



**msg life ag**  
**Leinfelden-Echterdingen**

ISIN DE0005130108

The act that came into force on 28 March 2020 regarding measures in legislation governing companies, co-operatives, associations, foundations and home ownership to tackle the effects of the COVID-19 pandemic ('COVID-19 Act') opens the option of holding annual general meetings taking place in 2020 as a virtual annual general meeting without the physical presence of the shareholders or their authorised representatives. In view of the COVID-19 pandemic that will last for the foreseeable future and of the aim to prevent health risks for the shareholders, the internal and external employees as well as the company's board members, the Management Board of msg life ag has decided, with the approval of the Supervisory Board, to make use of the option to hold a virtual annual general meeting.

We invite the shareholders of our company to the

**annual general meeting**  
**(virtual annual general meeting)**

on Tuesday, 10 November 2020, 10.00 a.m. (CET). The meeting will take place **without the physical presence of the shareholders or their authorised representatives** at the Haus der Bayerischen Wirtschaft Conference Centre, Max-Joseph-Strasse 5, 80333 Munich. Please bear in mind that shareholders or their authorised representatives may not take part in person at the virtual annual general meeting. No entry can be granted to shareholders who make their way there nonetheless.

The entire meeting will be transmitted in sound and vision in accordance with Section 1 (2) sentence 1 number 1 of the COVID-19 Act in conjunction with Section 16 (5) of the articles of incorporation via AGM portal that can be reached on the Internet under

**<https://www.msg-life.com/ueber-uns/investor-relations/>**

. Voting rights will be exercised solely by (electronic) postal votes or by issuing a proxy to the proxy holders nominated by the company. More details about this are contained below in the section 'Further information about the convocation'.

I.  
**AGENDA**

1. **Presentation of the adopted annual financial statements, of the approved consolidated financial statements, of the condensed management report and Group management report and of the report by the Supervisory Board, each for the 2019 financial year**
2. **Resolution on the formal approval of the actions of the members of the Management Board for the 2019 financial year.**

The Management Board and Supervisory Board propose to formally approve the actions of the members of the Management Board serving during the 2019 financial year for this period.

3. **Resolution on the formal approval of the actions of the members of the Supervisory Board for the 2019 financial year.**

The Management Board and Supervisory Board propose to formally approve the actions of the members of the Supervisory Board serving during the 2019 financial year for this period.

4. **Election of the auditor for the 2020 financial year**

The Supervisory Board proposes electing Baker Tilly GmbH & Co. KG Wirtschaftsprüfungsgesellschaft in Düsseldorf as auditor of the annual financial statements and consolidated financial statements for the 2020 financial year.

5. **Approval of a control agreement**

msg systems AG and msg life ag concluded a control agreement on 25 September 2020. The control agreement shall take effect when entered in the commercial register of msg life ag. A prerequisite for it being entered and hence a prerequisite for its effectiveness are the approval of the annual general meeting of msg life ag and the approval of the annual general meeting of msg systems AG of the control agreement. The annual general meeting of msg systems AG is expected to pass a resolution on 10 November 2020 about the consent regarding the control agreement between msg systems AG and msg life ag dated 25 September 2020.

The control agreement is worded as follows:

***CONTROL AGREEMENT***

between

**msg systems ag**

and

**msg life ag**

This control agreement (the '**Agreement**') is concluded between

**msg systems ag**, registered at Robert-Bürkle-Strasse 1, 85737 Ismaning, entered in the commercial register at Munich District Court under HRB 140149

–hereinafter referred to as the "**controlling enterprise**"–

and

**msg life ag**, registered at Humboldtstraße 35, 70771 Leinfelden-Echterdingen, entered in the commercial register at Stuttgart District Court under HRB 731887

–hereinafter referred to as the "**controlled enterprise**", and jointly with the controlling enterprise as the "**Parties**" and in each case a "**Party**"–.

### **Preamble**

- (A) The share capital of the controlled enterprise is EUR 42,802,453.00 and is divided into 42,802,453 no-par-value bearer shares. The controlling enterprise holds over 75 % of the voting shares in the controlled enterprise. The remaining shares in the controlled enterprise are held by external shareholders.
- (B) The Parties are interested in strengthening their connections and in integrating the controlled enterprise in the controlling enterprise's group of companies to the benefit of all those involved.

On this basis, the Parties agree as follows:

## **§ 1 Management**

- (1) The controlled enterprise places the management of its company under the controlling enterprise. The controlling enterprise is accordingly entitled to issue general instructions as well as instructions relating to isolated incidents to the management board of the controlled enterprise. An instruction to uphold, change or terminate this agreement may not be issued.*
- (2) The controlling enterprise shall only exercise its right to give instructions through its management board. Instructions must be made in text form. In urgent cases, instructions may also be issued verbally; they are to be confirmed immediately in text form by the controlling enterprise.*
- (3) The management board of the controlled enterprise is obliged to follow the instructions from the controlling enterprise.*

## **§ 2 Right to information**

- (1) The controlling enterprise is entitled at any time to look at the books and records of the controlled enterprise. The management board of the controlled enterprise is obliged to give the controlling enterprise all the requested information about all matters concerning the controlled enterprise at any time.*
- (2) Irrespective of the rights agreed above, the controlled enterprise is obliged to constantly report to the controlled enterprise about its business development, in particular about key transactions.*

## **§ 3 Loss transfer**

- (1) The controlling enterprise is obliged pursuant to Section 302 (1) of the German Stock Corporation Act in its latest version to compensate any annual net loss otherwise incurred at the controlled enterprise, as long as this is not compensated by amounts being taken from the other revenue reserves that have been added to it during the period of the agreement. Section 302 (2) and (3) of the German Stock Corporation Act apply in the latest version.*
- (2) The controlled enterprise's compensation claim is due on each reporting date and interest is to be paid on it from this point in time according to Sections 352, 353 HGB. The controlling enterprise is entitled, but not obliged, to pay a part payment amounting to the anticipated annual net loss by the financial year end and to immediately compensate any additional claims based on the annual financial statements prepared and audited according to § 4; the controlled enterprise must repay any excess payments immediately once the corresponding annual financial statements have been prepared and audited.*

- (3) *The entitlement to loss transfer expires pursuant to Section 302 (4) of the German Stock Corporation Act after 10 years from the day on which the entry of the termination of this agreement in the commercial register has been announced according to Section 10 HGB.*
- (4) *Otherwise the principles of Section 302 of the Stock Corporation Act apply.*

#### **§ 4 Annual financial statements**

- (1) *For the compensation of loss according to **Fehler! Verweisquelle konnte nicht gefunden werden.** Section 3, the annual financial statements of the controlled enterprise to be prepared taking into account the mandatory legal and statutory provisions as well as bearing in mind the arrangements in this agreements and audited by an audit firm are decisive.*
- (2) *When preparing the annual financial statements, the controlled enterprise shall observe the accounting guidelines and accounting instructions issued by the controlling enterprise within the framework of what is legally permitted; this shall also apply to the annual financial statements decisive for the last compensation of loss prepared after the end of the agreement, as well as to any new preparation or correction of earlier annual financial statements concerning the term of this agreement.*
- (3) *The annual financial statements of the controlled enterprise are to be prepared and adopted before the annual financial statements of the controlling enterprise.*
- (4) *If the financial year of the controlled enterprise ends at the same time as the financial year of the controlling enterprise, any transferred loss incurred by the controlled enterprise is to be taken into account in the annual financial statements of the controlling enterprise nonetheless.*

#### **§ 5 Compensation, guaranteed dividend**

- (1) *The controlling enterprise guarantees the external shareholders of the controlled enterprise, as reasonable compensation according to Section 304 (1) sentence 2 of the German Stock Corporation Act, for the duration of this agreement, regardless of the result of the controlled enterprise, for each full financial year and for each share of the controlled enterprise, an annual dividend of EUR 0.04 gross (**'guaranteed dividend'**) less corporate income tax and solidarity surcharge according to the tax rates applicable to the controlled enterprise's financial year in question (**'net guaranteed dividend'**). Taking into account the tax rates applicable at the time this agreement was concluded, this results in a net guaranteed dividend of EUR 0.03 per share in the controlled enterprise for a full financial year of the controlled enterprise. To clarify, it is agreed that the net guaranteed dividend, if prescribed by law, shall include any withholding tax that may be incurred (such as capital gains tax plus solidarity surcharge).*

- (2) *If dividends decided by the controlled enterprise are below the guaranteed dividend amount, the external shareholders shall be entitled to a dividend supplement from the controlling enterprise, i.e. a claim to payment of the difference between the dividend decided by the controlled enterprise and the amount of the guaranteed dividend ('**compensation payment**'). If the controlled enterprise decides on a higher dividend than the guaranteed dividend, the claim to the compensation payment lapses in this case.*
- (3) *The compensation payment is due in each case on the first banking day after the annual general meeting of the controlled enterprise for the past financial year.*
- (4) *The compensation payment to the external shareholders is paid out by the controlled enterprise on behalf of and on account of the controlling enterprise as the party liable for the compensation payment. The controlling enterprise shall provide the controlled enterprise with the necessary funds for this.*
- (5) *The compensation is paid for the first time for the financial year during which this agreement comes into effect. If this agreement ends during a financial year of the controlled enterprise or the controlled enterprise forms a short financial year during the period of the agreement, the compensation shall be reduced pro rata temporis.*
- (6) *If the controlled enterprise's share capital increases from company funds due to the issue of new shares, the compensation per share is reduced to such an extent that the overall compensation amount remains unchanged.*
- (7) *If the share capital of the controlled enterprise is increased due to contributions in cash or in kind whilst granting a subscription right to the external shareholders, the rights from this § 5 also apply to the shares subscribed to by external shareholders from the capital increase.*
- (8) *If proceedings are initiated in accordance with Section 1 Number 1 SpruchG (German Act on Appraisal Proceedings) and the court legally sets a higher compensation than agreed in this agreement, the external shareholders, even if they have been compensated in the meantime, can demand a corresponding supplement to the compensation payment obtained by them. Equally, all other external shareholders are put on equal footing if the controlling enterprise undertakes to pay a higher compensation to a shareholder of the controlled enterprise in a settlement to avoid or end proceedings in accordance with Section 1 Number 1 SpruchG.*
- (9) *The reasonable compensation guaranteed to the external shareholders pursuant to § 5(1) was determined on the basis of the future earnings prospects of the controlled enterprise at the time of the resolution at the controlled enterprise's annual general meeting.*

## **§ 6 Settlement**

- (1) *At the request of an external shareholder of the controlled enterprise, the controlling enterprise undertakes to acquire their shares against a settlement. The settlement is granted according to statutory provisions purely as a cash settlement. The amount is EUR 2.44 per share.*
- (2) *The obligation of the controlling enterprise to acquire the shares has a time limit. The time limit ends two months after publication of the settlement offer by the controlling enterprise, at the earliest, however, two months after the day on which the entry of the existence of this agreement in the commercial register has been announced according to Section 10 HGB. An extension of the time limit according to Section 305 (4) Sentence 3 of the German Stock Corporation Act remains unaffected. To comply with the time limit, timely receipt of the declaration of acceptance at the controlling enterprise is sufficient.*
- (3) *If proceedings are initiated in accordance with Section 1 Number 1 SpruchG and the court legally sets a higher settlement, the shareholders who have already received a settlement can also demand a corresponding supplement to the settlement granted. Equally, all other external shareholders of the controlled enterprise are put on equal footing if the controlling enterprise undertakes to pay a higher settlement to a shareholder of the controlled enterprise in a settlement to avoid or end proceedings in accordance with Section 1 Number 1 SpruchG.*
- (4) *If, during appraisal proceedings, the controlled enterprise's share capital increases from company funds due to the issue of shares, the settlement per share is reduced to such an extent that the overall settlement amount remains unchanged. If, during appraisal proceedings, the controlled enterprise's share capital increases due to contributions in cash or in kind, the rights from this § 6 also apply to the shares subscribed to by external shareholders from the capital increase.*
- (5) *The normal bank charges incurred when transferring the shares of the controlled enterprise shall be reimbursed by the controlling enterprise. Selling the shares is therefore free of charge for the external shareholders.*
- (6) *If this agreement ends due to termination by the controlling enterprise or the controlled enterprise at a time when the time limit determined in § 6(2) of this agreement to accept the settlement according to § 6 (1) of this agreement has already expired, every external shareholder of the controlled enterprise at this time is entitled to sell the shares in the controlled enterprise held by them at the time this agreement is terminated against the settlement per share determined in § 6 (1) of this agreement to the controlling enterprise, and the controlling enterprise is obliged to acquire the shares of every external shareholder at their request. If the settlement per share in the controlled enterprise determined in § 6 (1) of this agreement is increased due to a legal decision in appraisal proceedings or due to a court settlement to avoid or end appraisal*

*proceedings, the controlling enterprise shall acquire the shares of the external shareholders under the conditions specified in Sentence 1 against payment of the settlement per share in the controlled enterprise set in the appraisal proceedings or in the court settlement. If, up to the relevant point in time pursuant to § 6(6), the controlled enterprise's share capital increases from company funds due to the issue of shares, the settlement per share is reduced to such an extent that the overall settlement amount remains unchanged. The right of sale according to this § 6 (6) has a time limit. The time limit ends two months after the day on which the entry of the termination of this agreement in the commercial register has been announced according to Section 10 HGB. § 6 (3) and § 6 (5) of this agreement apply accordingly.*

### **§ 7 Effectiveness**

- (1) This agreement requires the approval of the annual general meetings of the controlled enterprise and of the controlling enterprise.*
- (2) This agreement is concluded with effect as of 1 January 2021. In order to be effective, it needs to be entered in the commercial register at the registered office of the controlled enterprise.*

### **§ 8 Term of the agreement, termination**

- (1) This agreement is concluded for an indefinite period. It can be terminated by each party to the agreement at any time by complying with a notice period of six months. The notice of termination must be made in writing.*
- (2) The right to terminate the agreement for cause without complying with a notice period remains unaffected. Termination for cause is applicable in particular:
  - (a) if the controlling enterprise, as a result of disposal or contribution or for another reason, no longer holds the majority of voting rights at the annual general meeting of the controlled company; or*
  - (b) in case of the conversion, merger, demerger or liquidation of one of the parties.**
- (3) If the agreement ends in the course of a financial year, then the controlling enterprise is only obliged to compensate the pro rata loss incurred by the controlled enterprise up to the time of termination. Instructions pursuant to § 1 of this agreement, which were issued before the termination but have not yet been implemented, are no longer to be followed.*
- (4) If the agreement ends, then the controlling enterprise must provide security to the creditors of the controlled enterprise in accordance with Section 303 of the German Stock Corporation Act.*

## **§ 9 Final provisions**

- (1) *Changes and additions to this agreement must be made in writing to become effective. This applies in particular to this written form clause too. Otherwise, Section 295 of the German Stock Corporation Act applies.*
- (2) *If a provision of this agreement is or becomes ineffective or unfeasible or if the agreement contains a loophole, the validity of the remaining provisions of the agreement shall not be affected by this. In place of the ineffective or unfeasible provision, the parties shall make an appropriate regulation, which, if legally possible, comes closest to what the parties intended or would have intended according to the spirit and purpose of the agreement.*
- (3) *The place of performance for the obligations on both sides and the sole place of jurisdiction is the registered office of the controlled enterprise.'*

The Management Board of msg life AG and of msg systems AG have compiled an extensive, joint report pursuant to Section 293a of the Stock Corporation Act, in which the conclusion of the control agreement is explained and justified in legal and commercial terms in detail. The control agreement as well as the joint report is available together with the other documents to be made available pursuant to Section 293f AktG from the day of the convocation of the annual general meeting onwards on the company website at

<https://www.msg-life.com/ueber-uns/investor-relations/>

The Management Board and Supervisory Board propose to pass the following resolution:

The control agreement between msg systems AG and msg life ag dated 25 September 2020 is approved.

### **6. Resolution on the creation of new authorised capital under the exclusion of the statutory subscription right of the shareholders along with amendment to the articles of incorporation**

The authorised capital 2015/I resolved by the annual general meeting on 25 June 2015 under agenda item 5, governed in Section 5 (4) of the articles of incorporation, expired on 25 June 2020. The intention is therefore to create a new authorised capital 2020/I

against contributions in cash and/or in kind with the option of excluding the subscription right.

The Management Board and Supervisory Board propose to pass the following resolution:

- a) The Management Board is authorised, with the consent of the Supervisory Board, to increase the company's share capital until 9 November 2025 by up to EUR 21,401,226.00 (in words: twenty-one million, four hundred and one thousand, two hundred and twenty-six euros) by issuing up to 21,401,226 new, no-par-value bearer shares against contributions in cash and/or in kind one or more times (authorised capital 2020/I). The new shares must be offered to the shareholders for subscription; they may also be taken on by banks or by a company which operates in accordance with Section 53 (1) sentence 1 or Section 53b (1) sentence 1 or (7) of the German Banking Act (KWG) under the obligation that the shares are offered to the shareholders for subscription. The Management Board is authorised, however, with the consent of the Supervisory Board, to exclude the subscription right of the shareholders in the following cases:
  - aa) in case of capital increases against contributions in cash, if, arithmetically, the share capital attributable to the issued shares does not exceed ten per cent of the share capital either at the time that this authorisation comes into effect or at the time it is exercised (10 % threshold) and the new shares are issued at an issuing price that does not significantly fall below the stock exchange price of the msg life shares at the time the issuing price is finally determined by the Management Board; for the question of using the 10 % threshold, the exclusion of the subscription right in direct or indirect application of Section 186 (3) Sentence 4 of the Stock Corporation Act based on other authorisations is also to be taken into account;
  - bb) in case of capital increases against contributions in kind for the purposes of acquiring companies, parts of companies, investments in companies or outstanding debts against the company; and
  - cc) if this is required for fractional amounts resulting from the subscription ratio.

The Management Board is ultimately authorised, with the consent of the Supervisory Board, to determine the other conditions for issuing the shares including the issuing price as well as the further content of the share rights. The Supervisory Board is authorised to amend the wording of the articles of incorporation after the share capital has been fully or partly increased from the

authorised capital 2020/I according to the extent of the capital increase from the authorised capital 2020/I.

- b) Section 5 (4) of the company's articles of incorporation is reworded as follows:

The Management Board is authorised, with the consent of the Supervisory Board, to increase the company's share capital until 9 November 2025 by up to EUR 21,401,226.00 (in words: twenty-one million, four hundred and one thousand, two hundred and twenty-six euros) by issuing up to 21,401,226 new, no-par-value bearer shares against contributions in cash and/or in kind one or more times (authorised capital 2020/I). The new shares must be offered to the shareholders for subscription; they may also be taken on by banks or by a company which operates in accordance with Section 53 (1) sentence 1 or Section 53b (1) sentence 1 or (7) of the German Banking Act (KWG) under the obligation that the shares are offered to the shareholders for subscription. The Management Board is authorised, however, with the consent of the Supervisory Board, to exclude the subscription right of the shareholders in the following cases:

- aa) in case of capital increases against contributions in cash, if, arithmetically, the share capital attributable to the issued shares does not exceed ten per cent of the share capital either at the time that this authorisation comes into effect or at the time it is exercised (10 % threshold) and the new shares are issued at an issuing price that does not significantly fall below the stock exchange price of the msg life shares at the time the issuing price is finally determined by the Management Board; for the question of using the 10 % threshold, the exclusion of the subscription right in direct or indirect application of Section 186 (3) Sentence 4 of the Stock Corporation Act based on other authorisations is also to be taken into account;
- bb) in case of capital increases against contributions in kind for the purposes of acquiring companies, parts of companies, investments in companies or outstanding debts against the company; and
- cc) if this is required for fractional amounts resulting from the subscription ratio.

The Management Board is ultimately authorised, with the consent of the Supervisory Board, to determine the other conditions for issuing the shares including the issuing price as well as the further content of the share rights. The

Supervisory Board is authorised to amend the wording of the articles of incorporation after the share capital has been fully or partly increased from the authorised capital 2020/I according to the extent of the capital increase from the authorised capital 2020/I.

**7. Resolution on the new wording of Section 16 (3) of the articles of incorporation**

Section 16 (3) of the articles of incorporation contains regulations regarding participation at the annual general meeting and exercising the right to vote. The new wording proposed below is intended to adapt Section 16 (3) of the articles of incorporation to the amendments of the law to implement the second shareholders' rights directive.

The Management Board and Supervisory Board therefore propose to pass the following resolution:

Section 16 (3) of the articles of incorporation is reworded as follows:

'Shareholders who want to take part in the annual general meeting and exercise their right to vote must prove their eligibility. To prove eligibility, separate proof of the share ownership issued in text form by the last intermediary pursuant to Section 67 c (3) of the German Stock Corporation Act is sufficient. The proof must be written in German or English. In the convocation, other languages, in which the proof may be written, are approved. The proof must refer to the beginning of the twenty-first day before the annual general meeting and must be received by the company at the address notified for this in the invitation at least six days before the annual general meeting. The day of the annual general meeting and the day of receipt are not counted in this respect.'

**II.**

**REPORT BY THE MANAGEMENT BOARD REGARDING AGENDA ITEM 6 PURSUANT TO SECTION 203 (2) OF THE STOCK CORPORATION ACT IN CONJUNCTION WITH SECTION 186 (4) SENTENCE 2 OF THE STOCK CORPORATION ACT**

Regarding agenda item 6, the Management Board and Supervisory Board propose creating a new authorised capital. Pursuant to Section 203 (2) Sentence 2 in conjunction with Section 186 (4) Sentence 2 of the Stock Corporation Act about the reasons for the intended authorisations in the proposed new authorised capital to exclude the subscription right of the shareholders when the new shares are issued, the Management Board makes this report.

Exclusion of subscription rights in case of cash capital increases

The Management Board should be authorised, with the consent of the Supervisory Board, to exclude the subscription right of the shareholders in case of a capital increase against contributions in cash, if, arithmetically, the share capital attributable to the issued shares does not exceed ten per cent of the share capital either at the time that this authorisation comes into effect or at the time it is exercised (10 % threshold) and the new shares are issued at an issuing price that does not significantly fall below the stock exchange price of the msg life shares at the time the issuing price is finally determined by the Management Board; for the question of using the 10 % threshold, the exclusion of the subscription right in direct or indirect application of Section 186 (3) Sentence 4 of the Stock Corporation Act based on other authorisations is also to be taken into account. The legal basis for this simplified exclusion of subscription rights is Section 203 (1) and (2) in conjunction with Section 186 (3) Sentence 4 of the Stock Corporation Act. The 10 % threshold must in total, in other words when also being tallied up with any other authorisations leading to a direct or indirect application of Section 186 (3) Sentence 4 of the Stock Corporation Act, not be exceeded. A possible deduction from the relevant stock exchange price will be 5 % of the stock exchange price at the most. This option to exclude the subscription right provided in Section 186 (3) Sentence 4 of the Stock Corporation Act makes it possible for the company to issue the shares in a targeted manner and, by setting a price consistent with the market, to achieve the highest possible disposal amount and thus the greatest possible strengthening of the equity base. Because of the quicker ability to act, it is thereby usually possible to achieve a higher inflow of funds for the benefit of the company than with a subscription rights offering to all shareholders whilst preserving the subscription right of the shareholders. By doing without the time-consuming and costly execution of the subscription right, it is also possible to promptly cover an eventual equity capital requirement from market opportunities arising at short notice.

To comply with the threshold for simplified exclusions of subscription rights of 10 % of the share capital provided in Section 186 (3) Sentence 4 of the Stock Corporation Act, the authorisation to issue new shares under simplified exclusion of subscription rights is limited to shares with a proportional amount of 10 % of the company's share capital. The calculation of the 10 % threshold is ultimately to be made on the basis of the amount of share capital at the time the authorisation is entered in the commercial register and at the time the shares are issued, whichever is the lowest. The proposed resolution also envisages a deduction clause, according to which the authorisation volume is reduced if other authorisations for the simplified exclusion of subscription rights are used from the day of the annual general meeting onwards. In this way it is ensured that the 10 % threshold provided in Section 186 (3) Sentence 4 of the Stock Corporation Act, taking all authorisations with the option of excluding the subscription rights into account, is complied with by applying Section 186 (3) Sentence 4 of the Stock Corporation Act directly, analogously or mutatis mutandis.

The proposed authorisation is in the interest of the company and its shareholders for the reasons mentioned. As the issuing price for the treasury shares to be granted must be based on the stock market price and the authorisation only has a limited scope, the interests of the shareholders are adequately protected.

Exclusion of subscription rights in case of non-cash capital increases

Furthermore, the Management Board should, within the framework of the authorised capital, and with the consent of the Supervisory Board, exclude the subscription right of the shareholders in case of capital increases against contributions in kind for the purposes of granting shares for the purpose of acquiring companies, parts of companies, investments in companies or outstanding debts against the company.

Faced with global competition, msg life ag must be able at any time to act quickly and flexibly in national and international markets in the interest of its shareholders. This also includes the option of acquiring companies, parts of companies or investments in companies to improve its competitive position by granting shares. For instance, it may become necessary in negotiations not to offer money as consideration, but shares instead. The option of being able to offer shares in the company as consideration is particularly necessary in international competition for interesting acquisition targets and creates the necessary leeway to make use of opportunities arising to acquire companies, parts of companies or investments in companies whilst protecting liquidity. Practice shows that the owners of attractive acquisition targets frequently ask for shares in the acquiring company as consideration for a sale, for example for tax reasons or to continue to be involved in the present business. The proposed authorisation is intended to give the company the option of being able to make use of opportunities arising to acquire companies, parts of companies or investments in companies quickly and flexibly both nationally and on international markets. In order to also be able to acquire such acquisition targets, msg life ag must have the option of granting new shares as consideration. The granting of shares can also make sense under the aspect of an optimum financing structure. Because with new shares from authorised capital, it is possible to implement a merger or planned acquisition whilst protecting liquidity.

In addition, outstanding debts against the company should also be able to be acquired by issuing new shares from the authorised capital. When acquiring debts against the company, it may be practical – be it to protect liquidity or because the seller demands it – to grant shares as consideration. By acquiring outstanding debts against the company by granting shares, the financing structure of the company can continue to be shaped advantageously.

The company does not suffer any disadvantage from this. Because the issue of shares against non-cash payment requires that the value of the non-cash payment is in proportion to the value of the shares. The Management Board shall ensure when determining the value ratio that the interests of the company and those of its shareholders are adequately safeguarded and that an appropriate issue price for the new shares is achieved.

Exclusion of subscription rights in case of fractional amounts

The Management Board should, within the framework of the authorised capital, and with the consent of the Supervisory Board, be authorised to exclude the subscription right, if this is required for fractional amounts resulting from the subscription ratio. The exclusion of the

subscription right for fractional amounts is necessary in order to be able to present a technically feasible subscription ratio. The fractional shares excluded from the subscription rights of the shareholders shall be realised in the best possible way for the company. The possible dilution effect is low due to the restriction of the fractional amounts. For these reasons, the Management Board and Supervisory Board believe the possible exclusion of the subscription rights is objectively justified and reasonable from the viewpoint of the shareholders.

#### Utilisation of the authorised capital

There are currently no plans for a utilisation of the authorised capital. The Management Board shall carefully check in each individual case whether it will make use of the authorisation to increase capital under exclusion of the shareholders' subscription rights. It will only do this if, according to the estimation of the Management Board and the Supervisory Board, it is in the interest of the company and hence its shareholders.

The Management Board shall report to the annual general meeting about any utilisation of the authorised capital.

### III.

#### **FURTHER INFORMATION ABOUT THE CONVOCATION**

##### **1. Company website and documents and information available there**

This invitation to the annual general meeting as well as further information in connection with the annual general meeting are available from the convocation of the annual general meeting and also during the annual general meeting on the Internet at

<https://www.msg-life.com/ueber-uns/investor-relations/>

. Any counterproposals, nominations and requests for amendments by shareholders that are received by the Company will also be made available via the above website.

The AGM portal can also be reached via this website, via which the shareholders who have properly provided proof of their eligibility (the 'Eligible Shareholders') can, among other things, exercise their right to vote before and during the annual general meeting and follow the entire annual general meeting live in sound and vision.

##### **2. Holding of the annual general meeting as a virtual annual general meeting without the physical presence of the shareholders or their authorised representatives, transmission in sound and vision**

In view of the persisting COVID-19 pandemic, the Management Board has decided, with the consent of the Supervisory Board, to hold the annual general meeting as a virtual annual general meeting based on the COVID-19 Act, without the physical presence of the shareholders or their authorised representatives with the option of following the virtual annual general meeting and exercising voting rights by way of electronic communication (postal votes).

The Eligible Shareholders or their authorised representatives shall exercise their voting rights by way of electronic communication (postal voting) via the company's AGM portal or by issuing a proxy to the proxy holders nominated by the company.

Eligible Shareholders and their authorised representatives can therefore not take part physically at the annual general meeting.

You can connect to the entire annual general meeting on **Tuesday, 10 November 2020, from 10.00 a.m. (CET)** by sound and vision transmission via the AGM portal, which can be reached via the company website at <https://www.msg-life.com/ueber-uns/investor-relations/>. The option for shareholders to take part in the annual general meeting also without being present at its location and without an authorised representative and to exercise all or some of their rights fully or partly by way of electronic communication pursuant to Section 118 (1) Sentence 2 of the Stock Corporation Act is not provided; in particular, the sound and vision transmission does not enable any participation in the annual general meeting according to Section 118 (1) Sentence 2 AktG.

### **3. Web-based AGM portal and annual general meeting hotline**

The company will host a web-based AGM portal on the Internet at <https://www.msg-life.com/ueber-uns/investor-relations/> from 20 October 2020 onwards. Via this portal, the Eligible Shareholders and their authorised representatives will be able, among other things, to exercise their right to vote, award proxies, submit questions or enter objections on the record. In order to be able to use the AGM portal, the Eligible Shareholders must log on with their individual login data, which the Eligible Shareholders are given with the voting card. The various options for exercising the shareholders' rights then appear in the form of buttons and menus on the user interface of the AGM portal.

The Eligible Shareholders will get further details about the AGM portal and the terms of use together with their voting card or on the Internet at <https://www.msg-life.com/ueber-uns/investor-relations/>.

Please also take note of the technical information at the end of this invitation notice.

If you have any questions about the virtual annual general meeting and about using the AGM portal, our annual general meeting hotline staff are at your disposal Monday to

Friday – excluding public holidays – from 9:00 a.m. to 5:00 p.m.(CEST/CET) on +49 89 21027-220.

#### **4. Exercising the shareholders' rights at the virtual annual general meeting**

Shareholders who want to exercise shareholders' rights and use the AGM portal as part of the virtual annual general meeting must prove their eligibility. To prove eligibility, separate proof of the share ownership issued in text form by the custodian credit institution ('proof') is sufficient. The proof must be written in German or English.

The proof must refer to the beginning of the twenty-first day before the annual general meeting, in other words to Tuesday, **20 October 2020, 00:00 (CEST)** ('recording date'). Eligibility in the above sense is assessed solely by the shareholder's share ownership on the recording date.

The proof must be received by the company at the latest by Tuesday, **3 November 2020, 24:00 (CET)**, at the following address:

msg life ag  
c/o Link Market Services GmbH  
Landshuter Allee 10  
80637 Munich

or by email: [inhaberaktien@linkmarketservices.de](mailto:inhaberaktien@linkmarketservices.de)

After fulfilling the above requirements, the Eligible Shareholders or their authorised representatives will be sent voting cards for the virtual annual general meeting with their personal login data to use the AGM portal. The voting cards are not a prerequisite for exercising shareholders' rights, but simply an organisational aid.

#### **5. Exercising the right to vote by (electronic) postal voting**

The Eligible Shareholders or their authorised representatives can submit their votes by way of electronic communication, without taking part at the annual general meeting (postal voting). Postal votes (as well as changes to them or revocation if nec.) can only be transmitted to the company via the AGM portal, which can be reached via the company website at <https://www.msg-life.com/ueber-uns/investor-relations/>, and must be received by the company via this means at the latest immediately before the start of the votes in the virtual annual general meeting on Tuesday, 10 November 2020.

Voting and instructions are only possible in relation to those applications and nominations that were published with this convocation or in connection with Section 122 (2) of the Stock Corporation Act or Sections 126, 127 thereof.

The electronic postal voting is possible via the AGM portal from 20 October 2020 onwards and up to immediately before the start of the votes on the day of the annual general meeting.

It is pointed out that other means of transmission for postal voting are not available, in particular postal votes cannot be sent by post.

Further information about electronic postal voting is included on the voting card, which is sent to the Eligible Shareholders. Corresponding information and a more detailed description of the electronic postal voting process can also be viewed via the AGM portal on the Internet at <https://www.msg-life.com/ueber-uns/investor-relations/>.

## **6. Exercising voting rights through authorised representatives**

Eligible Shareholders who are not able or do not wish to exercise their voting and other shareholders' rights themselves can allow their voting and other shareholders' rights to be exercised by an authorised representative, or by a group of shareholders, by issuing the appropriate proxy.

Due to the annual general meeting being held as a virtual annual general meeting according to the COVID-19 Act, authorised representatives are also not able to take part at the annual general meeting, either physically or by way of electronic communication according to Section 118 (1) Sentence 2 AktG. They can exercise the right to vote for shareholders represented by them also only by way of electronic communication by means of postal voting or by issuing a (sub-) proxy and instructions to the proxy holders nominated by the company. The exercising of rights by an authorised representative by way of electronic communication using postal voting via the AGM portal requires that the authorised representative is given the personal login data sent with the voting card by the principal.

- a) The issue of the proxy, its revocation and the proof of authorisation towards the company require the text form if neither an intermediary nor a shareholder association nor a voting rights advisor or a person equivalent to these according to Section 135 (8) AktG is authorised to exercise the right to vote.

A form, which may but does not have to be made use of when issuing a proxy, can be found on the back of the voting card and will be sent to any shareholder without delay and free of charge on request. The request is to be addressed to:

msg life ag  
c/o Link Market Services GmbH  
Landshuter Allee 10

80637 Munich

or by email: inhaberaktien@linkmarketservices.de

A form, which may but does not have to be made use of when issuing a proxy, can also be downloaded from the Internet at <https://www.msg-life.com/ueber-uns/investor-relations/>. The same applies to the form for revoking the proxy.

The issue of the proxy, its revocation and the proof of authorisation towards the company can be sent by post or by email at the latest by Monday, 9 November 2020, 12:00 p.m. (CET) (receipt) to the address specified above in this section a).

The proof of an authorisation issued in this way can also be provided by sending the proof (e.g. copy or scan of the proxy) to the email address specified above.

If a shareholder authorises more than one person, the company can reject one or more of these.

- b) If an intermediary, a shareholder association or a voting rights advisor or a person equivalent to these according to Section 135 (8) AktG is intended to be authorised, the proxy does not require – as an exception to the principle outlined above in a) – a particular form, either according to the law or according to the company's articles of incorporation. We should point out, however, that in these cases the aforementioned institutions or persons, who are intended to be authorised, possibly require a particular form of the proxy because they must demonstrate that they hold the proxy in accordance with Section 135 (1) of the Stock Corporation Act. Eligible Shareholders, who would like to authorise such an institution or person, should therefore agree on a possible form requirement for the proxy with the latter. A breach of the requirements specified in this section b) and certain others specified in Section 135 of the Stock Corporation Act for the authorisation of one of the aforementioned institutions or persons does not impair the effectiveness of the voting pursuant to Section 135 (7) AktG, however.
- c) In addition we provide the opportunity for the Eligible Shareholders to be represented during the votes by the proxy holders nominated by the company, who are bound by the instructions given. To do so, the proxy holders bound by instructions must be issued a proxy and instructions to exercise the right to vote. The proxy holders bound by instructions exercise the right to vote solely on the basis of the instructions issued by the shareholder. Without issuing instructions, the proxy holders bound by instructions are not eligible to cast votes for a shareholder.

The issue of the proxy to the proxy holders nominated by the company, its revocation and the proof of authorisation towards the company require the text

form. The Eligible Shareholders who want to issue a proxy along with instructions to the proxy holders bound by instructions nominated by the company, may – but do not have to – use the form that they receive together with the voting card alongside other information to issue the proxy and instructions or may ask the company for a form free of charge using the following address:

msg life ag  
c/o Link Market Services GmbH  
Landshuter Allee 10  
80637 Munich

or by email: [inhaberaktien@linkmarketservices.de](mailto:inhaberaktien@linkmarketservices.de)

The Eligible Shareholders also have the option, for authorising the proxy holders bound by instructions and for issuing the instructions, to use the corresponding form that can be downloaded from the company website at <https://www.msg-life.com/ueber-uns/investor-relations/>. A form, which may – but does not have to – be used for the revocation of a proxy already issued to the proxy holders bound by instructions, can also be downloaded on the Internet at <https://www.msg-life.com/ueber-uns/investor-relations/>.

The proxy together with instructions must be sent – as long as the proxy and instructions are not issued during the virtual annual general meeting by using the AGM portal – by Monday, **9 November 2020, 12:00 p.m (CET)** (received), by post or email to the address specified above in this section c).

The issue of the proxy together with instructions to the proxy holders nominated by the company (as well as any change or the revocation of proxies and instructions issued) can also be sent at the latest by the start of the voting at the virtual annual general meeting) on Tuesday, 10 November 2020, via the AGM portal, which can be reached on the Internet at <https://www.msg-life.com/ueber-uns/investor-relations/>.

The option of exercising the shareholders' rights through an authorised representative by way of electronic connection via the AGM portal requires that the authorised representative is given the login data sent with the voting card by the principal.

It is possible to exercise the right to vote via the AGM portal from 20 October 2020 onwards. You can also use the AGM portal to change or revoke a proxy or instruction previously issued during the annual general meeting up to the start of voting.

A vote and instruction is only possible in relation to those applications and nominations that were published with this convocation or in connection with Section 122 (2) of the Stock Corporation Act or Sections 126, 127 thereof.

Representation by the proxy holders nominated by the company is restricted to exercising the voting right bound by instructions when voting on the items on the agenda; the proxy holders nominated by the company do not accept instructions to exercise other shareholders' rights, in particular to make applications or ask questions or to state objections.

- d) When issuing a proxy, it is also necessary to send the proof on time according to the above provisions.

**7. Rights of the shareholders according to Sections 122 (2), 126 (1), 127 of the Stock Corporation Act and opportunity for the shareholders to ask questions pursuant to Section 1 (2) Sentence 1 No. 3 of the COVID-19 Act**

- a) Agenda amendment requests

Pursuant to Section 122 (2) of the Stock Corporation Act, shareholders in the company, whose shares together reach the pro rata amount of EUR 500,000 of the company's share capital, which equates to 500,000 no-par-value shares, may request that matters are put on the agenda and announced. Each new matter must be accompanied by a reason or a draft resolution. The request is to be sent to the Management Board in writing along with the proof of the share ownership period and must be received by the company at the latest on Friday, **16 October 2020, 24:00 (CEST)**. Please send corresponding requests to the following address:

msg life ag  
Management Board  
c/o Link Market Services GmbH  
Landshuter Allee 10  
80687 Munich

- b) Counterproposals and nominations

Counterproposals with justification against a proposal by the Management Board and/or Supervisory Board about a particular item on the agenda and nominations by shareholders for the election of members of the Supervisory Board and/or auditors, if such elections are on the agenda, are to be solely addressed to:

msg life ag  
c/o Link Market Services GmbH

Landshuter Allee 10

80637 Munich

or by email:

antraege@linkmarketservices.de

Counterproposals and nominations to be made accessible and received at the above address with proof of shareholder capacity at the latest on Monday, **26 October 2020, 24:00 (CET)**, shall be made accessible to the other shareholders on the Internet at <https://www.msg-life.com/ueber-uns/investor-relations/>. Any statements by the administration shall also be made accessible after 26 October 2020 at the specified web address.

A counterproposal or nomination to be made accessible according to Sections 126, 127 AktG shall be considered to be made within the framework of the virtual annual general meeting, if the applicant shareholder has properly provided proof of their eligibility.

- c) Opportunity to ask questions pursuant to Section 1 (2) Sentence 1 No. 3 of the COVID-19 Act

According to Section 1 (2) of the COVID-19 Act, the shareholders only have the option of asking questions by way of electronic communication (Section 1 (2) Sentence 1 No. 3 of the COVID-19 Act). The Management Board can also stipulate that questions must be submitted at the latest two days before the annual general meeting. The company's Management Board has made use of this with the consent of the Supervisory Board.

Questions from Eligible Shareholders and their authorised representatives can be submitted at the latest by Sunday, **8 November 2020, 24:00 (CET)** (time of receipt), only by way of electronic communication via the AGM portal that can be reached on the Internet at <https://www.msg-life.com/ueber-uns/investor-relations/>. Questions submitted by other channels or later shall not be considered. No questions can be asked during the virtual annual general meeting.

The questions shall be answered by the Management Board at the annual general meeting. The Management Board shall decide at its reasonable discretion, which questions it answers and how. The Management Board is not obliged to answer all questions; instead it can combine questions and select individual questions in the interest of the other shareholders. In this respect, it may give preference to shareholder associations and institutional investors with significant voting shares.

As a matter of principle, it is planned to name the person asking the question as part of the answering process, as long as the person has not expressly objected to being named.

## **8. Stating objections on the record**

Eligible Shareholders, who have exercised their right to vote, and their authorised representatives may state an objection to the resolutions of the annual general meeting on the record made by the notary up to the end of the virtual annual general meeting (Section 1 (2) Sentence 1 No. 4 of the COVID-19 Act). The objection can only be stated by electronic means via the AGM portal on the Internet at <https://www.msg-life.com/ueber-uns/investor-relations/> from the start of the virtual annual general meeting until it is closed by the chair of the meeting. Any other form of transmitting objections is excluded.

## **9. Total number of shares and voting rights at the time of convocation of the annual general meeting**

At the time of convocation of the annual general meeting, the company's share capital is divided into 42,802,453 individual no-par-value bearer shares, of which each share allows one vote. The total number of voting rights thus comes to 42,802,453 voting rights.

## **10. Information regarding data protection**

When shareholders send the proof to the company or issue a proxy, msg life ag collects personal data on shareholders and/or on their authorised representatives. This is done to enable shareholders to exercise their rights as part of the annual general meeting.

msg life ag processes the data as the controller with due regard to the provisions of the EU General Data Protection Regulation (GDPR) as well as to all other relevant laws. Details about handling personal data and about the rights pursuant to GDPR are available on the Internet at <https://www.msg-life.com/ueber-uns/investor-relations/>.

## **11. Technical information about the virtual annual general meeting**

For access to the company's AGM portal, the voting card is necessary, which is sent to the Eligible Shareholders without being requested. The individual login data can be found on this voting card, with which the Eligible Shareholders or their authorised representatives can log on in the AGM portal.

To prevent the risk of restrictions when exercising shareholders' rights caused by technical problems during the virtual annual general meeting, it is recommended – where possible – to exercise the shareholders' rights (particularly the right to vote) before the annual general meeting starts. The AGM portal will be available for exercising the right to vote from 20 October 2020 onwards.

To follow the virtual annual general meeting and to use the AGM portal and exercise shareholders' rights, an Internet connection and a web-enabled device will be needed. In order to optimally reproduce the sound and vision transmission of the annual general meeting, a stable Internet connection with an adequate transmission speed is recommended.

If Eligible Shareholders or their authorised representatives use a computer to receive the sound and vision transmission of the virtual annual general meeting, they will need a browser and loudspeakers or headphones.

## **12. Information about the availability of the sound and vision transmission**

The Eligible Shareholders or their authorised representatives can follow the entire annual general meeting by sound and vision transmission on the Internet via the AGM portal. The sound and vision transmission of the virtual annual general meeting and the availability of the AGM portal may be subject to fluctuations by current technological standards due to limitations of the availability of the telecommunications network and the limitation of Internet services from third-party providers, over which the company has no influence. The company is therefore unable to give any guarantee or assume liability for the functionality and constant availability of the Internet services used, of the third-party network elements used, of the sound and vision transmission as well as the access to the AGM portal and its general availability. The company also takes no responsibility for errors and defects in the hardware and software used for the AGM portal including those of the service providers used, unless there is deliberate intent. For this reason, the company recommends making early use of the above-mentioned options to exercise rights, in particular to exercise the right to vote. If data protection or security considerations make it absolutely essential, the chair of the meeting must reserve the right to interrupt the virtual annual general meeting or to discontinue it completely.

**Leinfelden-Echterdingen, September 2020**

**msg life ag**

**- The Management Board -**