

Report of the Supervisory Board 2019

Dear Shareholders,

The Supervisory Board diligently performed the duties incumbent on it according to the law, articles of association and rules of procedure in the 2019 financial year and monitored the activities of the Management Board of msg life ag in managing the company, guiding it in an advisory capacity. The Supervisory Board compared the company's actual business performance against its targets at the individual meetings and scrutinised the operational and strategic performance of msg life ag in detail. The reasons behind any divergences and their possible knock-on effects on the company's short-, medium- and long-term plans were also discussed.

In its meetings, the Supervisory Board discussed decisions requiring its consent as well as the current indicators of the earnings, financial and assets position of the msg life Group. Additionally, the Management Board reported to the Supervisory Board on other important projects including, for example, the current sales and project situations in the individual divisions, the general development of the national and international market climates, short- and longer-term corporate strategy as well as potential cooperative ventures.

COOPERATION BETWEEN THE SUPERVISORY BOARD AND MANAGEMENT BOARD

All significant matters of relevance to the company were reported to the Supervisory Board promptly and comprehensively. The Management Board also informed the Supervisory Board of any events of particular note during periods between meetings.

To prepare for the decisions, the members of the Supervisory Board were provided with detailed reports by the Management Board in advance. In these reports, the Management Board notified the Supervisory Board of the main financial figures on a monthly basis. Deviations from plans were explained in detail by the Management Board.

Additionally, the Chairman of the Supervisory Board was in frequent contact with the Management Board – especially the Chairman of the Management Board – and inquired about current business developments and significant transactions.

ACTIVITIES OF THE SUPERVISORY BOARD IN THE 2019 FINANCIAL YEAR

The Supervisory Board convened a total of five times during the 2019 financial year. All members of the Supervisory Board were present at every meeting and for every resolution; one member was only absent from the meeting held on 11 April 2019. In preparation for each meeting, the Management Board sent the Supervisory Board detailed reports in advance. In performing its functions and work, the Supervisory Board drew on the written and verbal information provided by the members of the Management Board; written and verbal information was also provided by the auditor with regard to the audit of the annual financial statements and consolidated financial statements.

In the Supervisory Board meeting on 7 February 2019, the Management Board and the Supervisory Board discussed the report of the Management Board on the business situation in the individual business segments, key sales projects and the progress of the work on the annual financial statements. Other subjects included the current status of product development and the status of the special audit. Furthermore, the Supervisory Board discussed and agreed upon the long-term objectives of the Management Board and provided advice on potential partnerships in the international environment.

On 11 April 2019, the Supervisory Board held an in-depth discussion on the annual financial statements and consolidated financial statements and on the condensed management report and Group management report for the 2018 financial year. After consulting the auditor and the Management Board extensively, the Supervisory Board adopted the annual financial statements for the 2018 financial year and approved the consolidated financial statements. Furthermore, the Supervisory Board examined the report on relationships with affiliated companies on the basis of the audit report prepared for that purpose and, in light of the outcome of its examination, did not raise any objections to the declaration of the Management Board at the end of the

report. Likewise, the resolutions proposed by the Supervisory Board for the 2019 annual general meeting were discussed and approved. Besides ongoing business developments, other subjects included the multi-year budget of msg life and the current status of the special audit.

A Supervisory Board meeting was held after the annual general meeting of 26 June 2019. In the meeting, the Management Board reported to the Supervisory Board on the current business situation as well as ongoing external and internal project plans in the msg life Group. New departmental responsibilities were also discussed and adopted.

In the Supervisory Board meeting on 12 September 2019, the Management Board and Supervisory Board discussed the current economic development of the group, the status of central sales projects and the status of the introductory projects for customers. They also discussed the technological and technical development of msg.Insurance Suite Life and the coordination of its marketing within the msg Group.

The Supervisory Board discussed issues including the current business situation and the strategy for the US market on 13 December 2018. Additionally, the targets for 2020 were discussed and adopted and the annual reports on compliance, risk management, data protection and internal auditing at msg life were presented.

AUDIT OF THE 2019 FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

The annual general meeting held on 26 June 2019 appointed Baker Tilly GmbH & Co. KG Wirtschaftsprüfungsgesellschaft in Düsseldorf as auditor of the annual financial statements and consolidated annual financial statements for the 2019 financial year.

The auditor audited the 2019 financial statements and consolidated financial statements as well as the condensed management report and Group management report and granted an unqualified audit certificate. The 2019 annual financial statements and consolidated financial statements, the condensed management report and Group management report and the audit reports of the auditor were made available to every member of the Supervisory Board in good time prior to the Supervisory Board meeting on 27 April 2020. In this meeting, the Supervisory Board addressed the annual financial statements and consolidated financial statements as well as the condensed management report and Group management report for the 2019 financial year and discussed the drafts with the auditor and the Management Board. The auditor reported on the key outcomes of the audit in the process.

The Supervisory Board examined the annual financial statements, consolidated financial statements, condensed management report and Group management report in depth. There were no objections. In its meeting on 27 April 2020, the Supervisory Board adopted the annual financial statements and consolidated financial statements prepared by the Management Board. Consequently, the annual financial statements were adopted in accordance with section 172 of the AktG.

With regard to the stake held by msg systems ag, Ismaning, in msg life ag, the Management Board submitted to the Supervisory Board the report on relationships with affiliated companies for the 2019 financial year in accordance with section 312 of the AktG and the audit report on this subject prepared by Baker Tilly GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, Düsseldorf, as the auditor in accordance with section 313 of the AktG. As no objections were raised in the course of the audit, the auditor issued this audit opinion:

‘Following our mandatory audit and evaluation, we hereby confirm that

1. the actual information in the report is correct;
2. the company’s payments in connection with the legal transactions mentioned in the report were not unreasonably high;
3. no circumstances in connection with the measures described in the report would justify a significantly different assessment than that of the Management Board.’

In its meeting on 27 April 2020, the Supervisory Board examined the report on relationships with affiliated companies on the basis of the audit report prepared for that purpose. In this meeting, the Supervisory Board discussed the report on relationships with affiliated companies in detail with the auditor. The auditor reported on the key outcomes of the audit. The Supervisory Board subjected the report on relationships with affiliated companies to an in-depth inspection in terms of its completeness and accuracy. The Supervisory Board accepted the results of the audit of the report on relationships with affiliated companies. Having concluded its final examination, the Supervisory Board had no objections regarding the Management Board's statement at the end of the report on relationships with affiliated companies.

CHANGES TO THE SUPERVISORY BOARD AND MANAGEMENT BOARD

There were no changes to the composition of the Supervisory Board during the period under review.

The Supervisory Board and the member of the Management Board Mr Bernhard Achter signed a dissolution agreement which came into effect at the end of business on 30 June 2019. Furthermore, the Supervisory Board appointed Mr Milenko Radic to the Management Board of the company with effect from 1 July 2019 until the end of business on 31 December 2023.

The Supervisory Board wishes to thank the members of the Management Board who served in the reporting period for their dedication and reliability. The Supervisory Board would also like to thank all of the staff of the msg life Group for their great personal commitment and outstanding work in the 2019 financial year.

Leinfelden-Echterdingen, 27 April 2020

For the Supervisory Board



DR CHRISTIAN HOFER

Chairman of the Supervisory Board