A "**Clean-Up Event**" will occur if at any time the Issuer or any subsidiary of the Issuer has purchased Bonds equal to or more than 80 per cent. of the aggregate principal amount of the Bonds initially issued and the aggregate principal amount of the Bonds is reduced by this percentage in the global note accordingly.

"**Clearing System**" means each of Clearstream Banking S.A., Luxembourg ("**CBL**") and Euroclear Bank SA/NV, Brussels ("**Euroclear**") (CBL and Euroclear each an international central securities depository ("**ICSD**" and together the "**ICSDs**")).



(international central securities depository) ("**ICSD**" und zusammen die "**ICSDs**").

"**Dauer-Globalurkunde**" hat die in § 2(2) festgelegte Bedeutung.

"**Depotbank**" bezeichnet ein Bank- oder sonstiges Finanzinstitut, bei dem der Anleihegläubiger Schuldverschreibungen im Depot verwahren lässt und das ein Konto bei dem Clearingsystem hat, einschließlich des Clearingsystems.

"**Emittentin**" ist die Hannover Rück SE.

"**Endfälligkeitstag**" ist,

- (i) wenn an dem Vorgesehenen Endfälligkeitstag die Rückzahlungs- und Rückkaufbedingungen gemäß § 5(6) erfüllt sind, der Vorgesehene Endfälligkeitstag;
- (ii) andernfalls der erste Variable Zinszahlungstag nach dem Vorgesehenen Endfälligkeitstag, an dem die Rückzahlungs- und Rückkaufbedingungen erfüllt sind.

"**Euro-Zone**" hat die in § 4(2)(c) festgelegte Bedeutung.

"**Erster Resettermin**" ist der 9. Oktober 2029.

"**Fakultativer Zinszahlungstag**" bezeichnet jeden Zinszahlungstag, in Bezug auf den während der letzten sechs Monate vor dem betreffenden Zinszahlungstag kein Obligatorisches Zinszahlungsereignis eingetreten ist, und in Bezug auf den kein Pflichtaussetzungsereignis eingetreten ist und fort dauert.

"**Festgelegter Nennbetrag**" hat die in § 2(1) festgelegte Bedeutung.

"**Festzinsperiode**" hat die in § 4(1)(b) festgelegte Bedeutung.

"**Festzinszahlungstag**" ist der 9. Oktober eines jeden Jahres, erstmals am 9. Oktober 2020.

"**Freiwilliger Nachzahlungstag**" hat die in § 4(4)(a) festgelegte Bedeutung.

"**Geschäftstag**" bezeichnet einen Tag (außer einem Samstag oder Sonntag), (i) an dem das Clearingsystem geöffnet ist, um Zahlungen abzuwickeln, und (ii) der ein TARGET-Geschäftstag ist.

"**Globalurkunde**" hat die in § 2(2) festgelegte Bedeutung.

Ein "**Gross-Up-Ereignis**" tritt ein, wenn der Emittentin ein Gutachten einer anerkannten Anwaltskanzlei vorliegt (und

"**Permanent Global Bond**" has the meaning set out in § 2(2).

"**Custodian**" means any bank or other financial institution with which the Bondholder maintains a securities account in respect of any Bonds and having an account maintained with the Clearing System, including the Clearing System.

"**Issuer**" means Hannover Rück SE.

"**Final Maturity Date**" means,

- (i) if on the Scheduled Maturity Date the Conditions to Redemption and Repurchase pursuant to § 5(6) are fulfilled, the Scheduled Maturity Date;
- (ii) otherwise the first Floating Interest Payment Date following the Scheduled Maturity Date on which the Conditions to Redemption and Repurchase are fulfilled.

"**Euro-Zone**" has the meaning set out in § 4(2)(c).

"**First Reset Date**" means 9 October 2029.

"**Optional Interest Payment Date**" means each Interest Payment Date in respect of which no Compulsory Interest Payment Event occurred during the six months before the relevant Interest Payment Date, and in respect of which no Compulsory Deferral Event has occurred and is continuing.

"**Principal Amount**" has the meaning set out in § 2(1).

"**Fixed Interest Period**" has the meaning set out in § 4(1)(b).

"**Fixed Interest Payment Date**" means 9 October of each year commencing on 9 October 2020.

"**Optional Settlement Date**" has the meaning set out in § 4(4)(a).

"**Business Day**" means a day which is a day (other than a Saturday or a Sunday) on which (i) the Clearing System is open to settle payments and (ii) which is a TARGET Business Day.

"**Global Bond**" has the meaning set out in § 2(2).

A "**Gross-Up Event**" will occur if an opinion of a recognised law firm has been delivered to the Issuer (and the Issuer has

die Emittentin der Hauptzahlstelle eine Kopie davon überlässt), aus dem hervorgeht, dass die Emittentin aufgrund einer an oder nach dem Tag der Begebung der Schuldverschreibungen in Kraft tretenden Änderung oder Klarstellung der Gesetze, Verordnungen oder sonstigen Vorschriften des Staates, in dem die Emittentin steuerlich ansässig ist, einer seiner Gebietskörperschaften oder einer seiner zur Erhebung von Steuern berechtigten Behörden oder sonstigen Stellen (einschließlich des Falles, dass die betreffende Änderung oder Klarstellung rückwirkend Anwendung findet), oder aufgrund einer Änderung der Auslegung oder Anwendung, oder aufgrund einer erstmaligen Auslegung oder Anwendung dieser Gesetze, Verordnungen oder sonstigen Vorschriften durch eine gesetzgebende Körperschaft, ein Gericht oder eine Behörde (einschließlich des Erlasses von Gesetzen sowie der Bekanntmachung von Entscheidungen eines Gerichts oder einer Behörde) verpflichtet ist oder verpflichtet sein wird, Zusätzliche Beträge gemäß § 7 auf die Schuldverschreibungen zu zahlen, und die Emittentin diese Verpflichtung nicht abwenden kann, indem sie Maßnahmen ergreift, die sie nach Treu und Glauben für zumutbar und angemessen hält.

**"Hannover Rück-Konzern"** bezeichnet die Emittentin und ihre Tochterunternehmen gemäß den Anwendbaren Aufsichtsrechtlichen Vorschriften zur Überwachung der Gruppensolvabilität.

**"Hauptzahlstelle"** hat die in § 9(1) festgelegte Bedeutung.

Ein **"Insolvenzereignis"** ist eingetreten, wenn bezüglich der Emittentin ein Eröffnungsgrund im Sinne des § 16 ff. Insolvenzordnung ("**InsO**") oder nach Maßgabe sonstiger Anwendbarer Insolvenzrechtlicher Vorschriften vorliegt.

**"Marge"** ist gleich 2,38 %.

**"Mutterkonzern"** bezeichnet die Oberste Muttergesellschaft der Emittentin und jede von der Obersten Muttergesellschaft nach Maßgabe der Anwendbaren Aufsichtsrechtlichen Vorschriften für Zwecke der Gruppensolvabilität konsolidierte Gesellschaft.

**"Nachfolge-Benchmarksatz"** hat die in § 4(2)(e)(vii) festgelegte Bedeutung.

Die **"Nachzahlungsvoraussetzungen"** sind an einem Tag in Bezug auf eine Zahlung von Zinsrückständen erfüllt, wenn an diesem Tag kein Pflichtaussetzungsereignis eingetreten ist und fortbesteht oder als Folge einer solchen Zahlung eintreten würde.

provided the Principal Paying Agent with a copy thereof) stating that, as a result of any change in, or amendment or clarification to, the laws, regulations or other rules of the Issuer's country of domicile for tax purposes, any of its political subdivisions or any authority or any other agency of or in such country having power to tax (including in case any such change, amendment or clarification has retroactive effect), or as a result of any change in, or amendment or clarification to, the interpretation or application, or as a result of any interpretation or application made for the first time, of any such laws, regulations or other rules by any legislative body, court or authority (including the enactment of any legislation and the publication of any decision of any court or authority), which change or amendment becomes effective on or after the date of issue of the Bonds, the Issuer has or will become obliged to pay Additional Amounts pursuant to § 7 on the Bonds, and that obligation cannot be avoided by the Issuer taking such measures it (acting in good faith) deems reasonable and appropriate.

**"Hannover Re Group"** means the Issuer and its subsidiaries pursuant to the Applicable Supervisory Regulations regarding the supervision of the group solvency.

**"Principal Paying Agent"** has the meaning set out in § 9(1).

An **"Insolvency Event"** will have occurred if a reason for the opening of insolvency proceedings in respect of the Issuer within the meaning of § 16 et seqq. of the German Insolvency Code (*Insolvenzordnung*) ("**InsO**") or in accordance with any other Applicable Insolvency Regulations exists.

**"Margin"** means 2.38 per cent.

**"Ultimate Parent's Group"** means the Ultimate Parent Company of the Issuer and any company consolidated by the Ultimate Parent Company under the Applicable Supervisory Regulations for group solvency purposes.

**"Successor Benchmark Rate"** has the meaning set out in § 4(2)(e)(vii)

The **"Conditions to Settlement"** are fulfilled on a day with respect to any payment of Arrears of Interest if on such day no Compulsory Deferral Event has occurred and is continuing or would occur as a result of such payment.

"**Neue Emittentin**" hat die in § 13(1) festgelegte Bedeutung.

"**Neuer Benchmarksatz**" hat die in § 4(2)(e)(vii) festgelegte Bedeutung.

"**Nominierungsgremium**" hat die in § 4(2)(e)(vii) festgelegte Bedeutung.

"**Obligatorischer Zinszahlungstag**" bezeichnet jeden Zinszahlungstag, in Bezug auf den während der letzten sechs Monate vor dem betreffenden Zinszahlungstag ein Obligatorisches Zinszahlungsereignis eingetreten ist, und in Bezug auf den kein Pflichtaussetzungsereignis eingetreten ist und fortbesteht.

"**Oberste Muttergesellschaft**" ist der HDI V.a.G. (oder, falls der HDI V.a.G. nicht mehr oberste Muttergesellschaft der Emittentin ist, die Gesellschaft, die im betreffenden Zeitpunkt oberste Muttergesellschaft der Emittentin ist).

"**Obligatorisches Zinszahlungsereignis**" bezeichnet jedes der folgenden Ereignisse:

- (i) auf der Hauptversammlung der Emittentin wird eine Dividende, sonstige Ausschüttung oder Zahlung auf eine beliebige Gattung von Aktien der Emittentin wirksam beschlossen; oder
- (ii) die Emittentin leistet eine Abschlagszahlung auf den Bilanzgewinn.

Ein "**Pflichtaussetzungsereignis**" ist in Bezug auf einen Tag, an dem eine Zahlung von Zinsen und/oder Zinsrückständen auf die Schuldverschreibungen gemäß diesen Anleihebedingungen vorgesehen sind, eingetreten, wenn

- (i) entweder an oder vor diesem Tag ein Insolvenzereignis eingetreten ist und an diesem Tag fortbesteht oder die Zahlung zu einem Insolvenzereignis führen oder dessen Eintritt beschleunigen würde; oder
- (ii) an dem betreffenden Tag eine Anordnung der Zuständigen Aufsichtsbehörde in Kraft ist, die der Emittentin untersagt, Zahlungen auf die Schuldverschreibungen zu leisten, oder ein anderes gesetzliches oder behördliches Zahlungsverbot besteht; oder
- (iii) entweder an oder vor diesem Tag ein Solvenzkapitalereignis eingetreten ist und an dem betreffenden Tag fortbesteht oder die betreffende

"**New Issuer**" has the meaning set out in § 13(1).

"**New Benchmark Rate**" means has the meaning set out in § 4(2)(e)(vii)

"**Relevant Nominating Body**" has the meaning set out in § 4(2)(e)(vii).

"**Compulsory Interest Payment Date**" means any Interest Payment Date in respect of which a Compulsory Interest Payment Event occurred during the six months before the relevant Interest Payment Date, and in respect of which no Compulsory Deferral Event has occurred and is continuing.

"**Ultimate Parent Company**" means HDI V.a.G. as the ultimate parent company of the Issuer (or, if HDI V.a.G. is no longer the ultimate parent company of the Issuer, the company with is the ultimate parent company of the Issuer at the relevant time).

"**Compulsory Interest Payment Event**" means any of the following events:

- (i) the general meeting of shareholders of the Issuer has validly resolved on any dividend, other distribution or payment on any shares of any class of the Issuer; or
- (ii) any payment on account of the balance sheet profit has been made by the Issuer.

A "**Compulsory Deferral Event**" will have occurred with respect to the date on which any payment of interest and/or Arrears of Interest on the Bonds is scheduled to be paid under these Terms and Conditions if

- (i) either an Insolvency Event has occurred on or prior to such date and is continuing on such date or such payment would result in, or accelerate, the occurrence of an Insolvency Event; or
- (ii) there is in effect on such date an order of the Competent Supervisory Authority prohibiting the Issuer from making payments under the Bonds, or there is in effect on such date any other payment prohibition, whether by statute or by order of any authority; or
- (iii) either a Solvency Capital Event has occurred on or prior to such date and is continuing on such date or the relevant payment would result in the occurrence of a Solvency Capital Event, unless

Zahlung zu einem Solvenzkapitalereignis führen würde, es sei denn,

- (A) die Zuständige Aufsichtsbehörde hat an oder vor diesem Tag ausnahmsweise ihre vorherige Zustimmung zu der Zahlung der betreffenden Zinsen und/oder Zinsrückstände auf die Schuldverschreibungen trotz Solvenzkapitalereignis erteilt und ihre vorherige Zustimmung bis zu diesem Tag nicht widerrufen; und
- (B) die Zahlung der betreffenden Zinsen und/oder Zinsrückstände auf die Schuldverschreibungen führt nicht zu einer weiteren Schwächung der Solvabilität der Emittentin und/oder des Hannover Rück-Konzerns (wenn und soweit dieser im Hinblick auf die Gruppensolvabilität beaufsichtigt wird) und/oder des Mutterkonzerns (wenn und soweit dieser im Hinblick auf die Gruppensolvabilität beaufsichtigt wird); und
- (C) die geltenden Mindestkapitalanforderungen (MCR) der Emittentin und das Minimum der konsolidierten Gruppensolvenzkapitalanforderung für den Hannover Rück-Konzern (wenn und soweit dieser im Hinblick auf die Gruppensolvabilität beaufsichtigt wird) und/oder das Minimum der konsolidierten Gruppensolvenzkapitalanforderung für den Mutterkonzern (wenn und soweit dieser im Hinblick auf die Gruppensolvabilität beaufsichtigt wird) gemäß den Anwendbaren Aufsichtsrechtlichen Vorschriften sind auch nach der Zahlung der betreffenden Zinsen und/oder Zinsrückstände auf die Schuldverschreibungen erfüllt.

"**Pflichtnachzahlungstag**" bezeichnet den früheren der folgenden Tage:

- (i) für Zinsrückstände, die vor dem Eintritt eines Obligatorischen Zinszahlungsereignisses entstanden sind, den nächsten Zinszahlungstag, der auf den Tag folgt, an dem ein Obligatorisches Zinszahlungsereignis eingetreten ist, und an welchem Zinszahlungstag die Nachzahlungsvoraussetzungen erfüllt sind;

- (A) on or prior to such date the Competent Supervisory Authority has exceptionally given, and not withdrawn by such date, its prior consent to the payment of the relevant interest and/or Arrears of Interest despite the Solvency Capital Event; and
- (B) the payment of such interest and/or Arrears of Interest on the Bonds does not lead to a further weakening of the solvency position of the Issuer and/or the Hannover Re Group (if and to the extent it is subject to supervision for group solvency purposes) and/or the Ultimate Parent's Group (if and to the extent it is subject to supervision for group solvency purposes); and
- (C) the applicable minimum capital requirement (MCR) of the Issuer and the minimum consolidated group solvency capital requirement for the Hannover Re Group (if and to the extent it is subject to supervision for group solvency purposes) and/or the minimum consolidated group solvency capital requirement for the Ultimate Parent's Group (if and to the extent it is subject to supervision for group solvency purposes) pursuant to the Applicable Supervisory Regulations are fulfilled also after the payment of such interest and/or Arrears of Interest on the Bonds.

"**Mandatory Settlement Date**" means the earlier of the following:

- (i) in respect of any Arrears of Interest that existed prior to the occurrence of a Compulsory Interest Payment Event, the next Interest Payment Date following the date on which a Compulsory Interest Payment Event occurred, and on which Interest Payment Date the Conditions to Settlement are fulfilled;

- (ii) den Tag, an dem die Schuldverschreibungen gemäß § 5 zur Rückzahlung fällig werden; und
- (iii) den Tag, an dem eine Verfügung zur Abwicklung, Liquidation oder Auflösung der Emittentin ergeht (sofern dies nicht für die Zwecke oder als Folge eines Zusammenschlusses, einer Umstrukturierung oder Sanierung geschieht, bei dem bzw. bei der die Emittentin noch zahlungsfähig ist und bei dem bzw. bei der die fortführende Gesellschaft im Wesentlichen alle Vermögenswerte und Verpflichtungen der Emittentin übernimmt).

"**Qualifizierte Mehrheit**" hat die in § 12(2) festgelegte Bedeutung.

Ein "**Ratingereignis**" tritt ein, wenn sich aufgrund einer an oder nach dem Tag der Begebung der Schuldverschreibungen eingetretenen Änderung oder Klarstellung der Rating-Methodologie (oder deren Auslegung) die Behandlung der Schuldverschreibungen (einschließlich des diesen zugewiesenen Eigenkapitalgehalts) für die Bemessung der Kapitalisierung der Emittentin oder des Hannover Rück-Konzerns durch S&P Global Ratings Europe Limited ("**S&P**") oder A.M. Best (EU) Rating Services B.V. ("**A.M. Best**") (oder eine jeweilige Nachfolgerin), nach begründeter Auffassung der Emittentin im Vergleich zu der Behandlung der Schuldverschreibungen (einschließlich des diesen zugewiesenen Eigenkapitalgehalts) für die Bemessung der Kapitalisierung der Emittentin oder des Hannover Rück-Konzerns an dem oder um den Tag der Begebung der Schuldverschreibungen verschlechtert.

Ein "**Rechnungslegungsergebnis**" tritt ein, wenn der Emittentin eine Bestätigung einer anerkannten Wirtschaftsprüfungsgesellschaft vorliegt (und die Emittentin der Hauptzahlstelle eine Kopie davon überlässt), aus der hervorgeht, dass die Emittentin aufgrund einer an oder nach dem Tag der Begebung der Schuldverschreibungen eingetretenen Änderung der Anwendbaren Rechnungslegungsvorschriften die Schuldverschreibungen in dem nach Maßgabe der Anwendbaren Rechnungslegungsvorschriften aufgestellten Konzernjahresabschluss der Emittentin nicht oder nicht mehr (einschließlich des Falles einer rückwirkenden Änderung der Anwendbaren Rechnungslegungsvorschriften) als Verbindlichkeiten in der Bilanz ausweisen kann und die Emittentin dies nicht abwenden kann, indem sie Maßnahmen ergreift, die sie nach Treu und Glauben für angemessen hält.

"**Referenzbanken**" hat die in § 4(2)(c) festgelegte Bedeutung.

- (ii) the date on which the Bonds fall due for redemption in accordance with § 5; and
- (iii) the date on which an order is made for the winding up, liquidation or dissolution of the Issuer (other than for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent, where the continuing entity assumes substantially all of the assets and obligations of the Issuer).

"**Qualified Majority**" has the meaning set out in § 12(2).

A "**Rating Event**" will occur if, as a consequence of a change in, or clarification to, the rating methodology (or the interpretation thereof) of S&P Global Ratings Europe Limited ("**S&P**") or A.M. Best (EU) Rating Services B.V. ("**A.M. Best**"), or any respective successor, which change or clarification becomes effective on or after the date of issue of the Bonds, the capital treatment (including the assigned equity content) of the Bonds for the Issuer or the Hannover Re Group worsens in the reasonable opinion of the Issuer, as compared to the capital treatment (including the assigned equity content) of the Bonds for the Issuer or the Hannover Re Group assigned at or around the date of issue of the Bonds.

An "**Accounting Event**" will occur if a confirmation of a recognised auditing firm has been delivered to the Issuer (and the Issuer has provided the Principal Paying Agent with a copy thereof) stating that, as a result of any change in or amendment to the Applicable Accounting Standards, which change or amendment becomes effective on or after the date of issue of the Bonds, the Issuer must not or must no longer (including in case any such change or amendment to the Applicable Accounting Standards or their interpretation has retroactive effect) record the obligations under the Bonds as liabilities on the balance sheet in the Issuer's annual consolidated financial statements prepared in accordance with the Applicable Accounting Standards and this cannot be avoided by the Issuer taking such measures it (acting in good faith) deems appropriate.

"**Reference Banks**" has the meaning set out in § 4(2)(c).

"**Referenzbankensatz**" hat die in § 4(2)(b) festgelegte Bedeutung.

"**Referenzsatz**" hat die in § 4(2)(b) festgelegte Bedeutung.

"**Rückzahlungs- und Rückkaufbedingungen**" hat die in § 5(6) festgelegte Bedeutung.

"**Rückzahlungsbetrag**" ist ein Betrag je Schuldverschreibung in Höhe des Festgelegten Nennbetrages zuzüglich der bis zum Tag der Rückzahlung (ausschließlich) in Bezug auf diese Schuldverschreibung aufgelaufenen, aber noch nicht bezahlten Zinsen sowie, zur Klarstellung, sämtlicher fälligen Zinsrückstände in Bezug auf diese Schuldverschreibung.

"**Schuldverschreibungen**" hat die in § 2(1) festgelegte Bedeutung.

"**Solvency II**" bezeichnet die Richtlinie 2009/138/EG des Europäischen Parlaments und des Rates vom 25. November 2009 in der jeweils geltenden Fassung, die dazu erlassenen weiteren Rechtsakte der Europäischen Union, einschließlich der Delegierten Verordnung (EU) 2015/35 der Kommission vom 10. Oktober 2014, und die darauf bezogenen einschlägigen Umsetzungsgesetze und -maßnahmen, in der jeweils gültigen Fassung.

Ein "**Solvvenzkapitalereignis**" ist eingetreten, falls eines der folgenden Ereignisse eingetreten ist:

- (i) auf nicht-konsolidierter Ebene der Emittentin reichen die Eigenmittel nicht aus, um die Solvenzkapitalanforderung (SCR) oder die Mindestkapitalanforderung (MCR) der Emittentin gemäß den Anwendbaren Aufsichtsrechtlichen Vorschriften zu erfüllen;
- (ii) auf konsolidierter Ebene des Hannover Rück-Konzerns (wenn und soweit dieser im Hinblick auf die Gruppensolvabilität beaufsichtigt wird) reichen die Eigenmittel nicht aus, um die anwendbare Solvenzkapitalanforderung (SCR) oder das Minimum der konsolidierten Gruppensolvvenzkapitalanforderung für den Hannover Rück-Konzern (wenn und soweit dieser im Hinblick auf die Gruppensolvabilität beaufsichtigt wird) gemäß den Anwendbaren Aufsichtsrechtlichen Vorschriften zu erfüllen;
- (iii) auf konsolidierter Ebene des Mutterkonzerns (wenn und soweit dieser im Hinblick auf die Gruppensolvabilität beaufsichtigt wird) reichen die Eigenmittel nicht aus, um die anwendbare

"**Reference Bank Rate**" has the meaning set out in § 4(2)(b).

"**Reference Rate**" has the meaning set out in § 4(2)(b).

"**Conditions to Redemption and Repurchase**" has the meaning set out in § 5(6).

"**Redemption Amount**" means an amount per Bond equal to the Principal Amount plus any interest accrued on such Bond to but excluding the date of redemption but unpaid and, for the avoidance of doubt, any Arrears of Interest due on such Bond.

"**Bonds**" has the meaning set out in § 2(1).

"**Solvency II**" means Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 as amended from time to time, the further legislative acts of the European Union enacted in relation thereto including Commission Delegated Regulation (EU) 2015/35 of 10 October 2014, and the applicable legislation and measures implementing the same, in each case as amended from time to time.

A "**Solvency Capital Event**" will have occurred if any of the following events has occurred:

- (i) on an unconsolidated basis of the Issuer the own funds (*Eigenmittel*) are not sufficient to cover the solvency capital requirement (SCR) or the minimum capital requirement (MCR) of the Issuer in accordance with the Applicable Supervisory Regulations;
- (ii) on a consolidated basis of the Hannover Re Group (if and to the extent it is subject to supervision for group solvency purposes) the own funds (*Eigenmittel*) are not sufficient to cover the applicable solvency capital requirement (SCR) of, or the minimum consolidated group solvency capital requirement for, the Hannover Re Group (if and to the extent it is subject to supervision for group solvency purposes) in accordance with the Applicable Supervisory Regulations;
- (iii) on a consolidated basis of the Ultimate Parent's (if and to the extent it is subject to supervision for group solvency purposes) Group the own funds (*Eigenmittel*) are not sufficient to cover the

Solvenzkapitalanforderung (SCR) oder das Minimum der konsolidierten Gruppensolvenzkapitalanforderung für den Mutterkonzern (wenn und soweit dieser im Hinblick auf die Gruppensolvabilität beaufsichtigt wird) gemäß den Anwendbaren Aufsichtsrechtlichen Vorschriften zu erfüllen.

Ein "**Steuerereignis**" tritt ein, wenn der Emittentin ein Gutachten einer anerkannten Anwaltskanzlei vorliegt (und die Emittentin der Hauptzahlstelle eine Kopie davon überlässt), aus dem hervorgeht, dass aufgrund einer an oder nach dem Tag der Begebung der Schuldverschreibungen in Kraft tretenden Änderung oder Klarstellung der Gesetze, Verordnungen oder sonstigen Vorschriften des Staates, in dem die Emittentin steuerlich ansässig ist, einer seiner Gebietskörperschaften oder einer seiner zur Erhebung von Steuern berechtigten Behörden oder sonstigen Stellen (einschließlich des Falles, dass die betreffende Änderung oder Klarstellung rückwirkend Anwendung findet), oder aufgrund einer Änderung oder Klarstellung der Auslegung oder Anwendung, oder aufgrund einer erstmaligen Auslegung oder Anwendung dieser Gesetze, Verordnungen oder sonstigen Vorschriften durch eine gesetzgebende Körperschaft, ein Gericht oder eine Behörde (einschließlich des Erlasses von Gesetzen sowie der Bekanntmachung von Entscheidungen eines Gerichts oder einer Behörde), Zinsen, die von der Emittentin auf die Schuldverschreibungen zu zahlen sind, von der Emittentin nicht mehr für die Zwecke der Ertragsteuer in dem Staat, in dem die Emittentin steuerlich ansässig ist, voll abzugsfähig sind, bzw. nicht mehr voll abzugsfähig sein werden, und die Emittentin dieses Risiko nicht abwenden kann, indem sie Maßnahmen ergreift, die sie nach Treu und Glauben für zumutbar und angemessen hält.

"**Steuern**" hat die in § 7 festgelegte Bedeutung.

"**Stichtag**" hat die in § 4(2)(e)(viii) festgelegte Bedeutung.

"**TARGET-Geschäftstag**" bezeichnet einen Tag, an dem alle maßgeblichen Stellen des Trans-European Automated Real-time Gross settlement Express Transfer Systems 2 (TARGET) offen sind, um Zahlungen abzuwickeln.

"**Tier-2-Kapital**" bezeichnet für Zwecke dieser Anleihebedingungen die Tier-2-Basiseigenmittel der Emittentin, die ergänzenden Tier-2-Eigenmittel der Emittentin und, soweit anwendbar, die Tier-2-Kapitalressourcen der Emittentin (wie in den Anwendbaren Aufsichtsrechtlichen Vorschriften definiert).

applicable solvency capital requirement (SCR) of, or the minimum consolidated group solvency capital requirement for, the Ultimate Parent's Group (if and to the extent it is subject to supervision for group solvency purposes) in accordance with the Applicable Supervisory Regulations.

A "**Tax Event**" will occur if an opinion of a recognised law firm has been delivered to the Issuer (and the Issuer has provided the Principal Paying Agent with a copy thereof) stating that, as a result of any change in, or amendment or clarification to, the laws, regulations or other rules of the Issuer's country of domicile for tax purposes, any of its political subdivisions or any authority or any other agency of or in such country having power to tax (including in case any such change, amendment or clarification has retroactive effect), or as a result of any change in, or amendment or clarification to, the interpretation or application, or as a result of any interpretation or application made for the first time, of any such laws, regulations or other rules by any legislative body, court or authority (including the enactment of any legislation and the publication of any decision of any court or authority), which change, amendment or clarification becomes effective on or after the date of issue of the Bonds, interest payable by the Issuer in respect of the Bonds is no longer, or will no longer be, fully deductible by the Issuer for income tax purposes in the Issuer's country of domicile for tax purposes, and that risk cannot be avoided by the Issuer taking such measures it (acting in good faith) deems reasonable and appropriate.

"**Taxes**" has the meaning set out in § 7.

"**Effective Date**" has the meaning set out in § 4(2)(e)(viii).

"**TARGET Business Day**" means a day on which all relevant parts of the Trans-European Automated Real-time Gross settlement Express Transfer Systems 2 (TARGET) are open to effect payments.

"**Tier 2 Capital**" for purposes of these Terms and Conditions means the Tier 2 basic own funds of the Issuer, the Tier 2 ancillary own funds of the Issuer and, if applicable, the Tier 2 capital resources of the Issuer (as stipulated in the Applicable Supervisory Regulations).

"**Unabhängiger Berater**" hat die in § 4(2)(e)(vii) festgelegte Bedeutung.

"**Ursprünglicher Benchmarksatz**" hat die in § 4(2)(b) festgelegte Bedeutung.

"**Variabler Zinsbetrag**" hat die in § 4(2)(d) festgelegte Bedeutung.

"**Variabler Zinssatz**" hat die in § 4(2)(b) festgelegte Bedeutung.

"**Variabler Zinszahlungstag**" bezeichnet den 9. Januar, 9. April, 9. Juli und 9. Oktober eines jeden Jahres, beginnend mit dem 9. Januar 2030. Falls ein Variabler Zinszahlungstag auf einen Tag fällt, der kein Geschäftstag ist, wird dieser Variable Zinszahlungstag auf den nächstfolgenden Geschäftstag verschoben, sofern er dadurch nicht in den nächsten Kalendermonat fallen würde; in diesem Fall wird der betreffende Variable Zinszahlungstag auf den unmittelbar vorausgehenden Geschäftstag vorgezogen.

"**Variable Zinsperiode**" bezeichnet jeden Zeitraum ab dem Ersten Resettermin (einschließlich) bis zum ersten Variablen Zinszahlungstag (ausschließlich) und nachfolgend ab jedem Variablen Zinszahlungstag (einschließlich) bis zu dem jeweils nächstfolgenden Variablen Zinszahlungstag (ausschließlich).

"**Vorgesehener Endfälligkeitstag**" ist der Variable Zinszahlungstag, der auf oder unmittelbar um den 9. Oktober 2039 fällt.

"**Vorläufige Globalurkunde**" hat die in § 2(2) festgelegte Bedeutung.

"**Zahlstellen**" hat die in § 9(1) festgelegte Bedeutung.

"**Zinslaufbeginn**" ist 9. Oktober 2019.

"**Zinsfestsetzungstag**" hat die in § 4(2)(c) festgelegte Bedeutung.

"**Zinsperiode**" bezeichnet jede Festzinsperiode und jede Variable Zinsperiode.

"**Zinsrückstände**" hat die in § 4(3)(d) festgelegte Bedeutung.

"**Zinszahlungstag**" bezeichnet jeden Festzinszahlungstag und jeden Variablen Zinszahlungstag.

"**Zusätzliche Beträge**" hat die in § 7 festgelegte Bedeutung.

"**Zuständige Aufsichtsbehörde**" ist die Bundesanstalt für Finanzdienstleistungsaufsicht bzw. jede Behörde, die ihr Funktionsnachfolger als Versicherungsaufsichtsbehörde für

"**Independent Adviser**" has the meaning set out in § 4(2)(e)(vii).

"**Original Benchmark Rate**" has the meaning set out in § 4(2)(b).

"**Floating Interest Amount**" has the meaning set out in § 4(2)(d).

"**Floating Interest Rate**" has the meaning set out in § 4(2)(b).

"**Floating Interest Payment Date**" means 9 January, 9 April, 9 July and 9 October in each year, commencing on 9 January 2030. If any Floating Interest Payment Date would otherwise fall on a day which is not a Business Day, it will be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event the Floating Interest Payment Date will be the immediately preceding Business Day.

"**Floating Interest Period**" means each period from and including the First Reset Date to but excluding the first Floating Interest Payment Date and thereafter from and including each Floating Interest Payment Date to but excluding the next following Floating Interest Payment Date.

"**Scheduled Maturity Date**" means the Floating Interest Payment Date falling on or around 9 October 2039.

"**Temporary Global Bond**" has the meaning set out in § 2(2).

"**Paying Agents**" has the meaning set out in § 9(1).

"**Interest Commencement Date**" means 9 October 2019.

"**Interest Determination Date**" has the meaning set out in § 4(2)(c).

"**Interest Period**" means each Fixed Interest Period and each Floating Interest Period.

"**Arrears of Interest**" has the meaning set out in § 4(3)(d).

"**Interest Payment Date**" means each Fixed Interest Payment Date and each Floating Interest Payment Date.

"**Additional Amounts**" has the meaning set out in § 7.

"**Competent Supervisory Authority**" means the Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*) or any authority which



die Emittentin bzw. den Hannover Rück-Konzern bzw. den Mutterkonzern (wenn und soweit diese jeweils im Hinblick auf die Gruppensolvabilität beaufsichtigt werden) wird.

## § 2

### Verbriefung und Nennbetrag

- (1) Währung, Nennbetrag und Form.

Die Emittentin begibt auf den Inhaber lautende, nachrangige, fest- bis variabel verzinsliche Schuldverschreibungen (die "**Schuldverschreibungen**") im festgelegten Nennbetrag von je € 100.000 (der "**Festgelegte Nennbetrag**") und im Gesamtnennbetrag von € 750.000.000.

- (2) Globalurkunden und Austausch.

Die Schuldverschreibungen werden zunächst in einer vorläufigen Globalinhaberschuldverschreibung (die "**Vorläufige Globalurkunde**") ohne Zinsscheine verbrieft und am oder um den Tag der Begebung der Schuldverschreibungen bei einer gemeinsamen Verwahrstelle für das Clearingsystem hinterlegt. Die Vorläufige Globalurkunde wird insgesamt oder teilweise nicht vor Ablauf von 40 Tagen nach dem Tag der Begebung der Schuldverschreibungen, gegen Vorlage einer Bestätigung über das Nichtbestehen U.S.-amerikanischen wirtschaftlichen Eigentums (*beneficial ownership*) an den Schuldverschreibungen nach U.S.- amerikanischen Steuerrecht und gemäß den Regeln und Betriebsabläufen des Clearingsystems gegen eine dauerhafte Globalinhaberschuldverschreibung (die "**Dauer-Globalurkunde**") und, gemeinsam mit der Vorläufigen Globalurkunde, jeweils eine "**Globalurkunde**") ohne Zinsscheine unentgeltlich ausgetauscht. Zahlungen auf eine Vorläufige Globalurkunde erfolgen nur nach Vorlage einer solchen Bestätigung. Einzelurkunden oder Zinsscheine werden nicht ausgegeben.

Die Vorläufige Globalurkunde und die Dauer-Globalurkunde werden solange von dem Clearingsystem oder im Auftrag des Clearingsystems verwahrt, bis sämtliche Verpflichtungen der Emittentin aus den Schuldverschreibungen erfüllt sind.

becomes its successor in such capacity as insurance regulator competent for the Issuer, the Hannover Re group or the Ultimate Parent's Group (if and to the extent they are subject to supervision for group solvency purposes, as the case may be).

## § 2

### Form and Denomination

- (1) Currency, Denomination and Form.

The Issuer issues subordinated fixed to floating rate bearer bonds (the "**Bonds**") in a denomination of € 100,000 each (the "**Principal Amount**") in the aggregate principal amount of € 750,000,000.

- (2) Global Bonds and Exchange.

The Bonds will initially be represented by a temporary global bearer bond (the "**Temporary Global Bond**") without coupons which will be deposited with a common depository for the Clearing System on or around the date of issue of the Bonds. The Temporary Global Bond will be exchangeable, in whole or in part and free of charge, for a permanent global bearer Bond (the "**Permanent Global Bond**") and, together with the Temporary Global Bond, each a "**Global Bond**") without coupons not earlier than 40 days after the date of issue of the Bonds upon certification as to non-U.S. beneficial ownership as required by U.S. tax law and in accordance with the rules and operating procedures of the Clearing System. Payments on a Temporary Global Bond will only be made after presentation of such certification. No definitive Bonds or interest coupons will be issued.

Each of the Temporary Global Bond and the Permanent Global Bond will be held in custody by or on behalf of the Clearing System until all obligations of the Issuer under the Bonds have been satisfied.

- (3) Jede die Schuldverschreibungen verbriefende Globalurkunde wird von dem oder im Namen des Clearingsystems verwahrt.

Die Schuldverschreibungen werden in Form einer New Global Note ("NGN") ausgegeben und von einem gemeinsamen Wertpapierverwahrer (*common safekeeper*) im Namen beider ICSDs verwahrt.

Der Gesamtnennbetrag der durch die Globalurkunde verbrieften Schuldverschreibungen entspricht dem jeweils in den Registern beider ICSDs eingetragenen Gesamtbetrag. Die Register der ICSDs (unter denen man die Register versteht, die jeder ICSD für seine Kunden über den Betrag ihres Anteils an den Schuldverschreibungen führt) sind schlüssiger Nachweis über den Gesamtnennbetrag der durch die Globalurkunde verbrieften Schuldverschreibungen, und eine zu diesen Zwecken von einem ICSD jeweils ausgestellte Bestätigung mit dem Nennbetrag der so verbrieften Schuldverschreibungen ist ein schlüssiger Nachweis über den Inhalt des Registers des jeweiligen ICSD zu diesem Zeitpunkt.

Bei Rückzahlung oder einer Zinszahlung bezüglich der durch die Globalurkunde verbrieften Schuldverschreibungen bzw. bei Kauf und Entwertung der durch die Globalurkunde verbrieften Schuldverschreibungen stellt die Emittentin sicher, dass die Einzelheiten über Rückzahlung, Zahlung bzw. Kauf und Entwertung bezüglich der Globalurkunde *pro rata* in die Register der ICSDs eingetragen werden und dass nach dieser Eintragung vom Gesamtnennbetrag der in die Register der ICSDs aufgenommenen und durch die Globalurkunde verbrieften Schuldverschreibungen der Gesamtnennbetrag der zurückgezahlten bzw. gekauften und entwerteten Schuldverschreibungen abgezogen wird.

Bei Austausch eines Anteils von ausschließlich durch eine Vorläufige Globalurkunde verbrieften Schuldverschreibungen wird die Emittentin sicherstellen, dass die Einzelheiten dieses Austauschs *pro rata* in die Aufzeichnungen der ICSDs aufgenommen werden.

Die Vorläufige Globalurkunde und die Dauer-Globalurkunde tragen jeweils die eigenhändigen Unterschriften von zwei Vertretungsberechtigten der Emittentin sowie die eigenhändige Unterschrift eines Kontrollbeauftragten der Hauptzahlstelle und die

- (3) Each Global Bond representing the Bonds will be kept in custody by or on behalf of the Clearing System.

The Bonds are issued in new global note ("NGN") form and are kept in custody by a common safekeeper on behalf of both ICSDs.

The aggregate principal amount of Bonds represented by the Global Bond shall be the aggregate amount from time to time entered in the records of both ICSDs. The records of the ICSDs (which expression means the records that each ICSD holds for its customers which reflect the amount of such customers' interest in the Bonds) shall be conclusive evidence of the aggregate principal amount of Bonds represented by the Global Bond and, for these purposes, a statement issued by an ICSD stating the principal amount of Bonds so represented at any time shall be conclusive evidence of the records of the relevant ICSD at that time.

On any redemption or interest being made in respect of, or purchase and cancellation of, any of the Bonds represented by the Global Bond the Issuer shall procure that details of such redemption, payment or purchase and cancellation (as the case may be) in respect of the Global Bond shall be entered *pro rata* in the records of the ICSDs and, upon any such entry being made, the aggregate principal amount of the Bonds recorded in the records of the ICSDs and represented by the Global Bond shall be reduced by the aggregate principal amount of the Bonds so redeemed or purchased and cancelled.

On an exchange of a portion only of the Bonds represented by a Temporary Global Bond, the Issuer shall procure that details of such exchange shall be entered *pro rata* in the records of the ICSDs.

The Temporary Global Bond and the Permanent Global Bond shall each bear the manual signatures of two duly authorised officers of the Issuer as well as the manual signature of an authentication officer of

eigenhändige Unterschrift eines bevollmächtigten Vertreters des gemeinsamen Wertpapierverwahrers.

- (4) Den Inhabern von Schuldverschreibungen ("Anleihegläubiger") stehen Miteigentumsanteile oder vergleichbare andere Rechte an der Globalurkunde zu, die nach Maßgabe des anwendbaren Rechts und der Regeln und Bestimmungen des Clearingsystems übertragen werden können.

### § 3 Status

- (1) Status der Schuldverschreibungen.

Die Schuldverschreibungen begründen nicht besicherte Verbindlichkeiten der Emittentin, die untereinander gleichrangig sind und nachrangig gegenüber allen

- (a) nicht nachrangigen Verbindlichkeiten der Emittentin (einschließlich Verbindlichkeiten aus mit allen abgebenden Versicherungsunternehmen (Vorversicherern) abgeschlossenen Rückversicherungsverträgen und Verbindlichkeiten der Emittentin gegenüber allen Anspruchsberechtigten aus Versicherungsverträgen) sind;
- (b) nachrangigen Verbindlichkeiten der Emittentin gemäß § 39 Absatz 1 InsO sind;
- (c) nachrangigen Verbindlichkeiten der Emittentin, soweit diese mit gesetzlich nachrangigen Verbindlichkeiten der Emittentin gemäß § 39 Absatz 1 InsO zumindest gleichrangig sind; und
- (d) nachrangigen Verbindlichkeiten der Emittentin, soweit zwingende gesetzliche Bestimmungen solche anderen nachrangigen Verbindlichkeiten im Rang besserstellen.

Im Fall der Auflösung, der Liquidation, der Insolvenz oder eines der Abwendung der Insolvenz der Emittentin dienenden Verfahrens gehen die Verbindlichkeiten der Emittentin aus den Schuldverschreibungen allen Verbindlichkeiten, die den Verbindlichkeiten der Emittentin aus den Schuldverschreibungen nach Maßgabe dieses § 3(1) oder kraft Gesetzes im Rang vorgehen, im Rang vollständig nach, so dass Zahlungen auf die

the Principal Paying Agent and the manual signature of an authorised officer of the common safekeeper.

- (4) The holders of Bonds ("**Bondholders**") are entitled to co-ownership interests or other comparable rights in the Global Bond which are transferable in accordance with applicable law and the rules and regulations of the Clearing System.

### § 3 Status

- (1) Status of the Bonds.

The Bonds constitute unsecured obligations of the Issuer which rank *pari passu* among themselves and subordinated to all

- (a) unsubordinated obligations of the Issuer (including any obligations of the Issuer under reinsurance contracts entered into with all ceding insurance companies (cedants) and any obligations of the Issuer to all beneficiaries under any insurance contracts);
- (b) subordinated obligations of the Issuer pursuant to § 39(1) InsO;
- (c) subordinated obligations ranking at least *pari passu* with the Issuer's obligations subordinated by operation of law pursuant to § 39(1) InsO; and
- (d) subordinated obligations of the Issuer required to be preferred by mandatory provisions of law.

In the event of the dissolution, liquidation, insolvency or any proceeding to avoid insolvency of the Issuer, the obligations of the Issuer under the Bonds will be fully subordinated to all claims against the Issuer which pursuant to this § 3(1) are expressed to, or by operation of law, rank senior to the obligations of the Issuer under the Bonds, so that in any such event payments will not be made under the Bonds until all claims against the Issuer which

Schuldverschreibungen erst erfolgen, wenn alle Ansprüche gegen die Emittentin aus Verbindlichkeiten, die den Verbindlichkeiten der Emittentin aus den Schuldverschreibungen nach Maßgabe dieses § 3(1) oder kraft Gesetzes im Rang vorgehen, vollständig befriedigt sind.

(2) Keine Sicherheit.

Für die Rechte der Anleihegläubiger aus den Schuldverschreibungen ist diesen keine Sicherheit durch die Emittentin oder durch Dritte gestellt; eine solche Sicherheit wird auch zu keinem Zeitpunkt gestellt werden.

(3) Aufrechnungsverbot.

Die Anleihegläubiger sind nicht berechtigt, Forderungen aus den Schuldverschreibungen gegen mögliche Forderungen der Emittentin gegen sie aufzurechnen. Die Emittentin ist nicht berechtigt, Forderungen gegenüber den Anleihegläubigern mit den Verbindlichkeiten aus den Schuldverschreibungen aufzurechnen.

(4) Zahlungsbedingungen, (vorinsolvenzliches) Zahlungsverbot.

Bereits vor Einleitung eines Insolvenz- oder Liquidationsverfahrens über das Vermögen der Emittentin steht

(i) jede Zahlung von Zinsen und Zinsrückständen auf die Schuldverschreibungen unter dem Vorbehalt der Erfüllung der Bedingungen gemäß § 4(3) und § 4(4); und

(ii) jede Rückzahlung und jeder Rückkauf der Schuldverschreibungen unter dem Vorbehalt der Erfüllung der Rückzahlungs- und Rückkaufbedingungen gemäß § 5(6).

Zu den Bedingungen gemäß § 4(3) und § 4(4) und zu den Rückzahlungs- und Rückkaufbedingungen gemäß § 5(6) gehört die Bedingung, dass an dem Tag, an dem der betreffende Betrag von Kapital oder Zinsen (oder Zinsrückständen) zur Zahlung vorgesehen ist, weder ein Insolvenzereignis eingetreten ist und an diesem Tag fortbesteht noch die Zahlung ein Insolvenzereignis auslösen oder dessen Eintritt beschleunigen würde.

Das bedeutet, dass die Anleihegläubiger bereits vor Einleitung eines Insolvenz- oder

pursuant to this § 3(1) are expressed to, or by operation of law, rank senior to the obligations of the Issuer under the Bonds will first have been satisfied in full.

(2) No security.

No security of whatever kind is, or will at any time be, provided by the Issuer or any other person securing rights of the Bondholders under the Bonds.

(3) No right to set-off.

The Bondholders may not set off any claims arising under the Bonds against any claims that the Issuer may have against each of them. The Issuer may not set off any claims it may have against any Bondholder against any of its obligations under the Bonds.

(4) Payment Conditions, (Pre-Insolvency) Payment Prohibition.

Prior to the commencement of any insolvency or liquidation proceedings over the assets of the Issuer

(i) any payment of interest and Arrears of Interest on the Bonds will be subject to the conditions set forth in § 4(3) and § 4(4) being fulfilled; and

(ii) any redemption and any repurchase of the Bonds will be subject to the Conditions to Redemption and Repurchase set forth in § 5(6) being fulfilled.

The conditions set forth in § 4(3) and § 4(4) and the Conditions to Redemption and Repurchase set forth in § 5(6) include the condition that, on the date on which the relevant amount of principal or interest (or Arrears of Interest) is scheduled to be paid, neither an Insolvency Event has occurred and is continuing on such date nor that such payment would cause or accelerate the occurrence of an Insolvency Event.

This means that already prior to the commencement of any insolvency or liquidation proceedings over the

Liquidationsverfahrens über das Vermögen der Emittentin nur dann einen fälligen Anspruch auf die betreffende vorgesehene Zahlung von Zinsen, Nachzahlung von Zinsrückständen oder Rückzahlung haben, sofern kein Eröffnungsgrund für ein Insolvenzverfahren im Sinne der Anwendbaren Insolvenzrechtlichen Vorschriften vorliegt und die Zahlung des betreffenden Betrages nicht die Insolvenz der Emittentin verursachen oder den Prozess der Insolvenz der Emittentin beschleunigen würde. Gemäß den am Tag der Begebung der Schuldverschreibungen geltenden Anwendbaren Insolvenzrechtlichen Vorschriften sind folgende Eröffnungsgründe möglich: Die Emittentin ist am vorgesehenen Zahlungstag (i) überschuldet im Sinne von § 19 InsO oder (ii) zahlungsunfähig im Sinne von § 17 InsO, oder (iii) es liegt eine drohende Zahlungsunfähigkeit der Emittentin vor.

Diese Zahlungsbedingungen begründen ein Zahlungsverbot dahingehend, dass Zahlungen auf die Schuldverschreibungen von der Emittentin nur nach Maßgabe der vorgenannten Bedingungen geleistet werden dürfen. Verbotswidrige Zahlungen sind der Emittentin ohne Rücksicht auf entgegenstehende Vereinbarungen zurückzugewähren.

- (5) Unter Beachtung von § 3(1) bleibt es der Emittentin unbenommen, ihre Verbindlichkeiten aus den Schuldverschreibungen auch aus dem sonstigen freien Vermögen zu bedienen.

#### **§ 4 Zinsen**

- (1) Festzinsperiode.
- (a) Im Zeitraum ab dem Zinslaufbeginn (einschließlich) bis zum Ersten Resettermin (ausschließlich) werden die Schuldverschreibungen bezogen auf den festgelegten Nennbetrag mit jährlich 1,125 % verzinst. Während dieses Zeitraums sind Zinsen nachträglich an jedem Festzinszahlungstag zur Zahlung vorgesehen, und werden nach Maßgabe der in § 4(3) und § 4(4) dargelegten Bedingungen fällig.
- (b) Sofern Zinsen in Bezug auf eine Festzinsperiode oder einen Teil davon zu berechnen sind, erfolgt die Berechnung auf

assets of the Issuer the Bondholders will only have a due (*fällig*) claim for the relevant scheduled payment of interest, payment of Arrears of Interest or for redemption if no reason for the opening of insolvency proceedings in respect of the Issuer in accordance with the Applicable Insolvency Regulations exists and if the payment of the relevant amount would not cause the insolvency of the Issuer or accelerate the process of the Issuer becoming insolvent. Pursuant to the Applicable Insolvency Regulations in effect on the date of issue of the Bonds, the following reasons for the opening of insolvency proceedings apply: The Issuer is (i) over-indebted within the meaning of § 19 InsO or (ii) illiquid (*zahlungsunfähig*) within the meaning of § 17 InsO or (iii) an imminent illiquidity (*drohende Zahlungsunfähigkeit*) of the Issuer exists.

These payment conditions constitute a prohibition to pay in that any payments on the Bonds may only be made by the Issuer if it is made in accordance with the aforementioned conditions. Any payment made in breach of this prohibition must be returned to the Issuer irrespective of any agreement to the contrary.

- (5) Subject to § 3(1), the Issuer may satisfy its obligations under the Bonds also from other distributable assets (*sonstiges freies Vermögen*) of the Issuer.

#### **§ 4 Interest**

- (1) Fixed Interest Period.
- (a) In the period from and including the Interest Commencement Date to but excluding the First Reset Date the Bonds bear interest on their Principal Amount at the rate of 1.125 per cent. *per annum*. During such period, interest is scheduled to be paid in arrear on each Fixed Interest Payment Date and will be due and payable (*fällig*) in accordance with the conditions set out in § 4(3) and § 4(4).
- (b) If interest is required to be calculated for any Fixed Rate Interest Period or part thereof,

der Grundlage des Festzins-Zinstagequotienten.

**"Festzinsperiode"** bezeichnet jeden Zeitraum ab dem Zinslaufbeginn (einschließlich) bis zum ersten Festzinszahlungstag (ausschließlich) und nachfolgend ab jedem Festzinszahlungstag (einschließlich) bis zu dem jeweils nächstfolgenden Festzinszahlungstag (ausschließlich).

**"Festzins-Zinstagequotient"** bezeichnet im Hinblick auf die Berechnung eines Betrages von Zinsen auf die Schuldverschreibungen für einen beliebigen Zeitraum (ab dem ersten Tag dieses Zeitraums (einschließlich) bis zum letzten Tag dieses Zeitraums (ausschließlich)) (der **"Zinsberechnungszeitraum"**):

- (i) wenn der Zinsberechnungszeitraum der Feststellungsperiode entspricht, in die er fällt, oder kürzer als diese ist, die Anzahl von Tagen in dem Zinsberechnungszeitraum dividiert durch die Anzahl von Tagen in dieser Feststellungsperiode; und
- (ii) wenn der Zinsberechnungszeitraum länger als eine Feststellungsperiode ist, die Summe aus
  - (A) der Anzahl der Tage in dem betreffenden Zinsberechnungszeitraum, die in die Feststellungsperiode fallen, in der der Zinsberechnungszeitraum beginnt, dividiert durch die Anzahl der Tage in dieser Feststellungsperiode; und
  - (B) der Anzahl der Tage in dem betreffenden Zinsberechnungszeitraum, die in die nachfolgende Feststellungsperiode fallen, dividiert durch die Anzahl der Tage in dieser Feststellungsperiode.

such interest shall be calculated on the basis of the Fixed Rate Day Count Fraction.

**"Fixed Interest Period"** means each period from and including the Interest Commencement Date to but excluding the first Fixed Interest Payment Date and thereafter from and including each Fixed Interest Payment Date to but excluding the next following Fixed Interest Payment Date.

**"Fixed Rate Day Count Fraction"** means, in respect of the calculation of an amount of interest on the Bonds for any period of time (from and including the first day of such period to but excluding the last day of such period) (the **"Calculation Period"**):

- (i) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the number of days in such Determination Period; and
- (ii) if the Calculation Period is longer than one Determination Period, the sum of:
  - (A) the number of days in such Calculation Period falling in the Determination Period in which the Calculation Period begins divided by the number of days in such Determination Period; and
  - (B) the number of days in such Calculation Period falling in the next Determination Period divided by the number of days in such Determination Period.

**"Feststellungsperiode"** bezeichnet den Zeitraum ab dem 9. Oktober eines Jahres (einschließlich) bis zum nächsten 9. Oktober (ausschließlich).

(2) Variable Zinsperiode.

(a) Variable Verzinsung.

Im Zeitraum ab dem Ersten Resettermin (einschließlich) bis zum ersten Variablen Zinszahlungstag (ausschließlich) und danach von jedem Variablen Zinszahlungstag (einschließlich) bis zum nächstfolgenden Variablen Zinszahlungstag (ausschließlich) werden die Schuldverschreibungen, bezogen auf ihren festgelegten Nennbetrag, in Höhe des Variablen Zinssatzes für die betreffende Variable Zinsperiode verzinst. Während dieses Zeitraums sind Zinsen jeweils vierteljährlich nachträglich an jedem Variablen Zinszahlungstag zur Zahlung vorgesehen, und werden nach Maßgabe der in § 4(3) und § 4(4) dargelegten Bedingungen fällig.

(b) Variabler Zinssatz.

Der Zinssatz für die jeweilige Variable Zinsperiode (der "**Variable Zinssatz**") ist der betreffende Referenzsatz zuzüglich der Marge.

Die Berechnungsstelle bestimmt an jedem Zinsfestsetzungstag den betreffenden Referenzsatz nach Maßgabe dieses § 4(2)(b).

Der "**Referenzsatz**" für eine Variable Zinsperiode wird von der Berechnungsstelle festgelegt und ist,

(i) solange kein Benchmark-Ereignis eingetreten ist,

(A) der Ursprüngliche Benchmarksatz; oder

(B) falls eine für die Festlegung des Ursprünglichen Benchmarksatzes benötigte Information am betreffenden Zinsfestsetzungstag nicht auf der Bildschirmseite

**"Determination Period"** means the period from and including 9 October in any year to but excluding the next 9 October.

(2) Floating Rate Interest Period.

(a) Floating Rate Interest.

In the period from and including the First Reset Date to but excluding the first Floating Interest Payment Date and thereafter from and including each Floating Interest Payment Date to but excluding the next Floating Interest Payment Date the Bonds bear interest on their Principal Amount at the Floating Interest Rate for the relevant Floating Interest Period. During such period, interest is scheduled to be paid quarterly in arrear on each Floating Interest Payment Date and will be due and payable (*fallig*) in accordance with the conditions set out in § 4(3) and § 4(4).

(b) Floating Interest Rate.

The rate of interest for the relevant Floating Interest Period (the "**Floating Interest Rate**") will be the relevant Reference Rate plus the Margin.

The Calculation Agent will determine the relevant Reference Rate in accordance with this § 4(2)(b) on each Interest Determination Date.

The "**Reference Rate**" for a Floating Interest Period will be determined by the Calculation Agent and will be

(i) as long as no Benchmark Event has occurred,

(A) the Original Benchmark Rate; or

(B) in the event that any of the information required for the purposes of the determination of the Original Benchmark Rate does not appear on the Screen Page on

erscheint, der  
Referenzbankensatz an  
diesem Zinsfestsetzungstag.

Kann der Referenzbankensatz nicht gemäß der Definition dieses Begriffs bestimmt werden, aber ist kein Benchmark-Ereignis eingetreten, entspricht der jeweilige "Referenzsatz" dem durch die Berechnungsstelle festgelegten Ursprünglichen Benchmarksatz, welcher zuletzt auf der Bildschirmseite verfügbar war; und

- (ii) wenn ein Benchmark-Ereignis eingetreten ist, wird der "Referenzsatz" für jede Variable Zinsperiode, die an oder nach dem Stichtag (wie in § 4(2)(e)(viii) definiert) beginnt, gemäß § 4(2)(e) bestimmt.

Dabei gilt Folgendes:

**"Ursprünglicher Benchmarksatz"** bezeichnet, vorbehaltlich § 4(2)(e), die 3-Monats Euro Interbank Offered Rate (ausgedrückt als Prozentsatz per annum), die auf der Bildschirmseite am betreffenden Zinsfestsetzungstag (wie nachstehend definiert) gegen 11.00 Uhr (Brüsseler Ortszeit) angezeigt wird.

**"Referenzbankensatz"** bezeichnet den Satz (als Prozentsatz *per annum* ausgedrückt) für Einlagen in Euro für die betreffende Variable Zinsperiode und über einen Repräsentativen Betrag (auf Grundlage des Actual/360 Zinstagequotienten) gegenüber führenden Banken im Interbankenmarkt der Euro-Zone um ca. 11.00 Uhr (Brüsseler Ortszeit) an dem betreffenden Zinsfestsetzungstag festgestellt wird, der wie folgt bestimmt wird: Die Emittentin wird jede Referenzbank bitten, der Berechnungsstelle ihren Angebotssatz mitzuteilen. Falls zwei oder mehr Referenzbanken der Berechnungsstelle solche Angebotssätze nennen, ist der Referenzbankensatz für die betreffende Variable Zinsperiode das arithmetische

the relevant Interest  
Determination Date, the  
Reference Bank Rate on that  
Interest Determination Date.

If the Reference Bank Rate cannot be determined pursuant to the definition of this term, but if no Benchmark Event has occurred, the relevant "Reference Rate" shall be equal to the last Original Benchmark Rate available on the Screen Page as determined by the Calculation Agent; and

- (ii) if a Benchmark Event has occurred, the "Reference Rate" for each Floating Interest Period commencing on or after the Effective Date (as defined in § 4(2)(e)(viii)) will be determined in accordance with § 4(2)(e).

Where:

**"Original Benchmark Rate"** means, subject to § 4(2)(e), the 3-month Euro Interbank Offered Rate (expressed as a percentage rate per annum) which appears on the Screen Page as of 11:00 a.m. (Brussels time) on the relevant Interest Determination Date (as defined below).

**"Reference Bank Rate"** means the rate (expressed as a percentage rate per annum) at which deposits in Euro are offered by the Reference Banks (as defined below) at approximately 11:00 a.m. (Brussels time) on the relevant Interest Determination Date to prime banks in the Euro-Zone interbank market for the relevant Floating Interest Period and in a Representative Amount, assuming an Actual/360 day count basis, determined as follows: The Issuer shall request each of the Reference Banks (as defined below) to provide the Calculation Agent with its offered quotation. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Reference Bank Rate for such



Mittel (falls erforderlich, auf- oder abgerundet auf das nächste tausendstel Prozent, wobei 0,0005 aufgerundet wird) dieser Angebotssätze, wobei alle Feststellungen durch die Berechnungsstelle erfolgen.

Falls an dem betreffenden Zinsfestsetzungstag nur eine oder keine der Referenzbanken der Berechnungsstelle die im vorstehenden Absatz beschriebenen Angebotssätze nennt, ist der Referenzbankensatz für die betreffende Variable Zinsperiode der Satz *per annum*, den die Berechnungsstelle als das arithmetische Mittel (falls erforderlich, auf- oder abgerundet auf das nächste tausendstel Prozent, wobei 0,0005 aufgerundet wird) der Sätze ermittelt, die von der Emittentin nach Treu und Glauben ausgewählte Großbanken im Interbankenmarkt der Euro-Zone um ca. 11:00 Uhr (Brüsseler Ortszeit) der Berechnungsstelle auf Anfrage der Emittentin als den jeweiligen Satz nennen, zu dem sie an dem betreffenden Zinsfestsetzungstag Darlehen in Euro für die betreffende Variable Zinsperiode und über einen Repräsentativen Betrag gegenüber führenden europäischen Banken anbieten.

(c) In diesen Anleihebedingungen bezeichnet:

**"Bildschirmseite"** die Reuters-Seite EURIBOR01 (oder eine andere Bildschirmseite von Reuters oder einem anderen Informationsanbieter als Nachfolger, die die Reuters-Seite EURIBOR01 zur Anzeige solcher Sätze ersetzt).

**"Euro-Zone"** bezeichnet das Gebiet derjenigen Mitgliedstaaten der Europäischen Union, die gemäß dem Vertrag über die Gründung der Europäischen Gemeinschaft (unterzeichnet in Rom am 25. März 1957), geändert durch den Vertrag über die Europäische Union (unterzeichnet in Maastricht am 7. Februar 1992) und den Amsterdamer Vertrag vom 2. Oktober 1997, in seiner jeweiligen Fassung, eine

Floating Interest Period shall be the arithmetic mean (rounded if necessary to the nearest one thousandth of a percentage point, with 0.0005 being rounded upwards) of such offered quotations, all as determined by the Calculation Agent.

If on the relevant Interest Determination Date only one or none of the selected Reference Banks provides the Calculation Agent with such offered quotations as provided in the preceding paragraph, the Reference Rate for the relevant Floating Interest Period shall be the rate *per annum* which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the nearest one thousandth of a percentage point, with 0.0005 being rounded upwards) of the rates, as communicated at approximately 11:00 a.m. (Brussels time) to the Calculation Agent at the request of the Issuer by major banks in the Euro-Zone interbank market, selected by the Issuer acting in good faith, at which such banks offer, on the relevant Interest Determination Date, loans in Euro for the relevant Floating Interest Period and in a Representative Amount to leading European banks.

(c) In these Terms and Conditions:

**"Screen Page"** means Reuters Page EURIBOR01 (or such other screen page of Reuters or such other information service, which is the successor to Reuters Page EURIBOR01 for purposes of displaying such rates).

**"Euro-Zone"** means the region comprised of those member states of the European Union that have adopted, or will have adopted from time to time, the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March 1957), as amended by the Treaty on European Union (signed in Maastricht on 7 February 1992) and the Amsterdam Treaty of 2 October 1997, as further amended from time to time.

einheitliche Währung eingeführt haben oder jeweils eingeführt haben werden.

**"Referenzbanken"** die die Hauptniederlassungen von vier von der Emittentin ausgewählten Großbanken im Interbankenmarkt der Euro-Zone;

**"Repräsentativer Betrag"** einen Betrag, der zu der jeweiligen Zeit in dem jeweiligen Markt für eine einzelne Transaktion repräsentativ ist;

**"Zinsfestsetzungstag"** den zweiten TARGET-Geschäftstag, der dem Beginn der betreffenden Variablen Zinsperiode vorangeht; und

**"Variabler Zinstagequotient"** im Hinblick auf die Berechnung des Variablen Zinsbetrages für einen Zinsberechnungszeitraum die tatsächliche Anzahl von Tagen in dem Zinsberechnungszeitraum geteilt durch 360.

(d) Aufgaben der Berechnungsstelle.

Die Berechnungsstelle wird zu oder baldmöglichst nach jedem Zinsfestsetzungstag, den auf die Schuldverschreibungen zur Zahlung vorgesehenen Variablen Zinssatz bestimmen und den Zinsbetrag (der **"Variable Zinsbetrag"**) für die entsprechende Variable Zinsperiode berechnen. Die Berechnungsstelle ermittelt den Variablen Zinsbetrag, indem sie den Variablen Zinssatz (einschließlich der Marge) und den Variablen Zinstagequotienten auf den Festgelegten Nennbetrag der Schuldverschreibungen anwendet, wobei sie den resultierenden Betrag auf den nächstliegenden Eurocent auf- oder abrundet (wobei 0,5 oder mehr eines Eurocents aufgerundet werden).

Die Berechnungsstelle wird veranlassen, dass der Variable Zinssatz, der Variable Zinsbetrag für die jeweilige Variable Zinsperiode, die jeweilige Variable Zinsperiode und der relevante Variable Zinszahlungstag der Emittentin, den Anleihegläubigern und, sofern dies von den jeweiligen Wertpapierbörsen, an denen die

**"Reference Banks"** means the principal Euro-Zone offices of four major banks in the Euro-Zone inter-bank market, in each case selected by the Issuer;

**"Representative Amount"** means an amount that is representative for a single transaction in the relevant market at the relevant time;

**"Interest Determination Date"** means the second TARGET Business Day prior to the commencement of the relevant Floating Interest Period; and

**"Floating Day Count Fraction"** means, in respect of the calculation of the Floating Interest Amount for any Calculation Period, the actual number of days in the Calculation Period divided by 360.

(d) Duties of the Calculation Agent.

The Calculation Agent will, on or as soon as practicable after each Interest Determination Date, determine the Floating Interest Rate and calculate the amount of interest (the **"Floating Interest Amount"**) scheduled to be paid on the Bonds for the relevant Floating Interest Period. The Calculation Agent will calculate the Floating Interest Amount by applying the Floating Interest Rate (including the Margin) and the Floating Day Count Fraction to the Principal Amount of the Bonds and rounding the resultant figure to the nearest eurocent, with 0.5 or more of a eurocent being rounded upwards.

The Calculation Agent will cause the Floating Interest Rate, each Floating Interest Amount for each Floating Interest Period, each Floating Interest Period and the relevant Floating Interest Payment Date to be notified to the Issuer, to the Bondholders and, if required by the rules of any stock exchange on which the Bonds are from time to time

Schuldverschreibungen zu diesem Zeitpunkt auf Veranlassung der Emittentin notiert sind, vorgesehen ist, den jeweiligen Wertpapierbörsen durch Bekanntmachung gemäß § 11 baldmöglichst, aber keinesfalls später als zu Beginn der maßgeblichen nächstfolgenden Variablen Zinsperiode, bekannt gemacht wird. Im Fall einer Verlängerung oder Verkürzung der Variablen Zinsperiode kann der mitgeteilte Variable Zinsbetrag und Variable Zinszahlungstag ohne Vorankündigung nachträglich angepasst (oder andere geeignete Anpassungsregelungen getroffen) werden. Jede solche Anpassung wird umgehend allen Wertpapierbörsen, an denen die Schuldverschreibungen zu diesem Zeitpunkt auf Veranlassung der Emittentin notiert sind, sowie den Anleihegläubigern gemäß § 11 bekannt gemacht.

Alle Bescheinigungen, Mitteilungen, Gutachten, Festsetzungen, Berechnungen, Angebotssätze und Entscheidungen, die von der Berechnungsstelle für die Zwecke dieses § 4(2) gemacht, abgegeben, getroffen oder eingeholt werden, sind (sofern nicht ein offensichtlicher Irrtum vorliegt) für die Emittentin, die Zahlstellen und die Anleihegläubiger bindend.

(e) Benchmark-Ereignis.

Wenn ein Benchmark-Ereignis in Bezug auf den Ursprünglichen Benchmarksatz eingetreten ist, gilt für die Bestimmung des betreffenden Referenzsatzes Folgendes:

- (i) Die Emittentin wird sich bemühen, sobald dies (nach Ansicht der Emittentin) nach Eintritt des Benchmark-Ereignisses und vor dem nächsten Zinsfeststellungstag praktikabel ist, einen Unabhängigen Berater zu benennen, der nach billigem Ermessen einen Neuen Benchmarksatz, die Anpassungsmarge (gemäß § 4(2)(e)(iv)) und etwaige Benchmark-Änderungen (gemäß § 4(2)(e)(v)) festlegt.

listed at the initiative of the Issuer, to such stock exchange by notice in accordance with § 11 as soon as possible after their determination, but in no event later than at the beginning of the next relevant Floating Interest Period thereafter. Each Floating Interest Amount and Floating Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements may be made by way of adjustment) without notice in the event of an extension or shortening of the Floating Interest Period. Any such amendment will be promptly notified to any stock exchange on which the Bonds are then listed at the initiative of the Issuer and to the Bondholders in accordance with § 11.

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this § 4(2) by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Paying Agents and the Bondholders.

(e) Benchmark Event.

If a Benchmark Event has occurred in relation to the Original Benchmark Rate, the relevant Reference Rate will be determined as follows:

- (i) The Issuer shall endeavour to appoint an Independent Adviser as soon as it is (in the Issuer's view) practicable following the occurrence of the Benchmark Event and prior to the next Interest Determination Date, who will determine in its reasonable discretion a New Benchmark Rate, the Adjustment Spread (in accordance with § 4(2)(e)(iv)) and any Benchmark Amendments (in accordance with § 4(2)(e)(v)).

- (ii) Wenn vor dem betreffenden Zinsfestsetzungstag
- (A) es der Emittentin nicht gelingt, einen Unabhängigen Berater zu ernennen; oder
  - (B) der ernannte Unabhängige Berater keinen Neuen Benchmarksatz gemäß § 4(2)(e)(i) festlegt,

dann entspricht der Referenzsatz für die unmittelbar nachfolgende Variable Zinsperiode dem an dem letzten zurückliegenden Zinsfestsetzungstag festgestellten Ursprünglichen Benchmarksatz.

Falls dieser § 4(2)(e)(ii) bereits an dem Zinsfestsetzungstag vor Beginn der ersten Variablen Zinsperiode angewendet werden muss, entspricht der Referenzsatz für die erste Variable Zinsperiode dem Ursprünglichen Benchmarksatz auf der Bildschirmseite an dem letzten Tag vor dem Zinsfestsetzungstag, an dem dieser Ursprüngliche Benchmarksatz angezeigt wurde.

Falls der gemäß diesem § 4(2)(e)(ii) bestimmte Ausweichsatz zur Anwendung kommt, wird § 4(2)(e) erneut angewendet, um den Referenzsatz für die nächste nachfolgende Variable Zinsperiode zu bestimmen.

- (iii) Falls der Unabhängige Berater nach billigem Ermessen feststellt,
- (A) dass es einen Nachfolge-Benchmarksatz gibt, dann ist dieser Nachfolge-Benchmarksatz der Neue Benchmarksatz; oder
  - (B) dass es keinen Nachfolge-Benchmarksatz aber einen Alternativ-Benchmarksatz gibt, dann ist dieser

- (ii) If prior to the relevant Interest Determination Date,
- (A) the Issuer fails to appoint an Independent Adviser; or
  - (B) the Independent Adviser appointed by it fails to determine a New Benchmark Rate in accordance with § 4(2)(e)(i),

then the Reference Rate applicable to the immediately following Floating Interest Period shall be the Original Benchmark Rate determined on the last preceding Interest Determination Date.

If this § 4(2)(e)(ii) is to be applied on the first Interest Determination Date prior to the commencement of the first Floating Interest Period, the Reference Rate applicable to the first Floating Interest Period shall be the Original Benchmark Rate on the Screen Page on the last day preceding the Interest Determination Date on which such Original Benchmark Rate was displayed.

If the fall-back rate determined in accordance with this § 4(2)(e)(ii) is to be applied, § 4(2)(e) will be operated again to determine the Reference Rate applicable to the next subsequent Floating Interest Period.

- (iii) If the Independent Adviser determines in its reasonable discretion that:
- (A) there is a Successor Benchmark Rate, then such Successor Benchmark Rate shall subsequently be the New Benchmark Rate; or
  - (B) there is no Successor Benchmark Rate but that there is an Alternative Benchmark Rate, then such

Alternativ-Benchmarksatz  
der Neue Benchmarksatz,

und dann entspricht der "Referenzsatz" für die unmittelbar nachfolgende Variable Zinsperiode und alle folgenden Variablen Zinsperioden vorbehaltlich § 4(2)(e)(ix) dem betreffenden Neuen Benchmarksatz an dem betreffenden Zinsfestsetzungstag zuzüglich der Anpassungsmarge gemäß § 4(2)(e)(iv).

- (iv) Die Anpassungsmarge (oder die Formel oder die Methode zur Bestimmung der Anpassungsmarge) wird auf den Neuen Benchmarksatz angewendet, um den betreffenden Referenzsatz zu bestimmen.
- (v) Wenn ein Neuer Benchmarksatz und die entsprechende Anpassungsmarge gemäß diesem § 4(2)(e) festgelegt werden, und wenn der Unabhängige Berater nach billigem Ermessen feststellt, dass Änderungen hinsichtlich dieser Anleihebedingungen notwendig sind, um die ordnungsgemäße Anwendung des Neuen Benchmarksatzes und der entsprechenden Anpassungsmarge zu gewährleisten (diese Änderungen, die "**Benchmark-Änderungen**"), dann wird der Unabhängige Berater die Benchmark-Änderungen feststellen und die Emittentin wird diese durch eine Mitteilung gemäß § 4(2)(e)(vi) bekanntmachen.

Diese Benchmark-Änderungen können insbesondere folgende Regelungen in diesen Anleihebedingungen erfassen:

- (A) den Referenzsatz einschließlich der Bildschirmseite und/oder die Methode zur Bestimmung des Ausweichsatzes (sog.

Alternative Benchmark Rate  
shall subsequently be the  
New Benchmark Rate,

and then the "Reference Rate" for the immediately following Floating Interest Period and all following Floating Interest Periods, subject to § 4(2)(e)(ix), will be the relevant New Benchmark Rate on the relevant Interest Determination Date plus the Adjustment Spread as provided in § 4(2)(e)(iv).

- (iv) The Adjustment Spread (or the formula or methodology for determining the Adjustment Spread) shall be applied to the New Benchmark Rate to determine the relevant Reference Rate.
- (v) If any relevant New Benchmark Rate and the applicable Adjustment Spread are determined in accordance with this § 4(2)(e), and if the Independent Adviser determines in its reasonable discretion that amendments to these Terms and Conditions are necessary to ensure the proper operation of such New Benchmark Rate and the applicable Adjustment Spread (such amendments, the "**Benchmark Amendments**"), then the Independent Adviser will determine the Benchmark Amendments and the Issuer will give notice thereof in accordance with § 4(2)(e)(vi).

The Benchmark Amendments may comprise in particular the following provisions of these Terms and Conditions:

- (A) the Reference Rate including the Screen Page and/or the method for determining the fall-back rate in relation to the Reference Rate,

- |      |  |   |
|------|--|---|
|      | <i>fall-back</i> ) für den Referenzsatz einschließlich des Referenzbankensatzes; und/oder  | including the Reference Bank Rate; and/or   |
| (B)  | die Definitionen der Begriffe "Geschäftstag", "Variabler Zinszahlungstag", "Variable Zinsperiode", "Variabler Zinstagequotient" und/oder "Zinsfestsetzungstag" (einschließlich der Festlegung, ob der Referenzsatz vorausschauend vor oder zu Beginn der betreffenden Zinsperiode oder zurückblickend vor oder zu dem Ende der betreffenden Variablen Zinsperiode bestimmt wird); und/oder   | (B) the definitions of the terms "Business Day", "Floating Interest Payment Date", "Floating Interest Period", "Floating Day Count Fraction" and/or "Interest Determination Date" (including the determination whether the Reference Rate will be determined in advance on or prior to the relevant Floating Interest Period or in arrear on or prior to the end of the relevant Floating Interest Period); and/or  |
| (C)  | die Geschäftstagekonvention gemäß § 6(2).  | (C) the business day convention in § 6(2).  |
| (vi) | Die Emittentin hat einen Neuen Benchmarksatz, die Anpassungsmarge und etwaige Benchmark-Änderungen gemäß diesem § 4(2)(e) der Hauptzahlstelle und der Berechnungsstelle sowie gemäß § 11 den Anleihegläubigern mitzuteilen, und zwar sobald eine solche Mitteilung (nach Ansicht der Emittentin) nach deren Feststellung praktikabel ist. Eine solche Mitteilung ist unwiderruflich und hat den Stichtag zu benennen.<br><br>Der Neue Benchmarksatz, die Anpassungsmarge und etwaige Benchmark-Änderungen, die jeweils in der Mitteilung benannt werden, sind für die Emittentin, die Berechnungsstelle, die Hauptzahlstelle, eventuelle weitere Zahlstellen und die Anleihegläubiger bindend (zur Klarstellung: eine Zustimmung der Anleihegläubiger ist nicht erforderlich). Die Anleihebedingungen gelten ab dem Stichtag als durch den Neuen | (vi) The Issuer will notify any New Benchmark Rate, the Adjustment Spread and the Benchmark Amendments (if any) determined under this § 4(2)(e) to the Principal Paying Agent and the Calculation Agent and, in accordance with § 11, the Bondholders as soon as such notification is (in the Issuer's view) practicable following the determination thereof. Such notice shall be irrevocable and shall specify the Effective Date.<br><br>The New Benchmark Rate, the Adjustment Spread and the Benchmark Amendments (if any), each as specified in such notice, will be binding on the Issuer, the Calculation Agent, the Principal Paying Agent, any additional paying agents and the Bondholders (for the avoidance of doubt: no consent of the Bondholders shall be required). The Terms and Conditions shall be deemed to have been amended by the New Benchmark Rate, the |

Benchmarksatz, die Anpassungsmarge und die etwaigen Benchmark-Änderungen geändert.

An oder vor dem Tag dieser Mitteilung hat die Emittentin der Hauptzahlstelle eine durch zwei Unterschriftsberechtigte der Emittentin unterzeichnete Bescheinigung zu übergeben, die

(A)

(I) bestätigt, dass ein Benchmark-Ereignis eingetreten ist;

(II) den Neuen Benchmarksatz benennt;

(III) die entsprechende Anpassungsmarge und etwaige Benchmark-Änderungen benennt; und

(IV) den Stichtag benennt; und

(B) bestätigt, dass die etwaigen Benchmark-Änderungen notwendig sind, um die ordnungsgemäße Anwendung des Neuen Benchmarksatzes und der Anpassungsmarge zu gewährleisten.

(vii) Zur Verwendung in § 4(2)(e):

Die "**Anpassungsmarge**", die positiv, negativ oder gleich Null sein kann, wird in Basispunkten ausgedrückt und bezeichnet entweder (a) die Marge oder (b) das Ergebnis der Anwendung der Formel oder Methode zur Berechnung der Marge,

(A) die im Fall eines Nachfolge-Benchmarksatzes von dem Nominierungsgremium im Zusammenhang mit der

Adjustment Spread and the Benchmark Amendments (if any) with effect from the Effective Date.

On or prior to the date of such notice, the Issuer shall deliver to the Principal Paying Agent a certificate signed by two authorized signatories of the Issuer

(A)

(I) confirming that a Benchmark Event has occurred;

(II) specifying the relevant New Benchmark Rate;

(III) specifying the applicable Adjustment Spread and the Benchmark Amendments (if any); and

(IV) specifying the Effective Date; and

(B) confirming that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such New Benchmark Rate and the applicable Adjustment Spread.

(vii) As used in this § 4(2)(e):

The "**Adjustment Spread**", which may be positive, negative or zero, will be expressed in basis points and means either (a) the spread or (b) the result of the operation of the formula or methodology for calculating the spread,

(A) which in the case of a Successor Benchmark Rate, is formally recommended in relation to the replacement of

Ersetzung des Ursprünglichen Benchmarksatzes durch den Nachfolge-Benchmarksatz förmlich empfohlen wird; oder

- (B) die (sofern keine Empfehlung gemäß Absatz (A) abgegeben wurde oder im Fall eines Alternativ-Benchmarksatzes) an den internationalen Anleihekapitalmärkten auf den Neuen Benchmarksatz angewendet wird, um einen branchenweit akzeptierten Ersatz-Benchmarksatz für den Ursprünglichen Benchmarksatz zu erzeugen, wobei sämtliche Feststellungen durch den Unabhängigen Berater nach billigem Ermessen vorgenommen werden.

**"Alternativ-Benchmarksatz"**

bezeichnet eine alternative Benchmark oder einen alternativen Bildschirmsatz, die bzw. der üblicherweise an den internationalen Anleihekapitalmärkten zur Bestimmung von Zinssätzen in Euro angewendet wird, wobei sämtliche Feststellungen durch den Unabhängigen Berater nach billigem Ermessen vorgenommen werden.

Ein **"Benchmark-Ereignis"** tritt ein, wenn:

- (A) sich die Methode für die Feststellung des Ursprünglichen Benchmarksatzes wesentlich gegenüber der Methode ändert, die der Administrator des Ursprünglichen Benchmarksatzes bei Verzinsungsbeginn anwendet; oder

the Original Benchmark Rate with the Successor Benchmark Rate by any Relevant Nominating Body; or

- (B) which (if no such recommendation pursuant to clause (A) has been made, or in the case of an Alternative Benchmark Rate) is applied to the New Benchmark Rate in the international debt capital markets to produce an industry-accepted replacement benchmark rate for the Original Benchmark Rate, provided that all determinations will be made by the Independent Adviser in its reasonable discretion.

**"Alternative Benchmark Rate"**

means an alternative benchmark or an alternative screen rate which is customarily applied in the international debt capital markets for the purpose of determining rates of interest in Euro, provided that all determinations will be made by the Independent Adviser in its reasonable discretion.

A **"Benchmark Event"** occurs if:

- (A) the methodology for the determination of the Original Benchmark Rate is materially altered compared to the methodology as used by the administrator of the Original Benchmark Rate at the Interest Commencement Date; or



- |   |  |
|---|--|
| <p>(B) der Ursprüngliche Benchmarksatz nicht mehr regelmäßig veröffentlicht oder nicht mehr erstellt wird; oder</p>   | <p>(B) the Original Benchmark Rate ceases to be published on a regular basis or ceases to exist; or</p>  |
| <p>(C) eine öffentliche Bekanntmachung des Administrators des Ursprünglichen Benchmarksatzes dahingehend vorliegt, dass dieser die Veröffentlichung des Ursprünglichen Benchmarksatzes dauerhaft oder auf unbestimmte Zeit eingestellt hat oder einstellen wird (in Fällen in denen kein Nachfolgeadministrator ernannt worden ist, der die weitere Veröffentlichung des Ursprünglichen Benchmarksatzes vornehmen wird); oder</p> | <p>(C) a public statement by the administrator of the Original Benchmark Rate is made that it has ceased or that it will cease publishing the Original Benchmark Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue the publication of the Original Benchmark Rate); or</p> |
| <p>(D) eine öffentliche Bekanntmachung der Aufsichtsbehörde des Administrators des Ursprünglichen Benchmarksatzes vorliegt, dass der Ursprüngliche Benchmarksatz dauerhaft oder auf unbestimmte Zeit nicht mehr fortgeführt wird oder fortgeführt werden wird; oder</p>   | <p>(D) a public statement by the supervisor of the administrator of the Original Benchmark Rate is made, that the Original Benchmark Rate has been or will permanently or indefinitely discontinued; or</p>  |
| <p>(E) eine öffentliche Bekanntmachung der Aufsichtsbehörde des Administrators des Ursprünglichen Benchmarksatzes vorliegt, wonach der Ursprüngliche Benchmarksatz allgemein oder in Bezug auf die Schuldverschreibungen nicht mehr verwendet wird oder verwendet werden darf, oder nach welcher der</p>  | <p>(E) a public statement by the supervisor of the administrator of the Original Benchmark Rate as a consequence of which the Original Benchmark Rate will be prohibited from being used either generally, or in respect of the Bonds, or pursuant to which the Original Benchmark Rate has ceased or will cease to be</p>                         |

Ursprüngliche  
Benchmarksatz nicht länger  
als repräsentativ für einen  
branchenweit akzeptierten  
Benchmarksatz angesehen  
wird oder angesehen werden  
wird; oder

- (F) die Verwendung des  
Ursprünglichen  
Benchmarksatzes zur  
Berechnung oder  
Bestimmung des  
Referenzsatzes für die  
Zahlstellen, die  
Berechnungsstelle, die  
Emittentin oder jeden Dritten  
rechtswidrig geworden ist.

**"Nachfolge-Benchmarksatz"**

bezeichnet einen Nachfolger oder  
Ersatz des Ursprünglichen  
Benchmarksatzes, der formell durch  
das Nominierungsgremium  
empfohlen wurde.

**"Neuer Benchmarksatz"** bezeichnet  
den jeweils gemäß § 4(2)(e)  
bestimmten Nachfolge-  
Benchmarksatz bzw. Alternativ-  
Benchmarksatz.

**"Nominierungsgremium"**

bezeichnet in Bezug auf die  
Ersetzung des Ursprünglichen  
Benchmarksatzes:

- (A) die Zentralbank für die  
Währung, in der die  
Benchmark oder der  
Bildschirmsatz dargestellt  
wird oder eine Zentralbank  
oder andere  
Aufsichtsbehörde, die für die  
Aufsicht des Administrators  
der Benchmark oder des  
Bildschirmsatzes zuständig  
ist; oder
- (B) jede Arbeitsgruppe oder  
jeden Ausschuss gefördert  
durch, geführt oder  
mitgeführt von oder gebildet

representative as an industry  
accepted benchmark rate; or

- (F) it has become unlawful for  
any Paying Agent, the  
Calculation Agent, the Issuer  
or any other party to calculate  
or determine the Reference  
Rate using the Original  
Benchmark Rate.

**"Successor Benchmark Rate"**

means a successor to or replacement  
of the Original Benchmark Rate  
which is formally recommended by  
any Relevant Nominating Body.

**"New Benchmark Rate"** means the  
Successor Benchmark Rate or, as the  
case may be, the Alternative  
Benchmark Rate determined in  
accordance with § 4(2)(e).

**"Relevant Nominating Body"**

means, in respect of the replacement  
of the Original Benchmark Rate:

- (A) the central bank for the  
currency to which the  
benchmark or screen rate (as  
applicable) relates, or any  
central bank or other  
supervisory authority which  
is responsible for supervising  
the administrator of the  
benchmark or screen rate (as  
applicable); or
- (B) any working group or  
committee sponsored by,  
chaired or co-chaired by or  
constituted at the request of

von (a) der Zentralbank für die Währung, in der die Benchmark oder der Bildschirmsatz dargestellt wird, (b) einer Zentralbank oder anderen Aufsichtsbehörde, die für die Aufsicht des Administrators der Benchmark oder des Bildschirmsatzes zuständig ist, (c) einer Gruppe der zuvor genannten Zentralbanken oder anderer Aufsichtsbehörden oder (d) dem Finanzstabilitätsrat (*Financial Stability Board*) oder Teilen davon.

**"Unabhängiger Berater"**

bezeichnet ein von der Emittentin bestelltes unabhängiges Finanzinstitut mit internationalem Ansehen oder einen anderen unabhängigen Finanzberater mit Erfahrung in internationalen Kapitalmärkten.

(viii) Der Stichtag für die Anwendung des Neuen Benchmarksatzes, der Anpassungsmarge und der etwaigen Benchmark-Änderungen gemäß diesem § 4(2)(e) (der "**Stichtag**") ist der Zinsfestsetzungstag, der auf den frühesten der folgenden Tage fällt oder diesem nachfolgt:

(A) der Tag, an dem die wesentliche Änderung der Methode wirksam wird, wenn das Benchmark Ereignis aufgrund des Absatzes (A) der Definition des Begriffs "Benchmark-Ereignis" eingetreten ist; oder

(B) den Tag des Eintritts des Benchmark-Ereignisses, wenn das Benchmark-Ereignis aufgrund des Absatzes (B) der Definition

(a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

**"Independent Adviser"**

means an independent financial institution of international repute or other independent financial adviser experienced in the international capital markets, in each case appointed by the Issuer.

(viii) The effective date for the application of the New Benchmark Rate, the Adjustment Spread and the Benchmark Amendments (if any) determined under this § 4(2)(e) (the "**Effective Date**") will be the Interest Determination Date falling on or after the earliest of the following dates:

(A) if the Benchmark Event has occurred as a result of clause (A) of the definition of the term "Benchmark Event", the date on which the material alteration of the methodology has taken effect; or

(B) if the Benchmark Event has occurred as a result of clause (B) of the definition of the term "Benchmark Event", the

<p>des Begriffs "Benchmark-Ereignis" eingetreten ist; oder</p>	<p>date of the occurrence of the Benchmark Event; or</p>
<p>(C) den Tag, ab dem die Veröffentlichung des Ursprünglichen Benchmarksatzes (oder einer Teilkomponente davon) eingestellt wird, oder ab dem der Ursprüngliche Benchmarksatz (oder eine Teilkomponente davon) eingestellt wird oder nicht länger als repräsentativ angesehen wird, wenn das Benchmark-Ereignis aufgrund der Absätze (C), (D) oder (E) der Definition des Begriffs "Benchmark-Ereignis" eingetreten ist; oder</p>	<p>(C) if the Benchmark Event has occurred as a result of clause (C), (D) or (E) of the definition of the term "Benchmark Event", the date from which the Original Benchmark Rate (or any component part thereof) ceases to be published, is discontinued or ceases to be representative, as the case may be; or</p>
<p>(D) den Tag, ab dem der Ursprüngliche Benchmarksatz nicht mehr verwendet werden darf, wenn das Benchmark-Ereignis aufgrund des Absatzes (F) der Definition des Begriffs "Benchmark-Ereignis" eingetreten ist.</p>	<p>(D) if the Benchmark Event has occurred as a result of clause (F) of the definition of the term "Benchmark Event", the date from which the prohibition applies.</p>
<p>(ix) Eine Anpassung des Ursprünglichen Benchmarksatzes gemäß diesem § 4(2)(e) im Falle eines Benchmark-Ereignisses darf nur durchgeführt werden, wenn durch diese Anpassung kein Aufsichtsrechtliches Ereignis eintritt.</p>	<p>(ix) Any adjustment to the Original Benchmark Rate in accordance with this § 4(2)(e) in case of a Benchmark Event will only be made if no Regulatory Event would occur as a result of such adjustment.</p>
<p>In diesem Fall kommt § 4(2)(e)(ii) entsprechend zur Anwendung.</p>	<p>In such case § 4(2)(e)(ii) will apply <i>mutatis mutandis</i>.</p>
<p>Wenn in Bezug auf einen späteren Zinsfestsetzungstag eine Anpassung des Ursprünglichen Benchmarksatzes gemäß diesem § 4(2)(e) im Falle eines weiterhin bestehenden Benchmark-Ereignisses durchgeführt werden kann, ohne dass ein Aufsichtsrechtliches Ereignis</p>	<p>If in respect of a subsequent Interest Determination Date an adjustment of the Original Benchmark Rate may be made in accordance with this § 4(2)(e) because of a continuing Benchmark Event without a Regulatory Event occurring as a result of such adjustment, the interest</p>

eintritt, bestimmt sich die Verzinsung ab der unmittelbar darauf folgenden Variablen Zinsperiode gemäß § 4(2)(b) und § 4(2)(e).

- (x) Wenn ein Benchmark-Ereignis in Bezug auf einen Neuen Benchmarksatz eintritt, gilt dieser § 4(2)(e) entsprechend für die Ersetzung des Neuen Benchmarksatzes durch einen neuen Nachfolge-Benchmarksatz bzw. Alternativ-Benchmarksatz. In diesem Fall gilt jede Bezugnahme in diesem § 4(2)(e) auf den Begriff Ursprünglicher Benchmarksatz als Bezugnahme auf den zuletzt verwendeten Neuen Benchmarksatz.

(3) Ende der Verzinsung und Verzugszinsen.

Die Verzinsung der Schuldverschreibungen endet mit Ablauf des Tages, der dem Tag unmittelbar vorausgeht, an dem sie zur Rückzahlung fällig werden. Sollte die Emittentin eine Zahlung von Kapital auf diese Schuldverschreibungen bei Fälligkeit nicht leisten, endet die Verzinsung des ausstehenden Nennbetrages der Schuldverschreibungen erst mit Ablauf des Tages, der dem Tag der tatsächlichen Zahlung unmittelbar vorausgeht. Der in einem solchen Fall jeweils anzuwendende Zinssatz wird gemäß diesem § 4 bestimmt.

(4) Fälligkeit von Zinszahlungen; wahlweise und zwingende Aussetzung von Zinszahlungen.

- (a) Zinsen, die während einer Zinsperiode auflaufen, die an einem Obligatorischen Zinszahlungstag (ausschließlich) endet, werden vorbehaltlich § 4(4)(c) an diesem Obligatorischen Zinszahlungstag fällig.
- (b) Zinsen, die während einer Zinsperiode auflaufen, die an einem Fakultativen Zinszahlungstag (ausschließlich) endet, werden vorbehaltlich § 4(4)(c) an diesem Fakultativen Zinszahlungstag fällig, es sei denn, die Emittentin entscheidet sich durch eine Erklärung an die Anleihegläubiger gemäß § 11 innerhalb einer Frist von nicht weniger als 10 und nicht mehr als 15 Geschäftstagen vor dem betreffenden

rate will be determined in accordance with § 4(2)(b) and § 4(2)(e) from the immediate following Floating Interest Period.

- (x) If a Benchmark Event occurs in relation to any New Benchmark Rate, § 4(2)(e) shall apply *mutatis mutandis* to the replacement of such New Benchmark Rate by any new Successor Benchmark Rate or Alternative Benchmark Rate, as the case may be. In this case, any reference in this § 4(2)(e) to the term Original Benchmark Rate shall be deemed to be a reference to the New Benchmark Rate that last applied.

(3) End of interest accrual and default interest.

The Bonds will cease to bear interest from the end of the day immediately preceding the day on which they are due for redemption. If the Issuer fails to make any payment of principal under the Bonds when due, interest shall continue to accrue until the end of the day immediately preceding the day on which such redemption is made. In such case the applicable rate of interest will be determined pursuant to this § 4.

(4) Due date for interest payments; optional and mandatory suspension of interest payments.

- (a) Interest which accrues during an Interest Period ending on but excluding a Compulsory Interest Payment Date will be due and payable (*fällig*) on such Compulsory Interest Payment Date, subject to § 4(4)(c).
- (b) Interest which accrues during an Interest Period ending on but excluding an Optional Interest Payment Date will be due and payable (*fällig*) on that Optional Interest Payment Date, subject to § 4(4)(c), unless the Issuer elects, by giving not less than 10 and not more than 15 Business Days' notice to the Bondholders prior to the relevant Interest Payment Date in accordance with § 11, to

Zinszahlungstag dazu, die betreffende Zinszahlung vollständig oder teilweise auszusetzen.

Wenn sich die Emittentin an einem Fakultativen Zinszahlungstag zur Nichtzahlung aufgelaufener Zinsen oder nur für eine teilweise Zahlung der aufgelaufenen Zinsen entscheidet, dann ist sie nicht verpflichtet, an dem betreffenden Fakultativen Zinszahlungstag Zinsen zu zahlen bzw. ist sie nur verpflichtet, den Teil der aufgelaufenen Zinsen zu leisten, für dessen Zahlung sie sich entscheidet. Eine Nichtzahlung aus diesem Grunde begründet keinen Verzug der Emittentin und keine anderweitige Verletzung ihrer Verpflichtungen aufgrund dieser Schuldverschreibungen oder für sonstige Zwecke.

- (c) Falls in Bezug auf einen Zinszahlungstag ein Pflichtaussetzungsereignis eingetreten ist, werden in dem Zeitraum bis zu diesem Zinszahlungstag (ausschließlich) aufgelaufene Zinsen an diesem Zinszahlungstag nicht fällig. Die Emittentin wird die Anleihegläubiger gemäß § 11 über den Eintritt eines Pflichtaussetzungsereignisses baldmöglichst nach seiner Feststellung, spätestens am vierten Geschäftstag nach dem betreffenden Zinszahlungstag informieren. Eine Nichtzahlung von Zinsen aus diesem Grunde begründet keinen Verzug der Emittentin und keine anderweitige Verletzung ihrer Verpflichtungen aufgrund dieser Schuldverschreibungen oder für sonstige Zwecke.

- (d) Nach Maßgabe dieses § 4(4) nicht fällig gewordene aufgelaufene Zinsen für eine Zinsperiode sind Zinsrückstände (die "**Zinsrückstände**").

Zinsrückstände werden nicht verzinst.

defer the relevant payment of interest in whole or in part.

If the Issuer elects to defer, or to only partially pay, accrued interest on an Optional Interest Payment Date, then it will not have any obligation to pay accrued interest on such Optional Interest Payment Date or will only be obliged to pay such part of the accrued interest it elects to pay, respectively. Any such non-payment of accrued interest will not constitute a default of the Issuer or any other breach of its obligations under the Bonds or for any other purpose.

- (c) If a Compulsory Deferral Event has occurred in respect of any Interest Payment Date, interest which accrued during the period ending on but excluding such Interest Payment Date will not be due and payable (*fällig*) on that Interest Payment Date. The Issuer will give notice to the Bondholders of the occurrence of the Compulsory Deferral Event in accordance with § 11 as soon as possible after its determination but in no event later than on the fourth Business Day following the relevant Interest Payment Date. Any such failure to pay interest will not constitute a default of the Issuer or any other breach of its obligations under the Bonds or for any other purpose.

- (d) Interest accrued for any Interest Period which is not due and payable in accordance with this § 4(4) will constitute arrears of interest ("**Arrears of Interest**").

Arrears of Interest will not bear interest.

(5) Nachzahlung von Zinsrückständen.

- (a) Freiwillige Nachzahlung von Zinsrückständen.

Die Emittentin ist berechtigt, ausstehende Zinsrückstände jederzeit ganz oder teilweise nachzuzahlen, wenn die Nachzahlungsvoraussetzungen in Bezug auf diese Nachzahlung erfüllt sind.

Wenn sich die Emittentin dazu entscheidet, ausstehende Zinsrückstände ganz oder teilweise nachzuzahlen, hat sie die Anleihegläubiger durch Bekanntmachung gemäß § 11 unter Einhaltung einer Frist von nicht weniger als 10 und nicht mehr als 15 Geschäftstagen in Kenntnis zu setzen, wobei die Bekanntmachung (i) den Betrag an Zinsrückständen, der gezahlt werden soll, und (ii) den für diese Zahlung festgelegten Termin (der "**Freiwillige Nachzahlungstag**") benennen muss.

Nach einer solchen Bekanntmachung wird der darin angegebene Betrag an Zinsrückständen am angegebenen Freiwilligen Nachzahlungstag fällig, und die Emittentin ist verpflichtet, diesen Betrag an Zinsrückständen am angegebenen Freiwilligen Nachzahlungstag nachzuzahlen. Diese Verpflichtung entfällt jedoch, wenn an oder vor dem Freiwilligen Nachzahlungstag die Nachzahlungsvoraussetzungen in Bezug auf die betreffende Zahlung nicht erfüllt sind.

- (b) Pflicht zur Nachzahlung von Zinsrückständen.

Die Emittentin ist verpflichtet, sämtliche ausstehenden Zinsrückstände am nächsten Pflichtnachzahlungstag nachzuzahlen.

- (c) Kein Verzug.

Falls an einem Freiwilligen Nachzahlungstag oder einem Pflichtnachzahlungstag die Nachzahlungsvoraussetzungen nicht erfüllt sind, werden Zinsrückstände, deren Zahlung an diesem Tag vorgesehen war, an dem betreffenden Freiwilligen Nachzahlungstag oder Pflichtnachzahlungstag nicht fällig, sondern bleiben ausstehend und werden weiter als Zinsrückstände behandelt. Eine

(5) Payment of Arrears of Interest.

- (a) Optional payment of Arrears of Interest.

The Issuer will be entitled to pay outstanding Arrears of Interest (in whole or in part) at any time if the Conditions to Settlement are fulfilled with respect to such payment.

If the Issuer elects to pay outstanding Arrears of Interest (in whole or in part), it will give not less than 10 and not more than 15 Business Days' notice to the Bondholders in accordance with § 11 which notice will specify (i) the amount of Arrears of Interest to be paid and (ii) the date fixed for such payment (the "**Optional Settlement Date**").

Upon such notice being given, the amount of Arrears of Interest specified therein will become due and payable (*fällig*), and the Issuer will be obliged to pay such amount of Arrears of Interest on the specified Optional Settlement Date. However, this obligation will cease to exist if on such date the Conditions to Settlement are not fulfilled with respect to the relevant payment.

- (b) Mandatory payment of Arrears of Interest.

The Issuer must pay outstanding Arrears of Interest (in whole but not in part) on the next Mandatory Settlement Date.

- (c) No Default.

If on an Optional Settlement Date or a Mandatory Settlement Date the Conditions to Settlement are not fulfilled, Arrears of Interest scheduled to be paid on such date will not become due and payable (*fällig*) on the relevant Optional Settlement Date or Mandatory Settlement Date, as the case may be, but will remain outstanding and will continue to be treated as Arrears of Interest.

Nichtzahlung aus diesem Grunde begründet keinen Verzug der Emittentin und keine anderweitige Verletzung ihrer Verpflichtungen aufgrund dieser Schuldverschreibungen oder für sonstige Zwecke. Die Emittentin wird die Anleihegläubiger gemäß § 11 über die Nichterfüllung der Nachzahlungsvoraussetzungen baldmöglichst nach ihrer Feststellung, spätestens am vierten Geschäftstag nach dem betreffenden Freiwilligen Nachzahlungstag bzw. Pflichtnachzahlungstag informieren.

## § 5

### Rückzahlung und Rückkauf

(1) Rückzahlung bei Endfälligkeit.

Sofern nicht bereits zuvor zurückgezahlt oder zurückgekauft, werden die Schuldverschreibungen am Endfälligkeitstag zum Rückzahlungsbetrag zurückgezahlt.

(2) Rückkauf.

(a) Vorbehaltlich der Erfüllung der Rückzahlungs- und Rückkaufbedingungen kann die Emittentin oder jede ihrer Tochtergesellschaften, soweit gesetzlich zulässig, jederzeit Schuldverschreibungen auf dem freien Markt oder anderweitig sowie zu jedem beliebigen Preis erwerben. Derartig erworbene Schuldverschreibungen können eingezogen, gehalten oder wieder veräußert werden.

(b) Die Rückzahlungs- und Rückkaufbedingungen müssen im Falle von Rückkäufen nicht erfüllt sein, soweit die Emittentin oder eine ihrer Tochtergesellschaften die Schuldverschreibungen für fremde Rechnung oder für Organismen für gemeinsame Anlagen in Wertpapieren (OGAW) erwirbt, es sei denn, die Anteile an diesem OGAW werden mehrheitlich von der Emittentin oder von einer ihrer Tochtergesellschaften gehalten.

Any such failure to pay will not constitute a default of the Issuer or any other breach of its obligations under the Bonds or for any other purpose. The Issuer will give notice to the Bondholders regarding the non-fulfilment of the Conditions to Settlement in accordance with § 11 as soon as possible after its determination but in no event later than on the fourth Business Day following the relevant Optional Settlement Date or Mandatory Settlement Date.

## § 5

### Redemption and Repurchase

(1) Redemption at Maturity.

To the extent not previously redeemed or repurchased, the Bonds will be redeemed at their Redemption Amount on the Final Maturity Date.

(2) Repurchase.

(a) Subject to the Conditions to Redemption and Repurchase being fulfilled and applicable laws, the Issuer or any of its subsidiaries may at any time purchase Bonds in the open market or otherwise and at any price. Such acquired Bonds may be cancelled, held or resold.

(b) The Conditions to Redemption and Repurchase do not have to be fulfilled for purchases made by the Issuer or any of its subsidiaries for the account of a third party or Undertakings for Collective Investment in Transferable Securities (UCITS), unless the majority of the shares in the relevant UCITS are held by the Issuer or one of its subsidiaries.



(c) Für einen Erwerb von Schuldverschreibungen im Rahmen eines Umtauschs gegen andere Wertpapiere gelten § 5(2)(a) und (b) entsprechend.

(3) Rückzahlung nach Wahl der Emittentin.

Die Emittentin ist berechtigt, die Schuldverschreibungen (insgesamt und nicht nur teilweise) vorbehaltlich der Erfüllung der Rückzahlungs- und Rückkaufbedingungen mit Wirkung zu jedem Tag während des Zeitraums ab dem 9. Juli 2029 (einschließlich) bis zum Ersten Resettermin (einschließlich) und an jedem nachfolgenden Variablen Zinszahlungstag durch Erklärung gemäß § 5(5) zum Rückzahlungsbetrag zurückzuzahlen. Die Rückzahlung steht auch nach einer Erklärung der Rückzahlung unter dem Vorbehalt der Erfüllung der Rückzahlungs- und Rückkaufbedingungen an dem in der Erklärung gemäß § 5(5) für die Rückzahlung festgelegten Tag.

(4) Rückzahlung nach Eintritt eines Gross-Up-Ereignisses, eines Steuerereignisses, eines Aufsichtsrechtlichen Ereignisses, eines Rechnungslegungsereignisses, eines Ratingereignisses oder eines Clean-Up-Ereignisses.

Wenn vor dem 9. Juli 2029 ein Gross-Up-Ereignis, ein Steuerereignis, ein Aufsichtsrechtliches Ereignis, ein Rechnungslegungsereignis, ein Ratingereignis oder ein Clean-Up-Ereignis eintritt, ist die Emittentin vorbehaltlich der Erfüllung der Rückzahlungs- und Rückkaufbedingungen gemäß § 5(6) berechtigt, die Schuldverschreibungen (insgesamt und nicht nur teilweise) jederzeit durch Erklärung der Rückzahlung gemäß § 5(5) mit Wirkung zu dem in der Erklärung der Rückzahlung festgelegten Rückzahlungstag vorzeitig zurückzuzahlen. Wenn die Emittentin ihr Recht gemäß Satz 1 dieses § 5(4) ausübt und die Rückzahlungs- und Rückkaufbedingungen an dem festgelegten Rückzahlungstag erfüllt sind, ist die Emittentin verpflichtet, die Schuldverschreibungen an dem in der Erklärung der Rückzahlung festgelegten Rückzahlungstag zum Rückzahlungsbetrag zurückzuzahlen.

Im Falle eines Gross-Up-Ereignisses darf eine solche Erklärung der Rückzahlung nicht früher als 90 Tage vor dem Tag abgegeben werden, an dem die Emittentin erstmals verpflichtet wäre, Zusätzliche

(c) § 5(2)(a) and (b) shall apply *mutatis mutandis* to an acquisition of the Bonds by way of exchange for other securities.

(3) Redemption at the Option of the Issuer.

The Issuer is entitled, upon giving notice in accordance with § 5(5) and subject to the Conditions to Redemption and Repurchase being fulfilled, to call the Bonds for redemption (in whole but not in part) at their Redemption Amount with effect as of any date during the period from and including 9 July 2029 to and including the First Reset Date and on any Floating Interest Payment Date thereafter. Even if such call notice is given, the redemption is subject to the Conditions to Redemption and Repurchase being fulfilled on the date fixed for redemption in the notice pursuant to § 5(5).

(4) Redemption following a Gross-Up Event, a Tax Event, a Regulatory Event, an Accounting Event, a Rating Event or a Clean-Up Event.

If prior to 9 July 2029 a Gross-Up Event, a Tax Event, a Regulatory Event, an Accounting Event, a Rating Event or a Clean-Up Event occurs, the Issuer is entitled, subject to the Conditions to Redemption and Repurchase pursuant to § 5(6) being fulfilled, upon giving notice of redemption in accordance with § 5(5), to call the Bonds for early redemption (in whole but not in part) at any time with effect as of the for redemption date specified in the notice of redemption. If the Issuer exercises its call right in accordance with the first sentence of this § 5(4) and the Conditions to Redemption and Repurchase are fulfilled on the specified redemption date, the Issuer shall redeem the Bonds at the Redemption Amount on the redemption date specified in the notice of redemption.

In the case of a Gross-Up Event, no such notice of redemption may be given earlier than 90 days prior to the earliest date on which the Issuer would be for the first time obliged to pay the Additional Amounts

Beträge gemäß § 7 zu zahlen, falls eine Zahlung auf die Schuldverschreibungen dann fällig würde.

Im Falle eines Steuerereignisses darf eine solche Erklärung der Rückzahlung nicht früher als 90 Tage vor dem Tag abgegeben werden, an dem die Abzugsfähigkeit der Zinsen entfallen würde.

(5) Erklärung der Rückzahlung.

Die Emittentin kann ein Recht zur Rückzahlung gemäß § 5(3) und § 5(4) durch eine Erklärung der Rückzahlung an die Anleihegläubiger gemäß § 11 unter Einhaltung einer Frist von nicht weniger als 15 und nicht mehr als 30 Tagen ausüben. Im Fall einer Rückzahlung gemäß § 5(4) hat die Erklärung der Rückzahlung diejenigen Tatsachen zu enthalten, auf welche die Emittentin ihr Recht zur Rückzahlung stützt, und den festgelegten Rückzahlungstag zu bezeichnen.

Die Rückzahlung gemäß § 5(3) und § 5(4) steht auch nach einer Erklärung der Rückzahlung gemäß diesem § 5(5) unter dem Vorbehalt der Erfüllung der Rückzahlungs- und Rückkaufbedingungen an dem in der Erklärung der Rückzahlung festgelegten Rückzahlungstag.

(6) Rückzahlungs- und Rückkaufbedingungen.

Die "**Rückzahlungs- und Rückkaufbedingungen**" sind an einem Tag in Bezug auf eine vorgesehene Rückzahlung oder einen geplanten Rückkauf der Schuldverschreibungen erfüllt, wenn die Voraussetzungen gemäß diesem § 5(6) erfüllt sind.

(a) Die Rückzahlungs- und Rückkaufbedingungen sind an einem Tag in Bezug auf eine vorgesehene Rückzahlung oder einen geplanten Rückkauf der Schuldverschreibungen erfüllt, wenn

(i) kein Insolvenzereignis eingetreten ist und an diesem Tag fortbesteht und die Zahlung des Rückzahlungsbetrages bzw. der Rückkauf nicht zu einem Insolvenzereignis führen oder dessen Eintritt beschleunigen würde; und

(ii) kein Solvenzkapitalereignis eingetreten ist und fortbesteht oder durch die Rückzahlung der Schuldverschreibungen durch die

pursuant to § 7 if a payment in respect of the Bonds were then due.

In the case of a Tax Event, no such notice of redemption may be given earlier than 90 days prior to the date, on which the deductibility of interest would fall away.

(5) Notice of redemption.

The Issuer will give not less than 15 nor more than 30 days' notice to the Bondholders in accordance with § 11 of any redemption pursuant to § 5(3) and § 5(4). In the case of a redemption in accordance with § 5(4) such notice of redemption will set forth the underlying facts of the Issuer's right to redemption and specify the date fixed for redemption.

Even if such notice of redemption pursuant to this § 5(5) is given, the redemption pursuant to § 5(3) and § 5(4) is subject to the Conditions to Redemption and Repurchase being fulfilled on the date fixed for redemption in the notice of redemption.

(6) Conditions to Redemption and Repurchase.

The "**Conditions to Redemption and Repurchase**" are fulfilled on any date with respect to a scheduled redemption or a planned repurchase of the Bonds, if the conditions set out in this § 5(6) are met.

(a) The Conditions to Redemption and Repurchase are fulfilled on any date with respect to a scheduled redemption or a planned repurchase of the Bonds, if

(i) no Insolvency Event has occurred and is continuing on such date and the payment of the Redemption Amount or the purchase would not result in, or accelerate, the occurrence of an Insolvency Event; and

(ii) no Solvency Capital Event has occurred and is continuing or would be caused by the redemption by the

Emittentin bzw. durch den Rückkauf eintreten würde, es sei denn,	Issuer or the repurchase of the Bonds, unless
(A) die Zuständige Aufsichtsbehörde hat ausnahmsweise ihre vorherige Zustimmung zu der Rückzahlung der Schuldverschreibungen und der Zahlung des Rückzahlungsbetrages bzw. zu dem Rückkauf der Schuldverschreibungen trotz Solvenzkapitalereignis erteilt und ihre vorherige Zustimmung bis zu diesem Tag nicht widerrufen; und	(A) the Competent Supervisory Authority has exceptionally given, and not withdrawn by such date, its prior consent to the redemption of the Bonds and the payment of the Redemption Amount or to the repurchase of the Bonds despite the Solvency Capital Event; and
(B) das Kapital ist durch die Einzahlung anderer, zumindest gleichwertiger Eigenmittel ersetzt worden; und	(B) the capital has been replaced by other at least equivalent own funds ( <i>Eigenmittel</i> ); and
(C) die geltenden Mindestkapitalanforderungen (MCR) der Emittentin, das Minimum der konsolidierten Gruppensolvanzkapitalanforderung für den Hannover Rück-Konzern (wenn und soweit dieser im Hinblick auf die Gruppensolvabilität beaufsichtigt wird) und das Minimum der konsolidierten Gruppensolvanzkapitalanforderung für den Mutterkonzern (wenn und soweit dieser im Hinblick auf die Gruppensolvabilität beaufsichtigt wird) gemäß Solvency II sind auch nach der Zahlung des Rückzahlungsbetrages bzw. des Rückkaufbetrages erfüllt; und	(C) the applicable minimum capital requirement (MCR) of the Issuer, the minimum consolidated group solvency capital requirement for the Hannover Re Group (if and to the extent it is subject to supervision for group solvency purposes) and the minimum consolidated group solvency capital requirement for the Ultimate Parent's Group (if and to the extent it is subject to supervision for group solvency purposes) in accordance with Solvency II are fulfilled also after payment of the Redemption Amount or the repurchase amount; and
(iii) die Zuständige Aufsichtsbehörde ihre vorherige Zustimmung zur Rückzahlung bzw. zu dem Rückkauf der Schuldverschreibungen erteilt	(iii) the Competent Supervisory Authority has given, and not withdrawn by such day, its prior consent to the redemption of the

und bis zu diesem Tag nicht widerrufen hat.

(b) Ferner ist eine Rückzahlung der Schuldverschreibungen gemäß § 5(4) nach Eintritt eines Aufsichtsrechtlichen Ereignisses, eines Gross-Up-Ereignisses oder eines Steuerereignisses vor dem 9. Oktober 2024 nur gestattet, wenn eine der nachfolgenden Bedingungen (i) oder (ii) erfüllt ist:

(i) Das Kapital ist mit der vorherigen Zustimmung der Zuständigen Aufsichtsbehörde durch die Einzahlung anderer, zumindest gleichwertiger Eigenmittel ersetzt worden; oder

(ii) Alle nachstehenden Voraussetzungen sind erfüllt:

(A) Unter Berücksichtigung der Solvenz der Emittentin, der Solvenz des Hannover Rück-Konzerns (wenn und soweit dieser im Hinblick auf die Gruppensolvabilität beaufsichtigt wird) und der Solvenz des Mutterkonzerns (wenn und soweit dieser im Hinblick auf die Gruppensolvabilität beaufsichtigt wird), einschließlich des mittelfristigen Kapitalmanagementplans der Emittentin, des mittelfristigen Kapitalmanagementplans des Hannover Rück-Konzerns und des mittelfristigen Kapitalmanagementplans des Mutterkonzerns sind (I) die Solvenzkapitalanforderung (SCR) oder die Mindestkapitalanforderung (MCR) der Emittentin auf nicht-konsolidierter Ebene gemäß den Anwendbaren

Bonds or to the repurchase of the Bonds.

(b) In addition any redemption of the Bonds prior to 9 October 2024 in accordance with § 5(4) following the occurrence of a Regulatory Event, a Gross-Up Event or a Tax Event is only permitted if either of the following conditions (i) or (ii) is met:

(i) the capital has been replaced by other at least equivalent own funds with the prior consent of the Competent Supervisory Authority; or

(ii) all of the following conditions are met:

(A) (I) the solvency capital requirement (SCR) and the minimum capital requirement (MCR) of the Issuer on an unconsolidated basis in accordance with the Applicable Supervisory Regulations and (II) the applicable solvency capital requirement (SCR) of, and the minimum consolidated group solvency capital requirement for, the Hannover Re Group (if and to the extent it is subject to supervision for group solvency purposes) on a consolidated basis in accordance with the Applicable Supervisory Regulations, and (III) the applicable solvency capital requirement (SCR) of, and the minimum consolidated group solvency capital requirement for, the Ultimate Parent's Group (if and to the extent it is subject to supervision for group solvency purposes) in

Aufsichtsrechtlichen Vorschriften, (II) die anwendbare Solvenzkapitalanforderung (SCR) oder das Minimum der konsolidierten Gruppensolvvenzkapitalanforderung für den Hannover Rück-Konzern (wenn und soweit dieser im Hinblick auf die Gruppensolvabilität beaufsichtigt wird) auf konsolidierter Ebene gemäß den Anwendbaren Aufsichtsrechtlichen Vorschriften und (III) die anwendbare Solvenzkapitalanforderung (SCR) oder das Minimum der konsolidierten Gruppensolvvenzkapitalanforderung für den Mutterkonzern (wenn und soweit dieser im Hinblick auf die Gruppensolvabilität beaufsichtigt wird) gemäß den Anwendbaren Aufsichtsrechtlichen Vorschriften, nach der Rückzahlung oder dem Rückkauf zuzüglich einer angemessenen Sicherheitsmarge bedeckt; und

(B) Die Umstände sind wie nachfolgend unter Absatz (I) oder Absatz (II) beschrieben:

(I) Im Falle einer Rückzahlung der Schuldverschreibungen gemäß § 5(4) nach Eintritt eines Aufsichtsrechtlichen Ereignisses gibt es eine Änderung bei der aufsichtsrechtlichen Einstufung der Schuldverschreibung

accordance with the Applicable Supervisory Regulations, after the redemption or repurchase, will be exceeded by an appropriate margin, taking into account the solvency position of the Issuer, the solvency position of the Hannover Re Group (if and to the extent it is subject to supervision for group solvency purposes) and the solvency position of the Ultimate Parent's Group (if and to the extent it is subject to supervision for group solvency purposes), including the Issuer's medium-term capital management plan, the Hannover Re Group's medium-term capital management plan and the Ultimate Parent's Group's medium-term capital management plan; and

(B) the circumstances are as described in paragraph (I) or point (II) below:

(I) in the case of a redemption of the Bonds in accordance with § 5(4) following the occurrence of a Regulatory Event, there is a change in the regulatory classification of the Bonds which would be likely to result in its exclusion from

en, die wahrscheinlich zu dem Ausschluss der Schuldverschreibungen aus den Eigenmitteln oder zu einer Neueinstufung in eine niedrigere Kategorie führen würde, und beide nachstehend genannten Voraussetzungen sind erfüllt: (x) die Zuständige Aufsichtsbehörde hält die Änderung der aufsichtsrechtlichen Einstufung der Schuldverschreibungen für ausreichend sicher und (y) die Emittentin weist der Zuständigen Aufsichtsbehörde gegenüber hinreichend nach, dass die aufsichtsrechtliche Neueinstufung der Schuldverschreibungen am Tage der Begebung der Schuldverschreibungen nach vernünftigem Ermessen nicht vorhersehbar war; oder

(II) Im Falle einer Rückzahlung der Schuldverschreibungen gemäß § 5(4) nach Eintritt eines Gross-Up-Ereignisses oder eines Steuerereignisses gibt es eine

own funds or reclassification as a lower tier of own funds, and both of the following conditions are met: (x) the Competent Supervisory Authority considers the change in the regulatory classification of the Bonds to be sufficiently certain and (y) the Issuer demonstrated to the satisfaction of the Competent Supervisory Authority that the regulatory reclassification of the Bonds was not reasonably foreseeable at the date of issue of the Bonds; or

(II) in the case of a redemption of the Bonds in accordance with § 5(4) following the occurrence of a Gross-Up Event or a Tax Event, there is a change in the applicable tax

Änderung der steuerlichen Behandlung der Schuldverschreibungen und die Emittentin weist der Zuständigen Aufsichtsbehörde gegenüber hinreichend nach, dass diese wesentlich ist und am Tage der Begebung der Schuldverschreibungen nach vernünftigem Ermessen nicht vorherzusehen war.

treatment of the Bonds which the Issuer demonstrated to the satisfaction of the Competent Supervisory Authority is material and was not reasonably foreseeable at the date of issue of the Bonds.

- (c) Eine Rückzahlung der Schuldverschreibungen gemäß § 5(4) aus anderen als den in § 5(6)(b) genannten Gründen vor dem 9. Oktober 2024 und ein Rückkauf der Schuldverschreibungen vor dem 9. Oktober 2024 ist nur gestattet, wenn das Kapital mit der vorherigen Zustimmung der Zuständigen Aufsichtsbehörde durch die Einzahlung anderer, zumindest gleichwertiger Eigenmittel ersetzt worden ist.
- (d) Sofern im Zeitpunkt einer vorgesehenen Rückzahlung oder eines geplanten Rückkaufs der Schuldverschreibungen nach den Anwendbaren Aufsichtsrechtlichen Vorschriften andere oder zusätzliche Vorbedingungen für die Rückzahlung oder den Rückkauf erfüllt sein müssen, gelten diese anderen oder zusätzlichen Vorbedingungen als "Rückzahlungs- und Rückkaufbedingungen", und zwar anstelle von bzw. zusätzlich zu den vorstehend in diesem § 5(6) genannten Bedingungen.
- (7) Die Anleihegläubiger sind zu keinem Zeitpunkt zur Kündigung der Schuldverschreibungen berechtigt.
- (c) Any redemption of the Bonds prior to 9 October 2024 in accordance with § 5(4) for any reason other than as specified in § 5(6)(b) and any repurchase of the Bonds prior to 9 October 2024 requires that the capital has been replaced by other at least equivalent own funds with the prior consent of the Competent Supervisory Authority.
- (d) If, at the time of a scheduled redemption or a planned repurchase of the Bonds, the Applicable Supervisory Regulations permit the repayment or repurchase only after compliance with one or more alternative or additional pre-conditions, then such other and/or additional pre-conditions shall be deemed to constitute "Conditions to Redemption and Repurchase" instead of, or in addition to, the conditions set forth in this § 5(6) above.
- (7) The Bondholders have no right to put the Bonds for redemption.

**§ 6**  
**Zahlungen**

- (1) (a) Die Emittentin verpflichtet sich, Kapital und Zinsen auf die Schuldverschreibungen bei Fälligkeit in Euro zu zahlen. Die Zahlung von Kapital und Zinsen erfolgt über die Hauptzahlstelle zur Weiterleitung an das Clearingsystem oder nach dessen Weisung zur Gutschrift für die jeweiligen Kontoinhaber.

Die Zahlung von Zinsen auf Schuldverschreibungen, die durch eine Vorläufige Globalurkunde verbrieft sind, erfolgt nach ordnungsgemäßem Nachweis gemäß § 2(2).

- (b) Sämtliche Zahlungen stehen in allen Fällen unter dem Vorbehalt geltender steuerlicher und sonstiger gesetzlicher Vorschriften, Richtlinien, Verordnungen oder Verträge, denen sich die Emittentin, die Hauptzahlstelle oder eine Zahlstelle unterworfen haben. Die Emittentin ist nicht für irgendwelche Steuern oder Abgaben gleich welcher Art verantwortlich, die aufgrund solcher gesetzlichen Vorschriften, Richtlinien, Verordnungen oder Verträge auferlegt oder erhoben werden. Dies berührt jedoch nicht die Bestimmungen von § 7. Den Anleihegläubigern werden keine Kosten oder Gebühren in Bezug auf diese Zahlungen auferlegt.

- (c) Die Emittentin wird durch Leistung der Zahlung an das Clearingsystem oder an dessen Order von ihrer Zahlungspflicht befreit.

- (2) Falls ein Fälligkeitstag für die Zahlung von Kapital und/oder Zinsen und/oder Zinsrückständen kein Geschäftstag ist, erfolgt die Zahlung erst am nächstfolgenden Geschäftstag (außer im Fall eines Variablen Zinszahlungstags). Die Anleihegläubiger sind nicht berechtigt, Zinsen oder eine andere Entschädigung wegen eines solchen Zahlungsaufschubs zu verlangen.

- (3) Bezugnahmen in diesen Anleihebedingungen auf Kapital und Zinsen schließen, soweit anwendbar,

**§ 6**  
**Payments**

- (1) (a) The Issuer undertakes to pay, as and when due, principal and interest on the Bonds in euro. Payment of principal and interest on the Bonds will be made through the Principal Paying Agent for on-payment to the Clearing System or to its order for credit to the respective account holders.

Payment of interest on Bonds represented by a Temporary Global Bond shall be made, upon due certification as provided in § 2(2).

- (b) All payments will be subject in all cases to any applicable fiscal and other laws, directives, regulations or agreements to which the Issuer, the Principal Paying Agent or any Paying Agent, as the case may be, agree to be subject and the Issuer will not be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations, directives or agreements, but without prejudice to the provisions of § 7. No commission or expenses shall be charged to the Bondholders in respect of such payments.

- (c) The Issuer shall be discharged by payment to, or to the order of, the Clearing System.

- (2) If the due date for any payment of principal and/or interest and/or Arrears of Interest is not a Business Day, payment will be made only on the next Business Day (except as provided in relation to a Floating Interest Payment Date). The Bondholders will have no right to claim payment of any interest or other indemnity in respect of such delay in payment.

- (3) References in these Terms and Conditions to principal and interest on the Bonds include, to the



sämtliche gemäß § 7 zahlbaren Zusätzlichen Beträge (wie dort definiert) ein.

extent applicable, all Additional Amounts payable pursuant to § 7 (as therein defined).

## § 7

### Besteuerung

Sämtliche Zahlungen von Kapital und Zinsen in Bezug auf die Schuldverschreibungen werden ohne Einbehalt oder Abzug von Steuern, Abgaben, Festsetzungen oder behördlicher Gebühren jedweder Art ("**Steuern**") geleistet, die von dem Staat, in dem die Emittentin steuerlich ansässig ist, oder eine seiner Gebietskörperschaften oder Behörden mit der Befugnis zur Erhebung von Steuern auferlegt, erhoben, eingezogen, einbehalten oder festgesetzt werden, sofern nicht die Emittentin kraft Gesetzes oder einer sonstigen Rechtsvorschrift zu einem solchen Einbehalt oder Abzug verpflichtet ist. Sofern die Emittentin zu einem solchen Einbehalt oder Abzug verpflichtet ist, wird die Emittentin zusätzliche Beträge (die "**Zusätzlichen Beträge**") an die Anleihegläubiger zahlen, so dass die Anleihegläubiger die Beträge erhalten, die sie ohne den betreffenden Einbehalt oder Abzug erhalten hätten. Solche Zusätzlichen Beträge sind jedoch nicht zahlbar wegen solcher Steuern in Bezug auf Schuldverschreibungen,

- (a) die von einer als Depotbank oder Inkassobeauftragter des Anleihegläubigers handelnden Person oder sonst auf andere Weise zu entrichten sind als dadurch, dass die Emittentin aus den von ihr zu leistenden Zahlungen von Kapital oder Zinsen einen Abzug oder Einbehalt vornimmt; oder
- (b) die wegen einer gegenwärtigen oder früheren persönlichen oder geschäftlichen Beziehung des Anleihegläubigers zu dem Staat, in dem die Emittentin steuerlich ansässig ist, zu zahlen sind, und nicht allein deshalb, weil Zahlungen auf die Schuldverschreibungen aus Quellen in dem Staat, in dem die Emittentin steuerlich ansässig ist, stammen (oder für Zwecke der Besteuerung so behandelt werden) oder dort besichert sind; oder
- (c) die aufgrund (i) einer Richtlinie oder Verordnung der Europäischen Union betreffend die Besteuerung von Zinserträgen oder (ii) einer zwischenstaatlichen Vereinbarung über deren Besteuerung, an der der Staat, in dem die Emittentin steuerlich ansässig ist, oder die Europäische Union beteiligt ist, oder (iii) einer gesetzlichen Vorschrift, die diese Richtlinie, Verordnung oder Vereinbarung umsetzt oder befolgt, abzuziehen oder einzubehalten sind; oder

## § 7

### Taxation

All payments of principal and interest in respect of the Bonds will be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed, levied, collected, withheld or assessed by the Issuer's country of domicile for tax purposes or any political subdivision or any authority or any agency of or in the Issuer's country of domicile for tax purposes that has power to tax, unless the Issuer is compelled by law to make such withholding or deduction. If the Issuer is required to make such withholding or deduction, the Issuer will pay such additional amounts (the "**Additional Amounts**") to the Bondholders as the Bondholders would have received if no such withholding or deduction had been required, except that no such Additional Amounts will be payable for any such Taxes in respect of any Bond:

- (a) which are payable by any person acting as custodian bank or collecting agent on behalf of a Bondholder, or otherwise in any manner which does not constitute a deduction or withholding by the Issuer from payments of principal or interest made by it; or
- (b) which are payable by reason of the Bondholder having, or having had, some personal or business connection with the Issuer's country of domicile for tax purposes and not merely by reason of the fact that payments in respect of the Bonds are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in, the Issuer's country of domicile for tax purposes; or
- (c) which are deducted or withheld pursuant to (i) any European Union directive or regulation concerning the taxation of interest income, or (ii) any international treaty or understanding relating to such taxation and to which the Issuer's country of domicile for tax purposes or the European Union is a party, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such directive, regulation, treaty or understanding; or

- (d) die aufgrund einer Rechtsänderung zu zahlen sind, welche später als 30 Tage nach Fälligkeit der betreffenden Zahlung oder, wenn dies später erfolgt, ordnungsgemäßer Bereitstellung aller fälligen Beträge und einer diesbezüglichen Bekanntmachung gemäß § 11 wirksam wird.

Die Emittentin ist keinesfalls verpflichtet, zusätzliche Beträge in Bezug auf einen Einbehalt oder Abzug von Beträgen zu zahlen, die gemäß Sections 1471 bis 1474 des U.S. Internal Revenue Code (in der jeweils geltenden Fassung oder gemäß Nachfolgebestimmungen), gemäß zwischenstaatlicher Abkommen, gemäß den in einer anderen Rechtsordnung in Zusammenhang mit diesen Bestimmungen erlassenen Durchführungsvorschriften oder gemäß mit dem Internal Revenue Service geschlossenen Verträgen von der Emittentin, der jeweiligen Zahlstelle oder einem anderen Beteiligten abgezogen oder einbehalten wurden ("**FATCA-Steuerabzug**") oder Anleger in Bezug auf einen FATCA-Steuerabzug schadlos zu halten.

#### § 8

##### **Vorlegungsfrist, Verjährung**

Die Vorlegungsfrist der Schuldverschreibungen wird auf zehn Jahre reduziert. Die Verjährungsfrist für Ansprüche aus den Schuldverschreibungen, die innerhalb der Vorlegungsfrist zur Zahlung vorgelegt wurden, beträgt zwei Jahre von dem Ende der betreffenden Vorlegungsfrist an.

#### § 9

##### **Zahlstellen und Berechnungsstellen**

- (1) Bestellung.

Die Emittentin hat die Deutsche Bank Aktiengesellschaft als Hauptzahlstelle (die "**Hauptzahlstelle**") und gemeinsam mit jeder etwaigen von der Emittentin nach § 9(2) bestellten zusätzlichen Zahlstelle, die "**Zahlstellen**", und jede eine "**Zahlstelle**") und als Berechnungsstelle (die "**Berechnungsstelle**") in Bezug auf die Schuldverschreibungen bestellt.

- (2) Änderung oder Beendigung der Bestellung.

Die Emittentin wird dafür sorgen, dass stets eine Hauptzahlstelle und eine Berechnungsstelle vorhanden sind. Die Emittentin ist berechtigt, andere international anerkannte Banken als Zahlstelle bzw. eine international anerkannte Bank oder einen Finanzberater mit einschlägiger Expertise als Berechnungsstelle zu bestellen. Die Emittentin ist

- (d) which are payable by reason of a change in law that becomes effective more than 30 days after the relevant payment becomes due or is duly provided for and notice thereof is published in accordance with § 11, whichever occurs later.

In any event, the Issuer will have no obligation to pay additional amounts deducted or withheld by the Issuer, the relevant Paying Agent or any other party ("**FATCA Withholding**") in relation to any withholding or deduction of any amounts required by the rules of U.S. Internal Revenue Code Sections 1471 through 1474 (or any amended or successor provisions), pursuant to any inter-governmental agreement, or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the U.S. Internal Revenue Service or indemnify any investor in relation to any FATCA Withholding.

#### § 8

##### **Presentation Period, Prescription**

The period for presentation of the Bonds will be reduced to ten years. The period of limitation for claims under the Bonds presented during the period for presentation will be two years calculated from the expiration of the relevant presentation period.

#### § 9

##### **Paying and Calculation Agents**

- (1) Appointment.

The Issuer has appointed Deutsche Bank Aktiengesellschaft as principal paying agent (the "**Principal Paying Agent**") and, together with any additional paying agent appointed by the Issuer in accordance with § 9(2), the "**Paying Agents**", and each a "**Paying Agent**") and as Calculation Agent (the "**Calculation Agent**") with respect to the Bonds.

- (2) Variation or Termination of Appointment.

The Issuer will procure that there will at all times be a Principal Paying Agent and a Calculation Agent. The Issuer is entitled to appoint other banks of international standing as Paying Agents, or another bank of international standing or a financial adviser with relevant expertise as Calculation Agent. Furthermore, the Issuer is entitled to terminate the

weiterhin berechtigt, die Bestellung einer Bank zur Zahlstelle oder Berechnungsstelle zu beenden. Im Falle einer solchen Beendigung oder falls die bestellte Zahlstelle oder Berechnungsstelle nicht mehr als Zahlstelle oder Berechnungsstelle in der jeweiligen Funktion tätig werden kann oder will, bestellt die Emittentin eine andere international anerkannte Bank als Zahlstelle bzw. eine international anerkannte Bank oder einen Finanzberater mit einschlägiger Expertise als Berechnungsstelle. Eine solche Bestellung oder Beendigung der Bestellung ist unverzüglich gemäß § 11 oder, falls dies nicht möglich sein sollte, durch eine öffentliche Bekanntmachung in sonstiger geeigneter Weise bekannt zu machen.

(3) Status der beauftragten Stellen.

Die Zahlstellen und die Berechnungsstelle handeln ausschließlich als Vertreter der Emittentin und übernehmen keine Verpflichtungen gegenüber den Anleihegläubigern; es wird kein Vertrags-, Auftrags- oder Treuhandverhältnis zwischen ihnen und den Anleihegläubigern begründet. Die Zahlstellen und die Berechnungsstelle sind von den Beschränkungen des § 181 des Bürgerlichen Gesetzbuchs befreit.

(4) Wenn die Emittentin gemäß § 4(2)(e) einen Unabhängigen Berater bestellt, dann ist § 9(3) auf den Unabhängigen Berater entsprechend anzuwenden.

### **§ 10 Weitere Emissionen**

Die Emittentin kann ohne Zustimmung der Anleihegläubiger weitere Schuldverschreibungen begeben, die in jeder Hinsicht (gegebenenfalls mit Ausnahme des Tages der Begebung, des Verzinsungsbeginns und/oder des Ausgabepreises) die gleichen Bedingungen wie die Schuldverschreibungen dieser Anleihe haben und die zusammen mit den Schuldverschreibungen dieser Anleihe eine einheitliche Serie bilden. Der Begriff "Schuldverschreibungen" umfasst im Fall einer solchen weiteren Begebung auch solche zusätzlich begebenen Schuldverschreibungen.

Eine Aufstockung dieser Emission gemäß diesem § 10 darf nicht durchgeführt werden, wenn diese Aufstockung zum Eintritt eines Aufsichtsrechtlichen Ereignisses führen würde, aufgrund dessen die Emittentin berechtigt wäre, die Schuldverschreibungen gemäß § 5(4) zurückzuzahlen.

appointment of any Paying Agent or Calculation Agent. In the event of such termination or such Paying Agent or Calculation Agent being unable or unwilling to continue to act as Paying Agent or Calculation Agent in the relevant capacity, the Issuer will appoint another bank of international standing as Paying Agent or a bank of international standing or a financial adviser with relevant expertise as Calculation Agent. Such appointment or termination will be published without undue delay in accordance with § 11, or, should this not be possible, be published in another appropriate manner.

(3) Status of the Agents.

The Paying Agents and the Calculation Agent act solely as agents of the Issuer and do not assume any obligations towards or relationship of contract, agency or trust for or with any of the Bondholders. The Paying Agents and the Calculation Agent are exempt from the restrictions of § 181 of the German Civil Code (*Bürgerliches Gesetzbuch*).

(4) If the Issuer appoints an Independent Adviser in accordance with § 4(2)(e), § 9(3) shall apply mutatis mutandis to the Independent Adviser.

### **§ 10 Further Issues**

The Issuer may, without the consent of the Bondholders, create and issue further bonds having the same terms and conditions as the Bonds in all respects (or in all respects except for the issue date, the interest commencement date and/or the issue price) so as to form a single series with the Bonds. The term "Bonds" shall, in the event of such further issue, also comprise such further bonds.

No increase of these Bonds will be made in accordance with this § 10 if such increase would result in a Regulatory Event entitling the Issuer to redeem the Bonds in accordance with § 5(4).

**§ 11**  
**Bekanntmachungen**

- (1) Alle Bekanntmachungen, die die Schuldverschreibungen betreffen, werden im Bundesanzeiger und (solange die Schuldverschreibungen am regulierten Markt der Luxemburger Wertpapierbörse notiert sind) auf der Internet-Seite der Luxemburger Börse unter [www.bourse.lu](http://www.bourse.lu) veröffentlicht. Für das Datum und die Rechtswirksamkeit sämtlicher Bekanntmachungen ist die erste Veröffentlichung maßgeblich.
- (2) Die Emittentin ist darüber hinaus berechtigt, alle die Schuldverschreibungen betreffenden Mitteilungen an das Clearingsystem zur Weiterleitung an die Anleihegläubiger zu übermitteln. Jede derartige Mitteilung gilt am fünften Tag nach dem Tag der Mitteilung an das Clearingsystem als den Anleihegläubigern mitgeteilt.

**§ 12**  
**Änderung der Anleihebedingungen durch Beschluss der Anleihegläubiger; Gemeinsamer Vertreter**

- (1) Die Emittentin kann mit den Anleihegläubigern Änderungen der Anleihebedingungen oder sonstige Maßnahmen durch Mehrheitsbeschluss der Anleihegläubiger nach Maßgabe der §§ 5 ff. des Gesetzes über Schuldverschreibungen aus Gesamtemissionen ("**SchVG**") in seiner jeweils geltenden Fassung beschließen.

Das Recht der Emittentin gemäß diesem § 12(1) steht unter folgenden Vorbehalten:

- (i) den in § 3(2), § 3(3), § 3(4) und § 5(6) genannten aufsichtsrechtlichen Beschränkungen;
- (ii) der Erfüllung der zum Zeitpunkt einer Änderung der Anleihebedingungen jeweils geltenden Anwendbaren Aufsichtsrechtlichen Vorschriften für die Einbeziehung der Schuldverschreibungen in die Berechnung der Eigenmittel für Zwecke der Ermittlung der Solvabilität der Emittentin und/oder der Gruppen-Solvabilität des Hannover Rück-Konzerns und/oder der Gruppen-Solvabilität des Mutterkonzerns, als Tier-2-Kapital (oder eine bessere Eigenmittelkategorie); und

**§ 11**  
**Notices**

- (1) All notices regarding the Bonds will be published in the Federal Gazette (*Bundesanzeiger*) (to the extent required) and (so long as the Bonds are listed on the regulated market of the Luxembourg Stock Exchange) on the website of the Luxembourg Stock Exchange on [www.bourse.lu](http://www.bourse.lu). Any notice will become effective for all purposes on the date of the first such publication.
- (2) In addition, the Issuer will be entitled to deliver all notices concerning the Bonds to the Clearing System for communication by the Clearing System to the Bondholders. Any such notice shall be deemed to have been given to the Bondholders on the fifth day after the date on which the said notice was given to the Clearing System.

**§ 12**  
**Amendments to the Terms and Conditions by resolution of the Bondholders; Joint Representative**

- (1) The Issuer may agree with the Bondholders on amendments to the Terms and Conditions or on other matters by virtue of a majority resolution of the Bondholders pursuant to § 5 et seqq. of the German Act on Issues of Debt Securities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen – "SchVG"*), as amended from time to time.

The Issuer's right under this § 12(1) is subject to the following restrictions:

- (i) the regulatory restrictions set out in § 3(2), § 3(3), § 3(4) and § 5(6);
- (ii) the compliance with the Applicable Supervisory Regulations at the time of an amendment of the Terms and Conditions for the Bonds to qualify for the inclusion in the determination of the own funds for solvency purposes of the Issuer and/or for group solvency purposes of the Hannover Re Group and/or for group solvency purposes of the Ultimate Parent's Group, as Tier 2 Capital (or a better category of own funds); and

- (iii) der vorherigen Zustimmung der Zuständigen Aufsichtsbehörde (sofern im betreffenden Zeitpunkt eine solche vorherige Zustimmung aufgrund der Anwendbaren Aufsichtsrechtlichen Vorschriften erforderlich ist).

Eine Änderung der Anleihebedingungen ohne Zustimmung der Emittentin scheidet aus. Die Anleihegläubiger können insbesondere einer Änderung wesentlicher Inhalte der Anleihebedingungen, einschließlich der in § 5 Absatz 3 SchVG vorgesehenen Maßnahmen durch Beschlüsse mit den in dem nachstehenden § 12(2) genannten Mehrheiten zustimmen. Ein ordnungsgemäß gefasster Mehrheitsbeschluss ist für alle Anleihegläubiger gleichermaßen verbindlich.

- (2) Vorbehaltlich des nachstehenden Satzes und der Erreichung der erforderlichen Beschlussfähigkeit, beschließen die Anleihegläubiger mit der einfachen Mehrheit der an der Abstimmung teilnehmenden Stimmrechte. Beschlüsse, durch welche der wesentliche Inhalt der Anleihebedingungen, insbesondere in den Fällen des § 5 Absatz 3 Nr. 1 bis 9 SchVG, geändert wird oder sonstige wesentliche Maßnahmen beschlossen werden, bedürfen zu ihrer Wirksamkeit einer Mehrheit von mindestens 75 % der an der Abstimmung teilnehmenden Stimmrechte (eine "**Qualifizierte Mehrheit**").
- (3) Die Anleihegläubiger können Beschlüsse in einer Gläubigerversammlung gemäß §§ 5 ff. SchVG oder im Wege einer Abstimmung ohne Versammlung gemäß § 18 und §§ 5 ff. SchVG fassen.
- (a) Die Teilnahme an der Gläubigerversammlung und die Ausübung der Stimmrechte sind von einer vorherigen Anmeldung der Anleihegläubiger abhängig. Die Anmeldung muss unter der in der Bekanntmachung der Einberufung mitgeteilten Adresse spätestens an dem dritten Tag vor der Gläubigerversammlung zugehen. Mit der Anmeldung müssen die Anleihegläubiger ihre Berechtigung zur Teilnahme an der Abstimmung durch einen in Textform erstellten besonderen Nachweis der Depotbank und durch Vorlage eines Sperrvermerks der Depotbank, aus dem hervorgeht, dass die betreffenden

- (iii) the prior consent of the Competent Supervisory Authority (if under the Applicable Supervisory Regulations such prior consent is required at the time).

There will be no amendment of the Terms and Conditions without the Issuer's consent. In particular, the Bondholders may consent to amendments which materially change the substance of the Terms and Conditions, including such measures as provided for under § 5 paragraph 3 SchVG by resolutions passed by such majority of the votes of the Bondholders as stated under § 12(2) below. A duly passed majority resolution shall be binding equally upon all Bondholders.

- (2) Except as provided by the following sentence and provided that the quorum requirements are being met, the Bondholders may pass resolutions by simple majority of the voting rights participating in the vote. Resolutions which materially change the substance of the Terms and Conditions, in particular in the cases of § 5 paragraph 3 numbers 1 through 9 SchVG, or which relate to material other matters may only be passed by a majority of at least 75 per cent. of the voting rights participating in the vote (a "**Qualified Majority**").
- (3) The Bondholders can pass resolutions in a meeting (*Gläubigerversammlung*) in accordance with § 5 et seqq. SchVG or by means of a vote without a meeting (*Abstimmung ohne Versammlung*) in accordance with § 18 and § 5 et seqq. SchVG.

- (a) Attendance at the meeting and exercise of voting rights is subject to the Bondholders' prior registration. The registration must be received at the address stated in the convening notice no later than the third day preceding the meeting. As part of the registration, Bondholders must provide evidence of their eligibility to participate in the vote by means of a special confirmation of the Custodian in text form and by submission of a blocking instruction by the Custodian stating that the relevant Bonds are not transferable from and including the day

- Schuldverschreibungen ab dem Tag der Absendung der Anmeldung (einschließlich) bis zum angegebenen Ende der Gläubigerversammlung (einschließlich) nicht übertragbar sind, nachweisen.
- (b) Zusammen mit der Stimmabgabe müssen die Anleihegläubiger ihre Berechtigung zur Teilnahme an der Abstimmung ohne Versammlung durch einen in Textform erstellten besonderen Nachweis der Depotbank und durch Vorlage eines Sperrvermerks der Depotbank, aus dem hervorgeht, dass die betreffenden Schuldverschreibungen ab dem Tag der Stimmabgabe (einschließlich) bis zum letzten Tag des Abstimmungszeitraums (einschließlich) nicht übertragbar sind, nachweisen.
- (4) Wird für die Gläubigerversammlung gemäß § 12(3)(a) oder die Abstimmung ohne Versammlung gemäß § 12(3)(b) die mangelnde Beschlussfähigkeit festgestellt, kann – im Falle der Gläubigerversammlung – der Vorsitzende eine zweite Versammlung im Sinne von § 15 Absatz 3 Satz 2 SchVG und – im Falle der Abstimmung ohne Versammlung – der Abstimmungsleiter eine zweite Versammlung im Sinne von § 18 Absatz 4 Satz 2 und § 15 Absatz 3 Satz 3 SchVG einberufen. Die Teilnahme an der zweiten Versammlung und die Ausübung der Stimmrechte sind von einer vorherigen Anmeldung der Anleihegläubiger abhängig. Für die Anmeldung der Anleihegläubiger zu einer zweiten Versammlung gelten die Bestimmungen des § 12(3)(a) entsprechend.
- (5) Die Anleihegläubiger können durch Mehrheitsbeschluss die Bestellung oder Abberufung eines gemeinsamen Vertreters (der "**Gemeinsame Vertreter**"), die Aufgaben und Befugnisse des Gemeinsamen Vertreters, die Übertragung von Rechten der Anleihegläubiger auf den Gemeinsamen Vertreter und eine Beschränkung der Haftung des Gemeinsamen Vertreters bestimmen. Die Bestellung eines Gemeinsamen Vertreters bedarf einer Qualifizierten Mehrheit, wenn er ermächtigt werden soll, Änderungen des wesentlichen Inhalts der Anleihebedingungen oder sonstigen wesentlichen Maßnahmen gemäß § 12(2) zuzustimmen.
- such registration has been sent until and including the stated end of the meeting.
- (b) Together with casting their vote, Bondholders must provide evidence of their eligibility to participate in the vote without a meeting by means of a special confirmation of the Custodian in text form and by submission of a blocking instruction by the Custodian stating that the relevant Bonds are not transferable from and including the day such vote has been cast until and including the day the voting period ends.
- (4) If it is ascertained that no quorum exists for the meeting pursuant to § 12(3)(a) or the vote without a meeting pursuant to § 12(3)(b), in case of a meeting the chairman (*Vorsitzender*) may convene a second meeting in accordance with § 15 paragraph 3 sentence 2 SchVG or in case of a vote without a meeting the scrutineer (*Abstimmungsleiter*) may convene a second meeting within the meaning of § 18 paragraph 4 sentence 2 and § 15 paragraph 3 sentence 3 SchVG. Attendance at the second meeting and exercise of voting rights is subject to the Bondholders' registration. The provisions set out in § 12(3)(a) shall apply *mutatis mutandis* to Bondholders' registration for a second meeting.
- (5) The Bondholders may by majority resolution provide for the appointment or dismissal of a holders' representative (the "**Bondholders' Representative**"), the duties and responsibilities and the powers of such Bondholders' Representative, the transfer of the rights of the Bondholders to the Bondholders' Representative and a limitation of liability of the Bondholders' Representative. Appointment of a Bondholders' Representative may only be passed by a Qualified Majority if such Bondholders' Representative is to be authorised to consent, in accordance with § 12(2) hereof, to a material change in the substance of the Terms and Conditions or other material matters.

- (6) Bekanntmachungen betreffend diesen § 12 erfolgen ausschließlich gemäß den Bestimmungen des SchVG.
- (7) Im Fall einer Schuldnerersetzung gemäß § 13(1) gilt § 12 entsprechend für die Änderung der Garantie gemäß § 13(1)(d), und Änderungen der Anleihebedingungen und dieser Garantie sind nur mit Zustimmung der Neuen Emittentin und der Hannover Rück SE als Garantin zulässig.

### § 13 Ersetzung

- (1) Ersetzung.

Die Emittentin ist jederzeit berechtigt, ohne Zustimmung der Anleihegläubiger eine andere Gesellschaft (soweit es sich bei dieser Gesellschaft nicht um ein Versicherungsunternehmen handelt), die direkt oder indirekt von der Emittentin kontrolliert wird, als neue Emittentin für alle sich aus oder im Zusammenhang mit den Schuldverschreibungen ergebenden Verpflichtungen mit schuldbefreiender Wirkung für die Emittentin an die Stelle der Emittentin zu setzen (die "**Neue Emittentin**"), sofern

- (a) die Neue Emittentin sämtliche Verpflichtungen der Emittentin aus oder im Zusammenhang mit den Schuldverschreibungen übernimmt; und
- (b) die Emittentin und die Neue Emittentin sämtliche für die Schuldnerersetzung und die Erfüllung der Verpflichtungen aus oder im Zusammenhang mit den Schuldverschreibungen erforderlichen Genehmigungen erhalten haben, insbesondere die Zuständige Aufsichtsbehörde der Ersetzung zuvor zugestimmt hat; und
- (c) die Neue Emittentin in der Lage ist, sämtliche zur Erfüllung der aufgrund der Schuldverschreibungen bestehenden Zahlungsverpflichtungen erforderlichen Beträge in Euro an das Clearingsystem zu zahlen, und zwar ohne Abzug oder Einbehalt von Steuern oder sonstigen Abgaben jedweder Art, die von dem Land (oder den Ländern), in dem (in denen) die Neue Emittentin ihren Sitz oder Steuersitz hat,

- (6) Any notices concerning this § 12 shall be made exclusively pursuant to the provisions of the SchVG.
- (7) In the event of a substitution pursuant to § 13(1), § 12 shall apply *mutatis mutandis* for an amendment of the guarantee pursuant to § 13(1)(d), and the Terms and Conditions and such guarantee may only be amended with the consent of the New Issuer and Hannover Rück SE as guarantor.

### § 13 Substitution

- (1) Substitution.

The Issuer may at any time, without the consent of the Bondholders, substitute for itself any other company (other than an insurance undertaking) which is directly or indirectly controlled by the Issuer, as new issuer (the "**New Issuer**") in respect of all obligations arising under or in connection with the Bonds with the effect of releasing the Issuer of all such obligations, if:

- (a) the New Issuer assumes any and all obligations of the Issuer arising under or in connection with the Bonds; and
- (b) the Issuer and the New Issuer have obtained all authorisations and approvals necessary for the substitution and the fulfilment of the obligations arising under or in connection with the Bonds, in particular the Competent Supervisory Authority having given its prior consent to the substitution; and
- (c) the New Issuer is in the position to pay to the Clearing System in euro and without deducting or withholding any taxes or other duties of whatever nature imposed, levied or deducted by the country (or countries) in which the New Issuer has its domicile or tax residence all amounts required for the performance of the payment obligations

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| <p>aufgelegt, erhoben oder eingezogen werden;<br/>und</p> <p>(d) die Emittentin unwiderruflich die Verpflichtungen der Neuen Emittentin aus den Schuldverschreibungen zu Bedingungen auf nachrangiger Basis garantiert, die sicherstellen, dass jeder Anleihegläubiger wirtschaftlich mindestens so gestellt wird, wie er ohne die Ersetzung stehen würde; und</p> <p>(e) die Rückzahlungs- und Rückkaufbedingungen zum Zeitpunkt der Ersetzung erfüllt sind; diese finden auf die Ersetzung entsprechende Anwendung.</p>  | <p>arising from or in connection with the Bonds;<br/>and</p> <p>(d) the Issuer irrevocably guarantees on a subordinated basis such obligations of the New Issuer under the Bonds on terms which ensure that each Bondholder will be put in an economic position that is at least as favourable as that which would have existed if the substitution had not taken place; and</p> <p>(e) the Conditions to Redemption and Repurchase are fulfilled at the time of the substitution; these shall apply <i>mutatis mutandis</i> to the substitution.</p>   |
| <p>(2) <b>Bezugnahmen.</b></p> <p>Im Fall einer Schuldnerersetzung gemäß § 13(1) gilt jede Bezugnahme in diesen Anleihebedingungen auf die Emittentin als eine solche auf die Neue Emittentin.</p> <p>Klarstellend sei erwähnt, dass dies nur gilt, soweit sich nicht aus Sinn und Zweck der jeweiligen Bedingung ergibt, dass die Bezugnahme entweder weiterhin nur auf die Hannover Rück SE erfolgen soll (also insbesondere im Hinblick auf die Solvabilität der Hannover Rück SE, die Gruppen-Solvabilität des Hannover Rück-Konzerns und die Gruppen-Solvabilität des Mutterkonzerns, das Insolvenzereignis, das Obligatorische Zinszahlungsereignis, das Rechnungslegungsereignis, das Ratingereignis und § 5(2)), oder dass die Bezugnahme auf die Neue Emittentin und gleichzeitig auch auf die Hannover Rück SE, im Hinblick auf deren Verpflichtungen aus der Garantie gemäß § 13(1)(d), erfolgen soll (Gross-Up-Ereignis, Steuerereignis, Aufsichtsrechtliches Ereignis, Rechnungslegungsereignis, Ratingereignis und Besteuerung).</p> <p>Im Fall einer Schuldnerersetzung gilt jede Bezugnahme auf die Bundesrepublik Deutschland (außer in § 13(1)(a) und § 14) als eine solche auf den Staat, in welchem die Neue Emittentin steuerlich ansässig ist, soweit sich aus Satz 2 nichts anderes ergibt.</p> | <p>(2) <b>References.</b></p> <p>In the event of a substitution pursuant to § 13(1), any reference in these Terms and Conditions to the Issuer shall be a reference to the New Issuer.</p> <p>For the avoidance of doubt this shall apply only to the extent that the meaning and purpose of the relevant condition requires that the relevant reference shall continue to be a reference only to Hannover Rück SE (i.e. in particular in relation to the solvency applicable to Hannover Rück SE, the group solvency of the Hannover Re Group and the group solvency of the Ultimate Parent's Group, the Insolvency Event, the Compulsory Interest Payment Event, the Accounting Event, the Rating Event and § 5(2)), or that the reference shall be to the New Issuer and Hannover Rück SE, in relation to its obligations under the guarantee pursuant to § 13(1)(d), at the same time (Gross-Up Event, Tax Event, Regulatory Event, Accounting Event, Rating Event and Taxation).</p> <p>In the event of a substitution any reference to the Federal Republic of Germany (except in § 13(1)(a) and § 14) shall be a reference to the New Issuer's country of domicile for tax purposes, unless sentence 2 provides otherwise.</p> |
| <p>(3) <b>Bekanntmachung und Wirksamwerden der Ersetzung.</b></p> <p>Die Ersetzung der Emittentin ist gemäß § 11 bekanntzumachen. Mit der Bekanntmachung der</p>   | <p>(3) <b>Notice and Effectiveness of Substitution.</b></p> <p>Notice of any substitution of the Issuer shall be given by notice in accordance with § 11. Upon such</p>   |



Ersetzung wird die Ersetzung wirksam und die Emittentin und im Fall einer wiederholten Anwendung dieses § 13 jede frühere Neue Emittentin von ihren sämtlichen Verpflichtungen aus den Schuldverschreibungen frei. Im Fall einer solchen Schuldnerersetzung werden die Wertpapierbörsen informiert, an denen die Schuldverschreibungen zu diesem Zeitpunkt auf Veranlassung der Emittentin notiert sind.

- (4) Nach einer Ersetzung gemäß diesem § 13 kann jede Neue Emittentin mit Zustimmung der Hannover Rück SE durch Bekanntmachung nach § 11 ohne Zustimmung der Anleihegläubiger die Ersetzung entsprechend rückgängig machen.

#### **§ 14 Schlussbestimmungen**

- (1) Anzuwendendes Recht.  
Form und Inhalt der Schuldverschreibungen sowie alle sich daraus ergebenden Rechte und Pflichten bestimmen sich nach dem Recht der Bundesrepublik Deutschland.
- (2) Gerichtsstand.  
Vorbehaltlich eines zwingend vorgeschriebenen Gerichtsstands für bestimmte Verfahren nach dem SchVG ist ausschliesslicher Gerichtsstand für alle Rechtsstreitigkeiten aus den in diesen Anleihebedingungen geregelten Angelegenheiten, soweit gesetzlich zulässig, Frankfurt am Main, Bundesrepublik Deutschland. Die Emittentin verzichtet unwiderruflich darauf, gegenwärtig oder zukünftig gegen die Gerichte in Frankfurt am Main als Forum für Rechtsstreitigkeiten Einwände zu erheben, und verpflichtet sich, keines der Gerichte in Frankfurt am Main als ungelegenes oder unangemessenes Forum zu bezeichnen.
- (3) Erfüllungsort.  
Erfüllungsort ist Frankfurt am Main, Bundesrepublik Deutschland.
- (4) Geltendmachung von Rechten.  
Jeder Anleihegläubiger ist berechtigt, in jedem Rechtsstreit gegen die Emittentin oder in jedem Rechtsstreit, in dem der Gläubiger und die Emittentin Partei sind, seine Rechte aus diesen

publication, the substitution shall become effective, and the Issuer and in the event of a repeated application of this § 13, any previous New Issuer shall be discharged from any and all obligations under the Bonds. In the case of such substitution, the stock exchange(s), if any, on which the Bonds are then listed will be notified.

- (4) Following a substitution pursuant to this § 13 any New Issuer may, with the consent of Hannover Rück SE, after giving notice in accordance with § 11 and without the consent of the Bondholders, reverse the substitution.

#### **§ 14 Final Provisions**

- (1) Applicable Law.  
The form and the content of the Bonds as well as all the rights and duties arising therefrom are governed by, and construed in accordance with, the laws of the Federal Republic of Germany.
- (2) Place of Jurisdiction.  
Subject to any mandatory jurisdiction for specific proceedings under the SchVG, to the extent legally permissible, exclusive place of jurisdiction for all proceedings arising from matters provided for in these Terms and Conditions will be Frankfurt am Main, Federal Republic of Germany. The Issuer irrevocably waives any objection which it may now or hereafter have to the courts of Frankfurt am Main being nominated as the forum to hear and determine any proceedings and to settle any disputes and agrees not to claim that any of those courts is not a convenient or appropriate forum.
- (3) Place of Performance.  
Place of performance will be Frankfurt am Main, Federal Republic of Germany.
- (4) Enforcement of Rights.  
Any Bondholder may in any proceedings against the Issuer or to which the Bondholder and the Issuer are parties protect and enforce in his own name his rights arising under his Bonds on the basis of:

Schuldverschreibungen im eigenen Namen geltend zu machen gegen Vorlage:

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| (i) einer Bescheinigung der Depotbank, die (A) den vollen Namen und die volle Anschrift des Anleihegläubigers bezeichnet, (B) den gesamten Nennbetrag von Schuldverschreibungen angibt, die am Ausstellungstag dieser Bescheinigung den bei dieser Depotbank bestehenden Depots dieses Anleihegläubigers gutgeschrieben sind und (C) bestätigt, dass die Depotbank dem Clearingsystem und der Hauptzahlstelle eine schriftliche Mitteilung gemacht hat, die die Angaben gemäß (A) und (B) enthält und Bestätigungsvermerke des Clearingsystems sowie des betroffenen Kontoinhabers bei dem Clearingsystem trägt sowie | (i) a certificate issued by his Custodian (A) stating the full name and address of the Bondholder, (B) specifying an aggregate principal amount of Bonds credited on the date of such statement to such Bondholder's securities account(s) maintained with his Custodian and (C) confirming that his Custodian has given a written notice to the Clearing System and the Principal Paying Agent containing the information specified in (A) and (B) and bearing acknowledgements of the Clearing System and the relevant account holder in the Clearing System and |
| (ii) einer von einem Vertretungsberechtigten des Clearingsystems oder der Hauptzahlstelle beglaubigten Ablichtung der Globalurkunde; oder   | (ii) a copy of the Global Bond relating to the Bonds, certified as being a true copy by a duly authorised officer of the Clearing System or the Principal Paying Agent; or   |
| (iii) eines anderen, in Rechtsstreitigkeiten in dem Land der Geltendmachung zulässigen Beweismittels.   | (iii) any other means of evidence permitted in legal proceedings in the country of enforcement.  |

**§ 15**  
**Sprache**

Diese Anleihebedingungen sind in deutscher Sprache abgefasst und mit einer Übersetzung in die englische Sprache versehen. Der deutsche Wortlaut ist allein rechtsverbindlich. Die englische Übersetzung dient nur zur Information.

**§ 15**  
**Language**

These Terms and Conditions are written in the German language and provided with an English language translation. The German text will be the only legally binding version. The English language translation is provided for convenience only.

## **USE OF PROCEEDS**

The net proceeds from the issue and sale of the Bonds will amount to approximately EUR 740,615,000. The Issuer intends to use the net proceeds for general corporate purposes of the Hannover Re Group.

## DESCRIPTION OF THE ISSUER AND THE HANNOVER RE GROUP

### Overview

#### *Incorporation, Corporate Seat, Duration, Corporate Purpose and Regulation*

The Issuer is a European Company (*Societas Europaea*, "SE") operating under the laws of Germany and registered under its legal name "Hannover Rück SE" in the commercial register at the local court (*Amtsgericht*) in Hannover under the entry number HRB 6778. The Issuer conducts its business, amongst others, under the commercial name "Hannover Re". The LEI of Hannover Rück SE is 529900KIN5BE45V5KB18.

The Issuer was originally incorporated as a stock corporation under German law on 6 June 1966 in Bochum under the name "Aktiengesellschaft für Transport und Rückversicherung". The founders of the Issuer were Feuerschadenverband rheinisch-westfälischer Zechen V.a.G., Haftpflichtverband der Deutschen Industrie V.a.G., Haftpflicht-Unterstützungskasse kraftfahrender Beamter Deutschlands a.G., Schadensschutzverband GmbH and Westfalenbank AG. On 3 May 2012 the annual general meeting of shareholders (*Jahreshauptversammlung*, the "AGM") of the Issuer approved the resolution of the executive board (*Vorstand*) of the Issuer (the "**Executive Board**") to transform the company into an SE. The transformation took place on 19 March 2013.

The registered office of the Issuer is at Karl-Wiechert-Allee 50, 30625 Hannover, Germany, telephone number +49 511 5604-0. The website of the Issuer is [www.hannover-re.com](http://www.hannover-re.com). The information on the website does not form part of the prospectus unless that information is incorporated by reference into the prospectus.

The corporate purpose of the Issuer, as stated in its articles of association (*Satzung*) (the "**Articles**"), is to pursue activities in the reinsurance business. The Issuer may also transact other insurance business. The Issuer is established for an unlimited period of time.

#### *Financial Year*

The financial year of the Issuer is the calendar year.

#### *Auditors*

The financial statements of the Issuer as at 31 December 2017 and the consolidated financial statements of the Hannover Re Group as at 31 December 2017 were audited by KPMG AG Wirtschaftsprüfungsgesellschaft, Osterstraße 40, 30159 Hannover, Germany ("**KPMG**") and KPMG has issued in each case an unqualified auditors' opinion. KPMG is a member of the German Chamber of Auditors (*Wirtschaftsprüferkammer*).

The financial statements of the Issuer as at 31 December 2018 and the consolidated financial statements of the Hannover Re Group as at 31 December 2018 were audited by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Fuhrberger Straße 5, 30625 Hannover, Germany ("**PwC**") and PwC has issued in each case an unqualified auditors' opinion. PwC is a member of the German Chamber of Auditors (*Wirtschaftsprüferkammer*).

#### *Major Shareholders*

The previous major shareholders of the Issuer, namely Feuerschadenverband Rheinisch Westfälischer Zechen V.a.G. and Haftpflichtverband der Deutschen Industrie V.a.G., have merged to form HDI Haftpflichtverband der Deutschen Industrie V.a.G. ("**HDI**"), which now indirectly holds the shares of the Issuer through Talanx Aktiengesellschaft ("**Talanx AG**"). Talanx AG currently holds approximately 50.2 per cent. of the issued share capital of the Issuer. The remaining approximately 49.8 per cent. are in free float.

#### *Organisational Structure*

The Issuer is the parent company of the Hannover Re Group.

## Business Overview

The Hannover Re Group with gross written premium ("GWP") of more than EUR 19 billion in the financial year 2018 is one of the leading reinsurers in the world. As of 31 December 2018, the Hannover Re Group had more than 3,300 staff and a network of more than 100 subsidiaries, branches and representatives offices worldwide.

The Hannover Re Group comprises two segments: "Property & Casualty reinsurance" and "Life & Health reinsurance".

### *Property & Casualty reinsurance*

The Hannover Re Group writes virtually all classes of Property & Casualty reinsurance on a global scale. In the financial year 2018 the Property & Casualty reinsurance segment recorded GWP of EUR 11,976 million.

The following tables provide an overview of the GWP in the Property & Casualty reinsurance segment:

<b>Gross Written Premium in Property &amp; Casualty reinsurance in EUR million, audited</b>	<b>Financial Year 2018</b>	<b>Financial Year 2017</b>
Target markets	3,456	3,156
Specialty lines worldwide	2,919	2,768
Global reinsurance	5,601	4,788
<b>Total</b>	<b>11,976</b>	<b>10,711</b>

Until 31 December 2018 the Property & Casualty reinsurance portfolio of Hannover Re Group was split into three aggregate business lines: "Target markets", "Specialty lines worldwide" and "Global reinsurance".

#### *Target markets*

The Hannover Re Group considers Continental Europe and North America to be target markets. The German market is served by the Issuer's subsidiary "E+S Rück" which the Issuer considers to be one of the leading providers in Germany. The North American (re)insurance market is currently the most important for Hannover Re Group's portfolio.

#### *Specialty lines worldwide*

Specialty lines includes marine and aviation business, credit, surety and political risks, the UK, Ireland, London Market and direct business as well as facultative reinsurance.

#### *Global reinsurance*

The Hannover Re Group combines all markets worldwide under global reinsurance, with the exception of the target markets of Continental Europe and North America and the specialty lines. The global reinsurance business also encompasses a number of specialized areas such as global catastrophe business, agricultural risks and Sharia-compliant retakaful business as well as the structured reinsurance business and insurance-linked securities (ILS).

As of 1 January 2019, Hannover Re Group will now report its Property & Casualty reinsurance portfolio as follows:

- Structured reinsurance and ILS
- North America
- Germany
- Asia, Australia, Middle East
- Facultative reinsurance and direct
- Cat XL
- Continental Europe, Africa
- Latin America, Iberian Peninsula
- Credit, surety and political risk
- UK, Ireland, London Market
- Aviation and Marine

### ***Life & Health reinsurance***

The Hannover Re Group is transacting all lines of life, health, and annuity business within the Life & Health segment.

In the financial year 2018 the Life & Health reinsurance segment recorded GWP of EUR 7,200 million.

The following tables provide an overview of the GWP in the Life & Health reinsurance segment:

<b>Gross Written Premium in Life &amp; Health reinsurance <i>in EUR million, audited</i></b>	<b>Financial Year 2018</b>	<b>Financial Year 2017</b>
Financial Solutions	928	895
Longevity	1,276	1,257
Mortality	3,040	3,200
Morbidity	1,956	1,728
<b>Total</b>	<b>7,200</b>	<b>7,080</b>

Life reinsurance is reported by dividing the business into "Financial Solutions" and "Risk Solutions". Further differentiation is made between "Longevity", "Mortality" and "Morbidity" under the umbrella of Risk Solutions.

#### *Financial Solutions*

The Financial Solutions business is concentrated on reinsurance solutions geared to optimizing the solvency, liquidity and capital position of the customers of Hannover Re Group. These forms of reinsurance are highly diverse and individually structured because they are always tailored to the customer's needs.

#### *Longevity Solutions*

The Longevity Solutions reporting category groups together all reinsurance business where the primary risk covered is the longevity risk.

#### *Mortality Solutions*

The business discussed in this reporting category consists of covers that protect customers against the risk that people do not live as long as anticipated and hence the actual mortality negatively diverges from the originally expected mortality.

#### *Morbidity Solutions*

The Morbidity Solutions reporting category covers business centered around the risk of deterioration in a person's state of health due to disease, injury or infirmity.

### **Investments**

As of 31 December 2018, the Hannover Re Group had a portfolio of total investments and cash under own management amounting to EUR 42.2 billion (31 December 2017: EUR 40.1 billion).

Net income from investments under own management in the financial year ended 31 December 2018 amounted to EUR 1,322 million (financial year 2017: EUR 1,539 million).

The following table provide an overview of the composition of the portfolio of total investments and cash under own management:

<b>Breakdown of total investments and cash under own management</b> <i>in EUR thousand, audited</i>	<b>As of 31 December 2018</b>	<b>As of 31 December 2017</b>
Fixed-income securities – held to maturity	249,943	336,182
Fixed-income securities – loans and receivables	2,398,950	2,455,164
Fixed-income securities – available for sale	33,239,685	31,281,908
Equity securities – available for sale	28,729	37,520
Financial assets at fair value through profit or loss	750,509	300,874
Investment property	1,684,932	1,583,728
Real estate funds	433,899	384,974
Investments in associated companies	110,545	121,075
Other invested assets	1,805,281	1,761,678
Short-term investments	421,950	958,669
Cash and cash equivalents	1,072,915	835,706
<b>Total</b>	<b>42,197,338</b>	<b>40,057,478</b>

### **Litigation and Proceedings**

Within the scope of their ordinary business activities the companies of the Hannover Re Group are involved in judicial and extra-judicial proceedings in Germany and abroad both as plaintiffs or petitioners and as defendants or respondents, in their capacity as reinsurance and insurance companies, taxpayers and employers, respectively. It is not always feasible to predict or determine the ultimate outcome of these proceedings.

However, the companies of the Hannover Re Group are not and were not during the previous 12 months, party to any governmental, legal or arbitration proceedings (including any pending or threatened proceedings), which may have, or have had in the recent past, significant effects on the Issuer or Hannover Re Group's financial position or profitability.

### **Material Contracts**

The Issuer has not entered into any material contracts other than in the ordinary course of business which could result in the Issuer or any Hannover Re Group member being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to Noteholders under the Bonds.

### **Management**

The Issuer has a dualistic management structure, which assigns management of the company to the Executive Board (*Vorstand*) and supervision of the Executive Board to the Supervisory Board (*Aufsichtsrat*).

### **Executive Board**

The Executive Board consists of seven members. As at the date of this Prospectus the members and their respective responsibilities are:

<b>Name</b>	<b>Position</b>	<b>Principal Outside Activity</b>
Jean-Jacques Henchoz	Chairman; Actuarial Function; Compliance; Controlling; Corporate Communications; Corporate Development; Human Resources Management; Internal Auditing; Risk Management; Regulatory Affairs & Innovation	Member of the Board of Management of Talanx AG, Hannover /Germany

<b>Name</b>	<b>Position</b>	<b>Principal Outside Activity</b>
Sven Althoff	Property & Casualty reinsurance: Marine, Aviation, Credit, Surety and Political Risks, United Kingdom, Ireland and London Market, Facultative Reinsurance and Direct; Australasia; Coordination of Property & Casualty segment; Quotations	None
Claude Chèvre	Life & Health Reinsurance: Africa, Asia, Australia/New Zealand, Latin America, Western and Southern Europe; Longevity Solutions	None
Dr. Klaus Miller	Life & Health Reinsurance: North America, Northern, Eastern and Central Europe, United Kingdom/Ireland	Member of the Advisory Board of Viridium Group GmbH & Co. KG, Neu-Isenburg/Germany  Member of the Supervisory Board of Viridium Holding AG, Neu-Isenburg/Germany
Dr. Michael Pickel	Property & Casualty reinsurance: North America, German-speaking countries & Italy, Iberian Peninsula, Latin America; Group Legal Services; Run-Off Solutions	Member of the Supervisory Board of Delvag Luftversicherungs-AG, Cologne/Germany  Member of the Advisory Board of Barmenia Versicherungsunternehmen, Wuppertal/Germany
Silke Sehm	Property & Casualty reinsurance: French-speaking countries, Northern Europe, Central and Eastern Europe and Africa; Structured Reinsurance and Insurance-Linked Securities; Natural Catastrophe Reinsurance; Retrocessions	None
Roland Vogel	Investment and Collateral Management; Facility Management; Finance and Accounting; Information Technology;	Member of the board of directors of Meribel Mottaret Limited, St. Helier/Jersey  Member of the Advisory Board of Hannover Finanz HmbH, Hannover/Germany  Member of the Advisory Board of WeHaCo Unternehmensbeteiligungs-GmbH, Hannover/Germany  Member of the Advisory Board of Commerzbank AG, Frankfurt/Germany  Deputy Chairman of the supervisory board of Ampega Asset Management GmbH, Cologne/Germany



The Issuer has not been notified and has otherwise not been informed by any of the members of the Executive Board named above about any potential conflicts of interest between the obligations of the persons towards the Issuer and their own interests or other obligations.

The business address of the members of the Executive Board is Karl-Wiechert-Allee 50, 30625 Hannover, Germany.

### ***Supervisory Board***

As at the date of this Prospectus the following individuals are members of the Supervisory Board:

<b>Name</b>	<b>Position within Supervisory Board</b>	<b>Principal Outside Activity</b>
Torsten Leue	Chairman	Chairman of the Executive Board Talanx AG and HDI Haftpflichtverband der Deutschen Industrie V.a.G., Hannover/Germany  Chairman of the Supervisory Board of <ul style="list-style-type: none"> <li>• HDI Deutschland AG, Hannover/Germany</li> <li>• HDI Global SE, Hannover/Germany</li> <li>• HDI International AG, Hannover/Germany</li> <li>• HDI Kundenservice AG, Cologne/Germany</li> <li>• HDI Service AG, Hannover/Germany</li> </ul>
Herbert K. Haas	Deputy Chairman	Chairman of the Supervisory Board of Talanx AG, Hannover/Germany  Chairman of the Supervisory Board of HDI Haftpflichtverband der Deutschen Industrie V.a.G., Hannover/Germany
Natalie Bani Ardalan	Member	None
Frauke Heitmüller	Member	None
Ilka Hundeshagen	Member	None
Dr. Ursula Lipowsky	Member	Independent Management Consultant  Member of the Supervisory Board of Mecklenburgische Krankenversicherungs-AG, Hannover/Germany  Member of the Supervisory Board of Mecklenburgische Lebensversicherungs-AG, Hannover/Germany  Member of the Supervisory Board of Württembergische Lebensversicherung AG, Stuttgart/Germany

Name	Position within Supervisory Board	Principal Outside Activity
Dr. Michael Ollmann	Member	Independent Management Consultant  Member of the Supervisory Board of HDI International AG, Hannover/Germany  Member of the Supervisory Board of HDI Global SE, Hannover/Germany
Dr. Andrea Pollak	Member	Independent Management Consultant  Deputy Chairwoman of the Supervisory Board of Fronius International GmbH, Pettenbach/Austria
Dr. Erhard Schipporeit	Member	Independent Management Consultant  Chairman of the Supervisory Board of Innogy SE, Essen/Germany  Member of the Supervisory Board of BDO AG Wirtschaftsprüfungsgesellschaft, Hamburg/Germany  Member of the Supervisory Board of Fuchs Petrolub SE, Mannheim/Germany  Member of the Supervisory Board of HDI Haftpflichtverband der Deutschen Industrie V.a.G., Hannover/Germany  Member of the Supervisory Board of RWE AG, Essen/Germany  Member of the Supervisory Board of Talanx AG, Hannover/Germany

The Issuer has not been notified and has otherwise not been informed by any of the members of the Supervisory Board named above about any potential conflicts of interest between the obligations of the persons towards the Issuer and their own interests or other obligations.

The business address of the members of the Supervisory Board is Karl-Wiechert-Allee 50, 30625 Hannover, Germany.

## Key Figures

Unless otherwise specified, the following table provides for key figures with regard to Hannover Re Group's results of operating and financial position which are extracted or derived from the consolidated financial statements of the Issuer and Hannover Re Group for the financial year 2018 and 2017.

<i>in EUR million, unless otherwise specified audited, unless otherwise specified</i>	<b>Financial Year 2018</b>	<b>Financial Year 2017</b>
Gross written premium	19,176.4	17,790.5
Net premium earned	17,289.1	15,631.7
Net investment income <sup>(1)</sup>	1,530.0	1,773.9
Operating profit (EBIT) <sup>(1)</sup>	1,596.6	1,364.4
Group net income <sup>(1)</sup>	1,059.5	958.6
Policyholders' surplus <sup>(1)</sup>	11,035.1	10,778.5
Total assets	64,508.6	61,196.8
Combined Ratio (Property and Casualty Reinsurance) <sup>(1)(2)</sup>	96.5%	99.8%
Solvency ratio <sup>(1)(3)(4)</sup>	251%	267%

(1) See "Alternative Performance Measures" below.

(2) Excluding funds withheld.

(3) Unaudited.

(4) With regard to Hannover Rück SE.

## Alternative Performance Measures

This Prospectus contains non-IFRS measures and ratios which are not required by, or presented in accordance with, IFRS or the accounting standards of any other jurisdiction. The non-IFRS measures may not be comparable to other similarly titled measures of other companies and should be considered together with the Hannover Re Group's IFRS results. Investors should rely on Hannover Re Group's IFRS results, supplemented by its non-IFRS measures, to evaluate the Group's performance. The Issuer also believes that non-IFRS measures and similar measures are widely used by certain investors, securities analysts and other interested parties as supplemental measures of operating performance and financial standing.

### **Net investment income**

#### *Definition and use*

The net investment income is a measure of the profitability of a company's investments. It is one of Hannover Re Group's key operational management indicators as the performance of the Group's investments – along with the underwriting result – is determinative for the Group's operating profit (EBIT). It is composed of the net income from assets under own management as well as the balance of interest income and expenses on funds withheld and contract deposits.

#### *Limitations on usefulness*

The net investment income is subject to fluctuations that are not attributable solely to the performance of the Hannover Re Group, but are also influenced by factors such as changes in interest rates and exchange rates or changes in the consolidated group resulting from acquisitions and disposals.

### **Earnings before interest and taxes (EBIT)**

#### *Definition and use*

The EBIT (operating profit) is the sum of the investment income, the underwriting result and the other income/expenses including amortisation of goodwill but excluding interest for other capital borrowed for financing purposes (financing costs) and before taxes (taxes on income). The EBIT is a measure of a company's profitability. Interest and taxes are excluded because they are external factors that do not reflect the underlying profitability of ongoing business operations. The EBIT thus highlights the profitability of the company attributable to its ongoing business operations.

### *Limitations on usefulness*

The operating profit is subject to fluctuations that are not attributable solely to the performance of the Hannover Re Group but are also influenced by factors such as changes in interest rates and exchange rates or changes in the consolidated group resulting from acquisitions and disposals.

### *Reconciliation*

EBIT =  
Net premium earned  
+ Net investment income  
+ Other technical income  
- Total technical expenses  
+ Other income/expenses

<i>in EUR thousands, audited</i>	<b>Financial Year 2018</b>
Net premium earned	17,289,133
Net investment income	1,530,029
Other technical income	599
Total technical expenses	17,340,842
Other income/expenses	117,730
<b>EBIT</b>	<b>1,596,649</b>

### ***Group net income***

#### *Definition and use*

Group net income is the consolidated result for the year / period (after financing costs and taxes) excluding non-controlling interests. It represents the amount remaining after deduction of all operating expenses, interest and taxes from the company's total revenue. It is an important measure that shows how successfully the company operated in a certain period. Group net income is therefore one of the Group's key operational management indicators.

#### *Limitations on usefulness*

The Group net income is subject to fluctuations that are not attributable solely to the performance of the Hannover Re Group, but are also influenced by factors such as changes in interest rates and exchange rates or changes in the consolidated group resulting from acquisitions and disposals.

### ***Policyholders' surplus***

#### *Definition and use*

The policyholders' surplus is the sum of the shareholders' equity, non-controlling interests and hybrid capital. The policyholders' surplus provides information about the capital resources of a company.

#### *Limitations on usefulness*

Taken in isolation, the policyholders' surplus does not provide any information about the financial strength of a company and should be considered in conjunction with the risks from business operations. Furthermore, it includes elements that are influenced by changes in interest rates and exchange rates.

### *Reconciliation*

Policyholders' Surplus =  
Equity attributable to shareholders of Hannover Rück SE  
+ Non-controlling interests  
+ Hybrid capital

<i>in EUR million, audited</i>	<b>As of 31 December 2018</b>
Equity attributable to shareholders of Hannover Rück SE	8,776.8
Non-controlling interests	765.2
Hybrid capital	1,493.1
<b>Policyholders' surplus</b>	<b>11,035.1</b>

### **Combined ratio (Property and Casualty Reinsurance)**

#### *Definition and use*

The combined ratio (Property and Casualty Reinsurance) is the sum of the "loss ratio" and the "expense ratio" including the net investment income from funds withheld and contract deposits.

The "loss ratio" represents the ratio of total claims and claims expenses incurred for own account to net premium earned. It enables conclusions to be drawn regarding how successfully underwriting risks are written.

The "expense ratio" is the ratio of acquisition and administrative expenses to net premium earned. It enables conclusions to be drawn regarding the efficiency of service performance.

In the segment property and casualty reinsurance the combined ratio is a key operational management ratio. It is used to draw conclusions about the profitability of the segment. A ratio below 100% means a positive underwriting result.

#### *Limitations on usefulness*

The combined ratio (Property and Casualty Reinsurance) is used to establish underwriting profitability, but it does not capture the profitability of the investment performance or the other income/expenses. Even in the event of a combined ratio (Property and Casualty Reinsurance) over 100%, the operating profit and/or the net income for the period / year can still be positive due to favourable investment income and/or positive other income/expenses.

#### *Reconciliation*

Combined ratio (Property and Casualty Reinsurance) =  
(Claims and claims expenses  
+ Commission and brokerage, change in deferred acquisition costs and other technical income / expenses  
+ Administrative expenses  
- Income / expense on funds withheld and contract deposits)  
/ Net premium earned

<i>in EUR thousands, audited</i>	<b>Financial Year 2018</b>
Net premium earned	10,804,172
Income / expense on funds withheld and contract deposits	35,810
Claims and claims expenses	7,227,544
Commission and brokerage, change in deferred acquisition costs and other technical income/expenses	3,033,430
Administrative expenses	206,171
<b>Combined ratio (Property and Casualty Reinsurance)</b>	<b>96.5%</b>

### **Solvency ratio**

#### *Definition and use*

Solvency II is a directive in European Union law stipulating solvency capital requirements for primary insurers and reinsurers in order to reduce the risk of their insolvency. Solvency II is essentially a risk-based capital regime. The Solvency ratio (capital adequacy ratio) represents the ratio of available economic capital to the required regulatory risk capital.

### Limitations on usefulness

Taken in isolation, the Solvency ratio does not enable any conclusions to be drawn regarding the absolute amounts of required and available economic capital. The capitalisation required for regulatory purposes diverges from the internal target capitalisation because the confidence level used internally for management purposes is significantly higher than the confidence level required by Solvency II.

### Recent Events

There are no recent events particular to the Issuer and which are to a material extent relevant to an evaluation of the Issuer's solvency.

### Significant Changes

There has been no significant change in the financial or trading position of the Issuer and Hannover Re Group since 30 June 2019.

There has been no significant change in the financial performance of the Hannover Re Group since 30 June 2019.

### Trend Information

There has been no material adverse change in the prospects of the Issuer since 31 December 2018.

### Ratings

The Issuer has received the following ratings from S&P Global Ratings Europe Limited ("**S&P**") and A.M. Best (EU) Rating Services B.V. ("**A.M. Best**"):

	<b>S&amp;P</b>	<b>A.M. Best</b>
<b>Issuer Credit Rating</b>	AA <sup>-1</sup>	aa <sup>2</sup>
<b>Financial Strength Rating</b>	AA <sup>-3</sup>	A <sup>+4</sup>
<b>Outlook</b>	Stable	Stable

<sup>1</sup> S&P defines "AA" as follows: An obligor rated "AA" has very strong capacity to meet its financial commitments. It differs from the highest-rated obligors only to a small degree. S&P rating scale for the long-term issuer credit ratings consists of the following categories: "AAA", "AA", "A", "BBB", "BB", "B", "CCC", "CC" (in descending order). Ratings from "AA" to "CCC" may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the rating categories. A stable outlook means that a rating is not likely to change.

<sup>2</sup> A.M. Best defines "aa" as follows: Assigned to entities that have, in A.M. Best's opinion, a superior ability to meet their ongoing senior financial obligations. Long-Term Issuer Credit Ratings from "aa" to "ccc" include Rating Notches to reflect a gradation within the category to indicate whether credit quality is near the top or bottom of a particular Rating Category. Rating Notches are expressed with a "+" (plus) or "-" (minus).

<sup>3</sup> S&P defines "AA" as follows: An insurer rated "AA" has very strong financial security characteristics, differing only slightly from those rated higher. S&P rating scale for insurer financial strength ratings consists of the following categories: "AAA", "AA", "A", "BBB", "BB", "B", "CCC", "CC" (in descending order). Ratings from "AA" to "CCC" may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories. A stable outlook means that a rating is not likely to change.

<sup>4</sup> A.M. Best defines "A+" as follows: Assigned to insurance companies that have, in A.M. Best's opinion, a superior ability to meet their ongoing insurance obligations. A.M. Best rating scale for insurer financial strength ratings consists of the following categories: "A+", "A" to "C". In addition, the scale provides for the ratings "D" (Poor), "E" (Under Regulatory Supervision), "F" (In Liquidation) and "S" (Suspended). Ratings from "A+" to "C" include a Rating Notch to reflect a gradation of financial strength within the category. A Rating Notch is expressed with either a second plus "+" or minus "-". A stable outlook indicates that the entity/issuer is experiencing stable financial and market trends, and that there is a low likelihood the entity Best's Credit Rating will change over an intermediate period.

S&P and A.M. Best are established in the European Community and are registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended (the "**CRA Regulation**")<sup>5</sup>.

A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the relevant rating agency.

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<sup>5</sup> The European Securities and Markets Authority publishes on its website (<https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>) a list of credit rating agencies registered in accordance with the CRA Regulation. That list is updated within five working days following the adoption of a decision under Article 16, 17 or 20 CRA Regulation. The European Commission shall publish that updated list in the Official Journal of the European Union within 30 days following such update.

## TAXATION

*The following is a general overview of certain tax considerations relating to the purchasing, holding and disposing of Bonds. It does not purport to be a complete analysis of all tax considerations relating to the Bonds. In particular, this discussion does not consider any specific facts or circumstances that may apply to a particular Bondholder. The discussions that follow for each jurisdiction are based upon the applicable laws in force and their interpretation on the date of this Prospectus. These tax laws and interpretations are subject to change that may occur after such date, even with retroactive effect.*

The information contained in this section is limited to taxation issues and prospective investors should not apply any information set out below to other areas, including (but not limited to) the legality of transactions involving the Bonds.

**Prospective Bondholders should consult their own tax advisers as to the particular tax consequences of subscribing, purchasing, holding and disposing the Bonds, including the application and effect of any federal, state or local taxes, under the tax laws of Germany, the Grand Duchy of Luxembourg and each country of which they are residents or citizens.**

### Germany

The following general overview does not consider all aspects of income taxation in Germany that may be relevant to a Bondholder of the Bonds in the light of the Bondholder's particular circumstances and income tax situation. This general overview is based on German tax laws and regulations, all as currently in effect and all subject to change at any time, possibly with retroactive effect.

#### ***German residents holding the Bonds as private assets***

##### *Taxation of income from the Bonds*

If the Bonds are held as private assets (*Privatvermögen*) by an individual investor whose residence or habitual abode is in Germany, payments of interest under the Bonds are generally taxed as investment income (*Einkünfte aus Kapitalvermögen*) at a 25 per cent. flat tax (*Abgeltungsteuer*) (plus a 5.5 per cent. solidarity surcharge (*Solidaritätszuschlag*) thereon and, if applicable to the individual investor, church tax (*Kirchensteuer*)).

The same applies to capital gains from the sale or redemption of the Bonds. The capital gain is generally determined as the difference between the proceeds from the sale or redemption of the Bonds and the acquisition costs. Expenses directly and factually related (*unmittelbarer sachlicher Zusammenhang*) to the sale or redemption are taken into account in computing the taxable capital gain. Otherwise the deduction of related expenses for tax purposes is not permitted.

The coalition agreement between the German Christ Democratic Party, the German Christian Social Union and the German Social Democratic Party the flat tax regime might be (partially) reformed so that capital investment income of investors holding the Bonds as private assets may (partially) no longer be subject to the flat tax regime but taxed at individual progressive income tax rates of up to 45 per cent. (plus a 5.5 per cent. solidarity surcharge thereon and, if applicable to the individual investor, church tax). According to a recently published draft bill of the German federal ministry of finance for the amendment of the solidarity surcharge act dated 6 August 2019, the solidarity surcharge shall only be levied for wage tax and income tax purposes from the assessment period 2021 onwards if the individual income tax of the holder exceeds the threshold of EUR 16,956 (EUR 33,912 for jointly assessed investors). Pursuant to the draft bill, the solidarity surcharge shall remain in place for purposes of the withholding tax, the flat tax regime and the corporate income tax.

The flat tax is generally collected by way of withholding (see subsequent paragraph – *Withholding tax*) and the tax withheld shall generally satisfy the individual investor's tax liability with respect to the Bonds. If, however, no or not sufficient tax was withheld (*e.g.*, in case there is no Domestic Paying Agent as defined in the subsequent paragraph – *Withholding Tax*), the investor will have to include the income received with respect to the Bonds in its income tax return. The flat tax will then be collected by way of tax assessment. The investor may also opt for inclusion of investment income



in its income tax return if the aggregated amount of tax withheld on investment income during the year exceeded the investor's aggregated flat tax liability on investment income (e.g., because of available losses carried forward or foreign tax credits). If the investor's individual income tax rate on all taxable income including the investment income determined by generally applicable individual progressive tax rates is lower than 25 per cent., the investor may opt to be taxed at individual progressive tax rates with respect to its investment income; also in this case, the deduction of related expenses for tax purposes is not permitted.

Capital losses from the sale or redemption of the Bonds held as private assets should generally be tax-recognised irrespective of the holding period of the Bonds. According to the view of German tax authorities a bad debt loss (*Forderungsausfall*) and a waiver of a receivable (*Forderungsverzicht*) (to the extent the waiver does not qualify as a hidden contribution) shall, in general, not be treated as a sale, so that losses suffered upon such bad debt loss or waiver shall not be deductible for tax purposes. With respect to a bad debt loss the German Federal Tax Court has decided in 2017 that a final bad debt loss with respect to a capital claim shall be deductible for tax purposes; the question whether this also applies to a waiver of a receivable has been left open by the court. With respect to a (voluntary) waiver of receivable a lower German fiscal court confirmed the view of German tax authorities in a final decision and another lower fiscal court rejected the jurisdiction of the German Federal Fiscal Court with respect to the tax deductibility of a bad debt loss. Two further decisions in this context are currently still pending with the German Federal Fiscal Court.

While the German tax authorities previously took the position that a disposal (and, as a consequence, a tax loss resulting from such disposal) shall not be recognized if the Bonds are sold at a market price, which is lower than the transaction costs or if the level of transaction costs is restricted because of a mutual agreement that the transaction costs are calculated by subtracting a certain amount from the sales price, the German tax authorities have concluded in an amendment from 10 May 2019 to the tax decree issued by the German Federal Ministry of Finance dated 18 January 2016 following a recent ruling of the German Federal Fiscal Court that the recognition as disposal shall not depend on the amount of any consideration or the amount of the transaction costs.

While the German tax authorities previously took the position that capital losses shall not be recognised by the German tax authorities if no (or only de minimis) payments are made to the individual investors on the maturity or redemption date of the Bonds, the German Federal Fiscal Court has published a decision to the contrary with regard to losses incurred in connection with knock-out certificates. In this decision the German Federal Fiscal Court took the view that exceeding the knock-out threshold (i.e. no payments on the day of exceeding the knock-out threshold) shall be treated similar to a bad debt loss as a sale at the value zero, so that losses suffered shall also be deductible for tax purposes. According to the amendment to the tax decree issued by the German Federal Ministry of Finance dated 18 January 2016 recently published on 16 September 2019, the German Federal Ministry of Finance now also applies the principles of the ruling of the German Federal Fiscal Court.

However, according to the recently published draft bill of the German Federal Government for an annual Tax Act 2019 (*Jahressteuergesetz 2019*) dated 31 July 2019 the view of the federal ministry of finance on the non-deductibility of capital losses for tax purposes in the scenarios described above shall largely be codified in the German Income Tax Act and apply as of 1 January 2020.

Any tax-recognised capital losses may not be used to offset other income like employment or business income but may only be offset against investment income. Capital losses not utilised in one annual assessment period may be carried forward into subsequent assessment periods but may not be carried back into preceding assessment periods. Individual investors are entitled to a saver's lump sum tax allowance (*Sparer-Pauschbetrag*) for investment income of €801 per year (€1,602 for jointly assessed investors). The saver's lump sum tax allowance is considered for purposes of the withholding tax (see subsequent paragraph – *Withholding tax*) if the investor has filed a withholding tax exemption request (*Freistellungsauftrag*) with the respective Domestic Paying Agent (as defined below). The deduction of related expenses for tax purposes is not possible.

### *Withholding tax*

If the Bonds are kept or administered in a domestic securities deposit account by a German credit or financial services institution (*Kredit- oder Finanzdienstleistungsinstitut*) (or by a German branch of a foreign credit or financial services institution), or by a German securities trading business (*Wertpapierhandelsunternehmen*) or a German securities trading bank (*Wertpapierhandelsbank*) (each a "**Domestic Paying Agent**") which pays or credits the interest, a 25 per cent. withholding tax, plus a 5.5 per cent. solidarity surcharge thereon, resulting in a total withholding tax charge of 26.375 per cent., is levied on the interest payments. The applicable withholding tax rate is in excess of the aforementioned rate if church tax applies and is collected for the individual investor by way of withholding which is provided for as a standard procedure unless the Bondholder of the Bonds has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*).

Capital gains from the sale (including the redemption) of the Bonds are also subject to the 25 per cent. withholding tax, plus a 5.5 per cent. solidarity surcharge thereon, if the Bonds are kept or administered by a Domestic Paying Agent effecting the sale or redemption from the time of their acquisition. If interest claims are disposed of separately (i.e. without the Bonds), the proceeds from the disposition are subject to withholding tax. The same applies to proceeds from the payment of interest claims if the Bonds have been disposed of separately. If the Bonds were sold or redeemed after being transferred to a securities deposit account with a Domestic Paying Agent, 25 per cent. withholding tax (plus solidarity surcharge thereon) would be levied on 30 per cent. of the proceeds from the sale or the redemption, as the case may be, unless the investor or the previous depository bank was able and allowed to prove evidence for the investor's actual acquisition costs to the Domestic Paying Agent. The applicable withholding tax rate is in excess of the aforementioned rate if church tax applies and is collected for the individual investor by way of withholding which is provided for as a standard procedure unless the Bondholder of the Bonds has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*).

### ***German resident investors holding the Bonds as business assets***

#### *Taxation of income from the Bonds*

If the Bonds are held as business assets (*Betriebsvermögen*) by an individual or corporate investor which is tax resident in Germany (i.e., a corporation with its statutory seat or place of management in Germany), interest income and capital gains from the Bonds are subject to personal income tax at individual progressive rates or corporate income tax (plus a 5.5 per cent. solidarity surcharge thereon and church tax, if applicable) and, in general, trade tax. The effective trade tax rate depends on the applicable trade tax factor (*Gewerbesteuer-Hebesatz*) of the relevant municipality where the business is located. In case of individual investors the trade tax may, however, be partially or fully creditable against the investor's personal income tax liability depending on the applicable trade tax factor and the investor's particular circumstances. Losses from the disposal or redemption of the Bonds will generally be tax-recognized and may generally be offset against other income subject to certain limitations.

### *Withholding tax*

If the Bonds are kept or administered by a Domestic Paying Agent which pays or credits the interest, a 25 per cent. withholding tax, plus a 5.5 per cent. solidarity surcharge thereon, resulting in a total withholding tax charge of 26.375 per cent., is generally levied on the interest payments. The applicable withholding tax rate is in excess of the aforementioned rate if church tax applies and is collected for the individual investor by way of withholding which is provided for as a standard procedure unless the Bondholder of the Bonds has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*).

No withholding is generally required on capital gains from the disposal or redemption of the Bonds which is derived by German resident corporate investors and, upon application, by individual investors holding the Bonds as assets of a German business, subject to certain requirements.

Any capital losses incurred from the disposal or redemption of the Bonds will not be taken into account for withholding tax purposes. If withholding tax is levied, the withholding tax does not satisfy the investor's personal or corporate income

tax liability with respect to the Bonds. The income from the Bonds will have to be included in the investor's personal or corporate income tax return. Any German withholding tax (including surcharges) is generally fully creditable against the investor's personal or corporate income tax liability or refundable, as the case may be.

### ***Non-German resident Bondholders***

Income derived from the Bonds by Bondholders who are not tax resident in Germany is in general not subject to German income taxation, and no withholding tax shall be withheld, unless (i) the Bonds are held as business assets of a German permanent establishment of the investor or by a permanent German representative of the investor or (ii) the income derived from the Bonds does otherwise constitute German source income.

If the income derived from the Bonds is subject to German taxation according to (i) to (ii) above, the income is subject to German income taxation and withholding tax similar to that described above for German resident Bondholders. Under certain circumstances, foreign investors may benefit from tax reductions or tax exemptions under applicable double tax treaties (*Doppelbesteuerungsabkommen*) entered into with Germany.

### ***Substitution of the Issuer***

If the Issuer exercises the right to substitute the debtor of the Bonds, the substitution might, for German tax purposes, be treated as a redemption of the Bonds in exchange for new bonds issued by the New Issuer and subject to similar taxation rules like the Bonds. In particular, such a substitution could result in the recognition of a taxable gain or loss for any investor of a Bond.

### ***Inheritance and gift tax***

The transfer of Bonds to another person by way of gift or inheritance is subject to German gift or inheritance tax, respectively, if *inter alia*

- (i) the testator, the donor, the heir, the donee or any other acquirer had his residence, habitual abode or, in case of a corporation, association of persons (*Personenvereinigung*) or asset pool (*Vermögensmasse*), has its seat or place of management in Germany at the time of the transfer of property,
- (ii) except as provided under (i), the testator's or donor's Bonds belong to a business asset attributable to a permanent establishment or a permanent representative in Germany.

Special regulations apply to certain German expatriates.

Prospective investors are urged to consult with their tax advisor to determine the particular inheritance or gift tax consequences in light of their particular circumstances.

### ***Other taxes***

The purchase, sale or other disposal of Bonds does not give rise to capital transfer tax, value added tax, stamp duties or similar taxes or charges in Germany. However, under certain circumstances entrepreneurs may choose liability to value added tax with regard to the sale of Bonds which would otherwise be tax exempt. Net wealth tax (*Vermögensteuer*) is, at present, not levied in Germany.

## **Luxembourg**

The following information is of a general nature only and is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. The information contained within this section is limited to Luxembourg withholding tax issues and prospective investors in the Bonds should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a withholding tax or a tax of a similar nature, or to any other concepts, refers to Luxembourg tax law and/or concepts only.

***Withholding Tax and self-applied tax***

Under Luxembourg tax law currently in effect and subject to the exception below, there is no Luxembourg withholding tax on payments of interest (including accrued but unpaid interest) or repayments of principal.

In accordance with the law of 23 December 2005, as amended, on the introduction of a withholding tax on certain interest payments on savings income, interest on Bonds paid by Luxembourg paying agents to or to the benefit of Luxembourg resident individual beneficial owners are currently subject to a 20 per cent withholding tax. Responsibility for withholding such tax will be assumed by the Luxembourg paying agent.

Furthermore, Luxembourg resident individuals, acting in the framework of their private wealth, can opt to self-declare and pay a 20 per cent. tax on interest payments made by paying agents located in an EU Member State other than Luxembourg or a Member State of the EEA other than an EU Member State.

## SUBSCRIPTION AND SALE OF THE BONDS

### General

Pursuant to a subscription agreement dated 7 October 2019 (the "**Subscription Agreement**") among the Issuer and the Managers, the Issuer has agreed to sell to the Managers, and the Managers have agreed, subject to certain customary closing conditions, to purchase, the Bonds on 9 October 2019. The Issuer has furthermore agreed to pay certain fees to the Managers and to reimburse the Managers for certain expenses incurred in connection with the issue of the Bonds.

The Subscription Agreement provides that the Managers under certain circumstances will be entitled to terminate the Subscription Agreement. In such event, no Bonds will be delivered to investors. Furthermore, the Issuer has agreed to indemnify the Managers against certain liabilities in connection with the offer and sale of the Bonds.

Certain of the Managers and their respective affiliates may be customers of, borrowers from or creditors of Hannover Re and its affiliates. In addition, certain Managers and their respective affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, Hannover Re and its affiliates in the ordinary course of business. In particular, in the ordinary course of their business activities, the Managers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of Hannover Re or its affiliates. Certain of the Managers or their respective affiliates that have a lending relationship with Hannover Re routinely hedge their credit exposure to Hannover Re consistent with their customary risk management policies. Typically, such Managers and their respective affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Bonds issued. Any such positions could adversely affect future trading prices of the Bonds. The Managers and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

There are no interests of natural and legal persons involved in the issue, including conflicting ones, that are material to the issue.

### Selling Restrictions

#### General

Each Manager has acknowledged that other than explicitly mentioned in this Prospectus no action is taken or will be taken by the Issuer in any jurisdiction that would permit a public offering of the Bonds, or possession or distribution of any offering material relating to them, in any jurisdiction where action for that purpose is required.

Each Manager has represented and agreed that it will comply with all applicable laws and regulations in each jurisdiction in which it purchases, offers, sells or delivers Bonds or has in its possession or distributes any offering material relating to them.

#### European Economic Area

Each Manager has represented, warranted and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Bonds to any retail investor in the European Economic Area. For the purposes of this provision the expression retail investor means a person who is one (or more) of the following:

- (i) a retail client as defined in point (11) of Article 4(1) of MiFID II (as amended); or
- (ii) a customer within the meaning of Directive 2016/97/EU, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

### **United States of America and its territories**

The Bonds have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States or to, or to the account of benefit of, U.S. persons except in transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

The Bonds are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by the U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

Each Manager has represented and agreed that except as permitted by the Subscription Agreement, it has not offered, sold or delivered and will not offer, sell or deliver any Bonds (i) as part of their distribution and any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Issue Date, within the United States or to, for the account of benefit of, U.S. persons, and will have sent to each dealer to which it sells the Bonds and any related guarantee during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Bonds within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

In addition, until 40 days after the commencement of the offering of the Bonds, an offer or sale of the Bonds within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

### **United Kingdom**

Each Manager has represented, warranted and agreed that:

- (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "FSMA")) received by it in connection with the issue or sale of any Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer, and
- (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

### **Singapore**

Each Manager has acknowledged that this Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Manager has represented and agreed that it has not offered or sold any Bonds or caused the Bonds to be made the subject of an invitation for subscription or purchase and will not offer or sell any Bonds or cause the Bonds to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Bonds, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "SFA")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Bonds are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Bonds pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

## GENERAL INFORMATION

1. **Authorisations:** The creation and issue of the Bonds has been authorised by a resolution of the Executive Board of the Issuer on 15 April 2019, of the Supervisory Board of the Issuer on 6 May 2019 and of the Finance and Audit Committee (*Finanz- und Prüfungsausschuss*) of the Supervisory Board on 6 May 2019 and 24 September 2019.
2. **Expenses of the Issue:** The total expenses related to the admission to trading of the Bonds are expected to amount to EUR 11,600.
3. **Clearing Systems:** Payments and transfers of the Bonds will be settled through Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and Clearstream Banking S.A., 42 Avenue JF Kennedy, L-1855 Luxembourg.

The Bonds have the following securities codes:

ISIN: XS2063350925

Common Code: 206335092

German Securities Code (WKN): A2YPFG

4. **Eurosystem Eligibility:** The Bonds are intended to be held in a manner which would allow Eurosystem eligibility.

This does not necessarily mean that the Bonds will be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the European Central Bank being satisfied that the Eurosystem eligibility criteria have been met.

5. **Listing and Admission to Trading:** Application has been made to the Luxembourg Stock Exchange for the Bonds to be admitted to trading on the Luxembourg Stock Exchange's regulated market (which is a regulated market for the purposes of MiFID II) and to be listed on the Official List of the Luxembourg Stock Exchange on or around the Issue Date.
6. **Notices to Bondholders:** For so long as the Bonds are listed on the Luxembourg Stock Exchange, all notices to the Bondholders regarding the Bonds shall be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)). The Issuer will be entitled to deliver all notices concerning the Bonds to the Clearing System for communication by the Clearing System to the Bondholders.
7. **Documents on Display:** For so long as any Bond is outstanding, electronic versions of the following documents are available on the Issuer's website:
  - (a) the articles of association of the Issuer (accessed by using the hyperlink "<https://www.hannover-re.com/statute-hannover-re>"); and
  - (b) the documents incorporated by reference into this Prospectus (accessed by using the hyperlinks set out in the section "*Documents Incorporated by Reference*" below).

This Prospectus and any supplement to this Prospectus will be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

8. **Third Party Information:** With respect to any information included herein and specified to be sourced from a third party (i) the Issuer confirms that any such information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information available to it from such third party, no facts have been omitted the omission of which would render the reproduced information inaccurate or misleading and (ii) neither the Issuer nor any Manager has independently verified any such information and neither the Issuer nor any Manager accepts any responsibility for the accuracy thereof.



9. **Yield:** For the investors, the yield of the Bonds until the First Reset Date is 1.236 per cent. *per annum*, calculated on the basis of the Issue Price. Such yield is calculated in accordance with the ICMA (International Capital Markets Association) Method. The ICMA method determines the effective interest rate on bonds by taking into account accrued interest on a daily basis.

The yield of the Bonds for the period after the First Reset Date cannot be determined as of the date of this Prospectus.

10. **Ratings:** The Bonds are expected to be rated "A" by S&P.<sup>6</sup>

S&P is established in the European Community and are registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended (the "**CRA Regulation**")<sup>7</sup>.

Investors in the Bonds should be aware that a credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

11. **Legal Entity Identifier:** The LEI of Hannover Re is 529900KIN5BE45V5KB18.

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<sup>6</sup> S&P defines "A" as follows: An obligation rated "A" is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, the obligor's capacity to meet its financial commitments on the obligation is still strong. Ratings from "AA" to "CCC" may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the rating categories.

<sup>7</sup> The European Securities and Markets Authority publishes on its website (<https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>) a list of credit rating agencies registered in accordance with the CRA Regulation. That list is updated within five working days following the adoption of a decision under Article 16, 17 or 20 CRA Regulation. The European Commission shall publish that updated list in the Official Journal of the European Union within 30 days following such update.

## DOCUMENTS INCORPORATED BY REFERENCE

The pages specified below of the following documents which have previously been published or are published simultaneously with this Prospectus and which have been filed with the CSSF are incorporated by reference into this Prospectus: (i) the unaudited Half-Yearly Financial Report 2019 of the Hannover Re Group for the six months ending 30 June 2019 (the "**Half Year Report 2019**"), (ii) the audited Annual Report of the Hannover Re Group for the fiscal year ended 31 December 2018 (the "**Audited Annual Report 2018**") and (iii) the audited Annual Report of the Hannover Re Group for the fiscal year ended 31 December 2017 (the "**Audited Annual Report 2017**"), each containing the English language translation of the respective German language consolidated financial statements of the Issuer and in case of the Audited Annual Report 2018 and the Audited Annual Report 2017 of the German language auditor's report (*Bestätigungsvermerk*) in respect thereof.

### (1) Extracted from: Hannover Re Group – Unaudited Half Year Report 2019

Consolidated balance sheet as at 30 June 2019 .....	pages 18-19
Consolidated statement of income as at 30 June 2019.....	page 20
Consolidated statement of comprehensive income as at 30 June 2019 .....	page 21
Consolidated statement of changes in shareholders' equity as at 30 June 2019	pages 22-23
Consolidated cash flow statement as at 30 June 2019 .....	pages 24-26
Notes to the consolidated financial statements as at 30 June 2019.....	pages 27-57
Review report by the independent auditors .....	Page 58

### (2) Extracted from: Hannover Re Group – Audited Annual Report 2018

Consolidated balance sheet as at 31 December 2018 .....	pages 162-163
Consolidated statement of income 2018 .....	page 164
Consolidated statement of comprehensive income 2018.....	page 165
Consolidated statement of changes in shareholders' equity 2018 .....	pages 166-167
Consolidated cash flow statement 2018.....	pages 168-170
Notes to the consolidated financial statements .....	pages 171-269
Independent auditor's report <sup>8</sup> .....	pages 270-277

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<sup>8</sup> The auditor's report, prepared in accordance with § 322 German Commercial Code (*Handelsgesetzbuch*), refers to the complete consolidated financial statements in German language, comprising the consolidated balance sheet, consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in shareholders' equity, consolidated cash flow statement and notes to the consolidated financial statements together with the combined management report of the company and the group for the business year from 1 January to 31 December 2018. The combined management report is not included in the Prospectus.

**(3) Extracted from: Hannover Re Group – Audited Annual Report 2017**

Consolidated balance sheet as at 31 December 2017 .....	pages 146-147
Consolidated statement of income 2017 .....	page 148
Consolidated statement of comprehensive income 2017 .....	page 149
Consolidated statement of changes in shareholders' equity 2017 .....	pages 150-151
Consolidated cash flow statement 2017.....	pages 152-154
Notes to the consolidated financial statements .....	pages 156-248
Independent auditor's report <sup>9</sup> .....	pages 250-256

All of these pages shall be deemed to be incorporated by reference into, and to form part of, this Prospectus.

The non-incorporated parts of such documents, i.e. the pages not listed in the table above, are either not relevant for the investor or covered elsewhere in the Prospectus.

Copies of documents incorporated by reference in this Prospectus may be obtained (without charge) from the registered office of the Issuer and the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

Electronic versions of the documents incorporated by reference are also available on the website of the Issuer (<https://www.hannover-re.com/199620/results-and-reports>) and can be accessed by using the following hyperlinks:

- (1) Hannover Re Group – Half Year Report 2019:  
<https://www.hannover-re.com/half-yearly-financial-report-2019>
- (2) Hannover Re Group – Audited Annual Report 2018:  
<https://www.hannover-re.com/annual-report-2018>
- (3) Hannover Re Group – Audited Annual Report 2017:  
<https://www.hannover-re.com/annual-report-2017>

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<sup>9</sup> The auditor's report, prepared in accordance with Section 322 German Commercial Code (*Handelsgesetzbuch*), refers to the complete consolidated financial statements in German language, comprising the consolidated balance sheet, consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in shareholders' equity, consolidated cash flow statement and notes to the consolidated financial statements together with the combined management report of the company and the group for the business year from 1 January to 31 December 2017. The combined management report is not included in the Prospectus.

**Issuer**

**Hannover Rück SE**  
Karl-Wiechert-Allee 50  
30625 Hannover  
Federal Republic of Germany

**Principal Paying Agent**

**Deutsche Bank Aktiengesellschaft**  
Taunusanlage 12  
60325 Frankfurt am Main  
Germany

**Joint Lead Managers**

**Citigroup Global Markets Limited**

Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5 LB  
United Kingdom

**Commerzbank Aktiengesellschaft**

Kaiserstrasse 16 (Kaiserplatz)  
60311 Frankfurt am Main  
Federal Republic of Germany

**Crédit Agricole  
Corporate and Investment Bank**

12, place des Etats-Unis  
CS 70052  
92547 Montrouge Cedex  
France

**HSBC Bank plc**

8 Canada Square  
London E14 5HQ  
United Kingdom

**J.P. Morgan Securities plc**

25 Bank Street  
Canary Wharf  
London E14 5JP  
United Kingdom

**Co-Lead Managers**

**ABN AMRO BANK N.V.**

Gustav Mahlerlaan 10  
1082 PP Amsterdam  
The Netherlands

**Bayerische Landesbank**

Brienner Str. 18  
80333 Munich  
Federal Republic of Germany

**Auditors to the Issuer**

**PricewaterhouseCoopers GmbH  
Wirtschaftsprüfungsgesellschaft**

Fuhrberger Straße 5  
30625 Hannover  
Federal Republic of Germany

**Legal Advisers**

**To the Issuer**

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**To the Managers**

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