



Hannover Rück SE

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

€ 500,000,000 Undated Subordinated Fixed to Floating Rate Callable Bonds

ISIN XS1109836038, Common Code 110983603, WKN A13R6M

Issue price: 99.238 per cent.

Hannover Rück SE (the "**Issuer**") will issue on or about 15 September 2014 (the "**Issue Date**") € 500,000,000 Undated Subordinated Fixed to Floating Rate Callable Bonds (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 15 September 2014 to but excluding 26 June 2025 (the "**First Call Date**") at a rate of 3.375 per cent. per annum, scheduled to be paid annually in arrear on 26 June in each year, commencing on 26 June 2015. Thereafter, unless previously redeemed, the Bonds will bear interest at a rate of 3.25 per cent. per annum above the three months EURIBOR being the Euro-zone inter-bank offered rate for three-month Euro deposits, scheduled to be paid quarterly in arrear on 26 March, 26 June, 26 September and 26 December in each year (each a "**Floating Interest Payment Date**"), commencing on 26 September 2025.

Under certain circumstances described in § 4(3) 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 have no scheduled maturity date. The Bonds may be redeemed at par plus any interest accrued and unpaid and any outstanding Arrears of Interest (as defined in the Terms and Conditions) on the First Call Date or on any Floating Interest Payment Date thereafter, provided that on such date the Conditions to Redemption (as defined in the Terms and Conditions) are fulfilled. Under certain circumstances described in § 5(3) and § 5(4) of the Terms and Conditions, the Bonds may be subject to early redemption.

The Bonds will initially be represented by a temporary global bearer bond (the "**Temporary Global Bond**") which will be delivered on or prior to the Issue Date to a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**"). The Temporary Global Bond will be exchangeable for interests recorded in the records of Euroclear and Clearstream, Luxembourg in a permanent global bearer bond (the "**Permanent Global Bond**") not earlier than 40 days after the Issue Date, upon certification as to non-U.S. beneficial ownership.

This prospectus in respect of the Bonds (the "**Prospectus**") constitutes a prospectus within the meaning of Article 5.3 of Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 (as amended, *inter alia*, by Directive 2010/73/EU) (the "**Prospectus Directive**"). 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).

This Prospectus has been approved by the *Commission de Surveillance du Secteur Financier*, Luxembourg ("**CSSF**") in its capacity as competent authority under the Luxembourg Act dated 10 July 2005 relating to prospectuses for securities (*Loi du 10 juillet 2005 relative aux prospectus pour valeurs mobilières*, the "**Luxembourg Prospectus Law**"). By approving this Prospectus, the CSSF gives no undertaking as to the economic and financial opportuneness of the transaction and the quality or solvency of the Issuer in line with the provisions of article 7 (7) of the Luxembourg Prospectus Law. The Issuer may request CSSF to provide competent authorities in other host Member States within the European Economic Area with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Luxembourg Prospectus Law.

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 "Bourse de Luxembourg", appearing on the list of regulated markets issued by the European Commission. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments.

Sole Structuring Adviser

Commerzbank

Joint Lead Managers

Barclays

Citigroup

Commerzbank

Crédit Agricole CIB

Co-Lead Managers

BayernLB

DZ BANK AG

RESPONSIBILITY STATEMENT

The Issuer with its registered office in Germany accepts responsibility for the information contained in this Prospectus and hereby declares that, having taken all reasonable care to ensure that such is the case, 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 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 Barclays Bank PLC, Citigroup Global Markets Limited, Commerzbank Aktiengesellschaft and Crédit Agricole Corporate and Investment Bank (together, the "**Joint Lead Managers**") and BAYERISCHE LANDESBANK and DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main (each a "**Co-Lead Manager**" and together with the Joint Lead Managers, the "**Managers**").

This Prospectus should be read in conjunction with all documents incorporated herein by reference.

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 "*General Information on the Issuer and the Hannover Re Group – Business Overview*" and "*General Information on the Issuer and the Hannover Re Group – Recent Developments since 30 June 2014*" 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 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 Hannover Re Group, to be materially different from or worse than those expressed or implied by these forward-looking statements. The Issuer does not assume any obligation to update such forward-looking statements and to adapt them to future events or developments.

Such deviations may arise due to, without limitation, (i) changes of the general economic conditions and competitive situation, particularly in the Hannover Re Group's core business and core markets, (ii) performance of financial markets (particularly market volatility, liquidity and credit events), (iii) frequency and severity of insured loss events, including from natural catastrophes, and the development of loss expenses, (iv) mortality and morbidity levels and trends, (v) persistency levels, (vi) particularly in the banking business, the extent of credit defaults, (vii) interest rate levels, (viii) currency exchange rates including the Euro/U.S. Dollar exchange rate, (ix) changes in laws and regulations, including tax regulations, (x) the impact of acquisitions, including related integration

issues, and reorganization measures, and (xi) general competitive factors, in each case on a local, regional, national and/or global basis. Many of these factors may be more likely to occur, or more pronounced, as a result of terrorist activities and their consequences.

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 of its Issue 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, neither any Manager nor any of its respective affiliates accepts responsibility for the accuracy and completeness of the information contained in this Prospectus or any other document incorporated by reference. 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 applicable in the United States of America and the United Kingdom, see "Subscription and Sale of the Bonds – Selling Restrictions". In particular, the Bonds have not been and will not be registered under the United States Securities Act of 1933 (the "**Securities Act**"), as amended, 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 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.

IN CONNECTION WITH THE ISSUE OF THE BONDS, COMMERZBANK AKTIENGESELLSCHAFT (THE "**STABILISING MANAGER**") (OR ANY PERSON ACTING ON BEHALF OF THE 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, THERE IS NO ASSURANCE THAT THE STABILISING MANAGER (OR ANY PERSON ACTING ON BEHALF OF THE STABILISING MANAGER) WILL UNDERTAKE STABILISATION ACTION. 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 BE ENDED 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.

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RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Bonds. Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with the Bonds are also described below. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood or the extent of any such contingency occurring. Additional risks not currently known to the Issuer or the Hannover Re Group that are now immaterial may result in material risks in the future.

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 reasons than those described below, and the Issuer does not represent that the statements below are exhaustive. Prospective investors should also 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 "Terms and Conditions of the Bonds" below shall have the same meanings in this section.

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:

Hannover Re Group's Business related risks

Business relations with primary insurers

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. These circumstances include, in particular, the risk that insurers may write less business – as a result of which a smaller volume is also reinsured –, the risk that insurers may write business, the quality of which is incorrectly assessed by the Hannover Re Group as more favourable than it actually is, and the risk that the credit status of insurers may develop worse than the Hannover Re Group had anticipated at the time when the reinsurance treaties in question were written. The materialisation of each of these individual circumstances could detrimentally affect the assets, financial position and net income of the Hannover Re Group.

Business relations with retrocessionaires and counterparty risks

The Hannover Re Group systematically uses retrocessions and protection covers to smooth results and optimise its net income; in this context it attaches considerable importance to the quality and credit status of its retrocessionaires. The assets, financial position and net income of the Hannover Re Group could therefore be adversely affected if the market conditions for retrocession deteriorate to the detriment of reinsurers in the future, if certain protection covers – especially catastrophe excess of loss covers – are no longer available or if individual retrocessionaires should become unable or unwilling to pay.

The Hannover Re Group has monetary and securities claims under numerous transactions against retrocessionaires, ceding companies, brokers and other debtors. An economic downturn, negative developments of capital markets, a decline in real estate values and several other comparable influencing factors may lead to an increased default by debtors (counterparty risk). This increased default would mean that value adjustments above and beyond the extent already covered by provisions would have to be made on assets of the Hannover Re Group; this could have a detrimental effect on the assets, financial position and net income of the Hannover Re Group.

Risks from insurance contracts

The business conducted by the Hannover Re Group is founded on the deliberate assumption of risks through the conclusion of insurance and reinsurance contracts. The Hannover Re Group constantly assesses and monitors these risks and reviews their probability of occurrence. This also includes ongoing monitoring of legal, demographic, macroeconomic and environmental developments being outside the influence of the Hannover Re Group. As a general principle, the Hannover Re Group concludes insurance contracts only if the premiums (including the investment income generated from these premiums) are sufficient in view of the underlying risk and it establishes actuarially determined provisions for the occurrence of claims. If the premiums calculated upon contract closing do not suffice to fund the resulting losses, if the premium calculations are based on inaccurate assumptions, if the companies belonging to the Hannover Re Group fail to (fully) identify or correctly evaluate developments, if unexpected developments occur on the claims side or if retrocessionaires with which the Hannover Re Group has, for its part, reinsured risks default on payment, this could detrimentally affect the assets, financial position and net income of the Hannover Re Group.

Cyclical business

Non-life reinsurance is essentially a cyclical business. The same is true to a lesser extent of life reinsurance. This means that the business volume of the Hannover Re Group does not develop in a linear manner. In past years the volume of reinsurance business has therefore been subject to considerable fluctuations, which can be attributed to a broad range of factors. These factors, which cannot always be foreseen and/or influenced, include inter alia competition among reinsurers, the frequency and scale of catastrophic events, the availability of reinsurance capacities, the volatility of capital markets and the general economic conditions. Furthermore, these factors have also brought about changes in treaty conditions and hence profit margins in the past. A slowdown or decline in the business development could detrimentally affect the assets, financial position or net income of the Hannover Re Group.

Loss of a number of key clients

At the moment, the Hannover Re Group is not materially dependent on one single client. If however the Hannover Re Group would lose a number of its key clients, it could have a detrimental effect on the assets, financial position and net income of the Hannover Re Group.

Competition

The competitiveness of the Hannover Re Group is influenced by numerous factors. They include, inter alia, the Hannover Re Group's financial strength, rating, experience, local presence and reputation, the quality of its client relationships, the type, scope and conditions of its offered products and services, the efficiency of its receivables management as well as its ability to respond appropriately to changing customer requirements and the behaviour of its competitors. The Hannover Re Group constantly monitors changing customer requirements and the behaviour of its competitors, and it adjusts its range of products and services accordingly. Should, however, the Hannover Re Group be unable to respond appropriately to new developments, this could detrimentally affect the assets, financial position and net income of the Hannover Re Group.

Information by ceding companies

The Hannover Re Group systematically covers risk underwritten by primary insurers and reinsurers. In deciding on whether such reinsurance or retrocession agreements are entered into and which technical provisions are to be provided 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 claims against the ceding company it cannot be assured that these claims are fully valuable and enforceable. This could detrimentally affect the Hannover Re Group's assets, financial position and net income.

Proposals for the future accounting of insurance contracts under International Financial Reporting Standards (IFRS)

Currently, the Hannover Re Group accounts for insurance contracts in its consolidated financial statements in accordance with US GAAP because the IFRS governing the accounting of insurance contracts (IFRS 4) does not provide any measurement guidance for these contracts. In consequence, IFRS 4 allows maintaining

previously applied accounting principles until a comprehensive IFRS on insurance accounting will be in place. Currently, the Hannover Re Group expects a final IFRS for insurance contracts to be published by the International Accounting Standards Board in 2017 at the earliest. It is expected that this new standard will have to be first-time adopted by 2018 at the earliest providing comprehensive information for 2017. Based on present information, the introduction of the new standard may lead to substantial changes in the existing recognition and measurement methods for insurance contracts as well as in the current IT environments and work processes. Moreover, the envisaged changes in accounting may affect products and prices in direct insurance and reinsurance. Furthermore, the proposals may lead to a substantially higher volatility of the consolidated results, which may cause higher capital costs and pressure on share prices.

Technical Provisions

The Hannover Re Group 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. 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. In the insurance and reinsurance market this was demonstrated in the past, for example, by claims connected with asbestos. If, on the 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 were to be compelled to increase the provisions or if the liabilities of the Hannover Re Group in connection with the events that it has insured were to be higher than the constituted provisions, this could detrimentally affect the assets, financial position and net income of the Hannover Re Group.

Asset management performance

The premiums and the capital position of the Hannover Re Group are invested to a large extent in different types of assets. Thereby, the Hannover Re Group pursues a defined investment policy, which focuses on required liquidity of assets, adequate issuer diversification as well as on asset liability management measures in terms of duration, currencies and risk budgeting. It may, however, not be excluded that performance fluctuations or inadequate decision making related to the selection of assets and the respective trading activities or other misconducts occur (including wilful breaches of mandatory law and/or investment guidelines of the Hannover Re Group). This could result in losses to the investment portfolio and in a divergence to the value of the liabilities from the (re)insurance business detrimentally affecting the Hannover Re Group's assets, financial position and net income.

Recruiting and retaining of qualified staff

The Hannover Re Group is to a significant extent dependent on qualified executives and personal. The Hannover Re Group's success has depended and will continue to depend on recruiting and retaining qualified employees. In the event that the Hannover Re Group experiences high rates of employee turnover, it is also possible that the Hannover Re Group may not be able to recruit new employees from the labor market immediately and that this may result in additional costs. The loss of qualified employees or ongoing difficulties in the hiring of suitable employees could lead to a situation in which the Hannover Re Group cannot successfully implement key decisions, measures and developments, which would adversely affect the business operations of the Hannover Re Group.

Rating of the Hannover Re Group

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 specialised 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 Hannover Re Group 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 financial strength rating for the Issuer from Standard & Poor's Credit Market Services Europe Ltd., branch office Germany ("**S&P**") is "AA-" ("Very strong", stable outlook), while that of A.M. Best Europe - Rating Services Limited ("**A.M. Best**") is "A+" ("Superior", stable outlook).¹ A downgrade in the rating can have significant adverse implications for the conditions of new and existing business, impair competitiveness and increase the costs of financing for the Hannover Re Group. In addition, a downgrade can result in the materialisation of new or accelerated maturity of existing liabilities that are contingent upon maintenance of a particular rating. Each downgrade of the rating could therefore detrimentally affect the assets, financial position and net income of the Hannover Re Group.

Risks arising from Financial Markets

Impact from stock market volatilities

In the aftermath of the historic price falls on international stock markets in 2008, many investors became more risk-averse.

As a consequence, the Hannover Re Group has scaled back its exposure to a marginal holding (<1 per cent.) of equity securities in 2008 and maintains such marginal holding to date. As of 31 December 2013 the total exposure of equity securities amounts to EUR 29.0 million. However, the holding of equity securities may be increased in the future. Therefore, stock market volatility could have a detrimental effect on the assets, financial position and net income of the Hannover Re Group.

Impact from exchange rate fluctuations

The Hannover Re Group writes (re)insurance business worldwide in numerous international currencies and prepares annual and interim financial statements in Euros, as a consequence of which the Group is exposed to exchange rate fluctuations. The Hannover Re Group reduces the resulting currency risks through the use of matching currency coverage as much as possible as well as derivative financial instruments. This does not, however, make definitive hedging possible, and an exchange rate risk, especially with respect to the Euro/US dollar exchange rate, consequently remains. Changes in the exchange rates used to convert a foreign currency into Euro can therefore have a detrimental effect on the assets, financial position and net income of the Hannover Re Group.

Impacts from interest rate fluctuations and sustained low interest rates

In past years fluctuations in the level of both short- and long-term interest rates have influenced the amount of gains and losses on securities held among the Hannover Re Group's financial assets as well as the point in time when such gains or losses were realised. The majority of the Hannover Re Group's holdings are invested in fixed-income securities; the bulk of which are denominated in Euros and US dollars. An increase in the interest rate level could therefore reduce the market price of the financial assets. If the market price were to fall below amortised cost for a sustained period, this could have to be written down to fair value with a charge recognised in income – which could have a detrimental effect on the assets, financial position and net income of the Hannover Re Group.

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 low level of interest rates be sustained or decline even further, this may adversely affect the assets, financial position and net income of the Hannover Re Group.

Additionally, the assets and liabilities of the Hannover Re Group are not necessarily matched in terms of interest rate duration. A change in interest rates may accordingly have a detrimental effect on the economic or general capitalization of the Group.

Impacts from credit and spread risks

Third parties that owe the Hannover Re Group companies money, securities or other assets may not pay or perform under their obligations. These parties include the issuers whose securities the Hannover Re Group

¹ The office issuing and elaborating the rating was a registered branch of S&P and A.M. Best each of which is, to the Issuer's belief, registered in accordance with Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (see "List of registered and certified credit rating agencies" which can be accessed under www.esma.europa.eu).

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. 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 or derivative exposure. As a result, defaults 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 companies also have exposure to a number of financial institutions and other corporates in the form of unsecured debt instruments, derivative transactions and equity investments. There is no assurance that losses on the market value or impairments to the carrying value of these assets would not materially and adversely affect the Hannover Re Group's assets, financial position and net income.

Impacts from other market risks

The Hannover Re Group has a significant real estate portfolio via direct and fund investments. The market value of these holdings is exposed to changes in real estate market prices and volatility.

Additionally, the Hannover Re Group holds exposures in private equity markets to a larger extent. Those portfolios are also exposed to changes in market prices and volatility based on market conditions.

Most of these assets are recorded at fair value. There is no assurance that losses on the market value or impairments to the carrying value of these assets would not materially and adversely affect the Hannover Re Group's assets, financial position and net income.

Illiquidity of the investment portfolio

The Hannover Re Group is exposed to liquidity risks, i.e., the risk of being unable to convert investments and other assets into cash in a timely manner in order to meet its financial obligations when they become due. It may not be possible to sell holdings or to close open positions (or to do so only with price markdowns) due to the illiquidity of the capital markets, in which case this could detrimentally affect the Hannover Re Group's assets, financial position and net income.

Risks from the environment and geopolitical situation

Economic, political and other risks

The Hannover Re Group has been and may continue to be affected by the economic development of the global economy in general and global capital markets in particular. In Europe there is an uncertainty concerning the economic trend since the development of the global economy will depend heavily on how the debt crisis in the Eurozone is handled.

The further developments in the Eurozone may have a negative effect on the assets, financial position and net income of the Hannover Re Group.

As an internationally operating reinsurance group, the Hannover Re Group is active in many countries. The Hannover Re Group is 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 partner (e.g. distributors). Moreover, in several markets there is a risk of political and economic instability. There is also a general risk of detrimental changes to the regulatory and legal framework in these jurisdictions. If any of the risks mentioned above materialises this could detrimentally affect the Hannover Re Group's assets, financial position and net income.

Terrorist attacks and other geopolitical risks

The Hannover Re Group, as many other reinsurance companies, tried 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 was 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. The 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 assets, financial position and net income.

Catastrophic events

Both natural catastrophes and man-made disasters are partially covered by insurance policies in the non-life and life/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 foreseen. Even though the Hannover Re Group monitors the aggregate risk with respect to catastrophic events in each geographical region, catastrophe-related damage and claims can lead to extraordinarily high losses. Should the scale of catastrophe losses increase in the coming years relative to the multi-year average, this could have a corresponding detrimental effect on the assets, financial position and net income of the Hannover Re Group.

Legal, regulatory and tax-related risks

Legal disputes

On the basis of their activities as reinsurers and primary insurers, the companies belonging to the Hannover Re Group are involved in legal and arbitration proceedings both as complainant and respondent. Legal disputes also exist on account of differences of opinion with public authorities, especially tax authorities, and with employees. The outcome of such proceedings cannot be determined in advance. It is the assumption of the Hannover Re Group that the currently pending proceedings will not have any significant detrimental effect on the assets, financial position and net income of the Hannover Re Group. Should this assessment prove inaccurate, these proceedings could detrimentally affect the assets, financial position and net income of the Hannover Re Group.

Changes in certain tax laws and tax liabilities

At various locations the Hannover Re Group benefits generally or in relation to certain products from favourable tax provisions; this applies, for example, to Ireland and Bermuda. Should these advantageous tax provisions cease to apply, this could have a detrimental effect on the assets, financial position and net income of the Hannover Re Group.

Significant additional tax liabilities may arise from estimates that turn out to be inaccurate when accounting for tax provisions, tax refund claims or tax reserves and when adjusting the value of deferred tax items.

Risks due to regulatory changes

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 licences granted by courts, public and other authorities following an audit and licensing process. In this context, the Hannover Re Group is confronted with a broad diversity of risks that are indivisibly connected with entrepreneurial activities and which manifest themselves differently in the individual business groups and geographical regions and which are subject to local legal requirements. Restructuring and additional expenses can result from changes in the local laws and regulations governing insurance and reinsurance business, labour law, the social security and pension systems, financial services, taxation or securities products and transactions. In some countries, changes may also be introduced with retroactive effect. These changes could have a detrimental effect on the assets, financial position and net income of the Hannover Re Group.

Amendments to existing and adoption of new legal provisions

The business of the Hannover Re Group is subject to detailed and extensive laws and regulations. The supervisory authorities of the countries in which the Hannover Re Group operates have far-reaching powers

and possibilities of intervention. Compliance with the laws and regulations may give rise to costs or otherwise adversely affect the business of the Hannover Re Group.

National and international efforts continue to avoid a repeat of the financial crisis by monitoring financial markets and their institutions more effectively. Regulation and oversight over insurance companies as well as capital requirements may become stricter. On the global level the discussion about systemically important financial institutions and insurance companies might have major consequences. Companies, which are considered to have a systemic impact in case of their failure, would have to bear the burden of additional (quantitative and qualitative) supervisory requirements, in particular regarding capital requirements. Furthermore, there are discussions on certain changes in laws that may have negative effects for the Hannover Re Group, e.g. the introduction of a financial transaction tax in the European Union.

Tightened up supervisory rules as well as the work of new institutions may detrimentally affect the Hannover Re Group's assets, financial position and net income.

In addition, there remain legal uncertainties and risks for the Hannover Re Group, in particular regarding the implementation of the Solvency II Directive, as amended by the so-called Omnibus II Directive. It is expected that solvency capital requirements for insurance and reinsurance undertakings will overall increase as opposed to the current Solvency I regime and that capital ratios will become more volatile. The directives, however, require the specification through measures and delegated acts of the European Commission and, if necessary, implementing measures of the individual member states. The content of those specifications and measures is not finalized at the date of this Prospectus. To assess its solvency capital requirements under the future Solvency II regime the Hannover Re Group has developed and implemented an internal model which may, however, not be approved by the supervisory authorities and thus may lead not only to additional costs for modifying the internal model, but also to negative effects on the Hannover Re Group's capital adequacy.

As the technical discussions are still ongoing, its potential future impact can currently not be entirely assessed. Nevertheless, there is the possibility that discussions might lead to a strict set of rules which may detrimentally affect Hannover Re Group's assets, financial position and net income.

Other material risks

Operational Risks

Operational risks refer to the risk of losses occurring because of the inadequacy or failure of internal processes or as a result of events triggered by employee-related, system-induced or external factors. Operational risks are monitored primarily by way of appropriate process management. These risk potentials are evaluated on the basis of expert assessments, the plausibility of which is verified by central risk management. Because of the broad spectrum of operational risks, the realisation of one of these risks could have a detrimental effect on the assets, financial position and net income of the Hannover Re Group.

Emerging Risks

The hallmark of emerging risks (such as in the field of nanotechnology, climate change, disruption of critical infrastructure 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.

The Hannover Re Group aims to detect, assess, steer and monitor these risks through a process involving experts from the relevant fields of knowledge. The realisation 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 from IT-systems

The Hannover Re Group's ability to keep its business operating depends inter alia on the proper and efficient operation of its computer and data-processing and telecommunications systems. Since computer and data-processing systems are susceptible to malfunctions and interruptions (e.g., interruptions of power supply, computer viruses and a range of other hardware, software and network problems), it cannot be excluded that such malfunctions or interruptions will occur in the future. A significant or large-scale malfunction or interruption of one or more of the Hannover Re Group's computer or data-processing systems could adversely affect its ability to keep its operations running efficiently. If a malfunction results in a wider or sustained

disruption to the Hannover Re Group's business, this could have detrimental effect on the assets, financial position and net income of the Hannover Re Group.

Payment obligations resulting from past divestments

In the last years the Hannover Re Group (via its holding company Hannover Finance Inc.) has entered into agreements relating to the divestment of parts of its business operations. Such divestments included, for example, the sale of the shares in Clarendon National Insurance Company Inc. (and its wholly owned subsidiaries) and Praetorian Financial Group Inc. (and its wholly owned subsidiaries) to Enstar Group Limited and QBE Holdings, Inc. respectively. Under the relevant sale and purchase agreements the Hannover Re Group has made representations and warranties for the benefit of the purchaser. In case of a breach of these representations and warranties payment obligations could arise, which could have an adverse effect on the assets, financial position and net income of the Hannover Re Group.

Inflation risks

In connection with the ongoing sovereign debt crisis in Europe and the United States of America and the corresponding monetary policies of the central banks, there are significant uncertainties on the future development of inflation rates. An increase in the inflation rate can lead to losses in the investment portfolio and a decrease in the net income, because the market value of fixed interest investments normally decreases as the higher inflation rate normally causes an increase in the market interest rate. Additionally, higher inflation rates could result in unexpectedly increased losses or respectively loss payments – especially in long term reinsurance contracts.

If any of the risks mentioned above materialises this could detrimentally affect the Hannover Re Group's assets, financial position and net income.

Risk management system

The Hannover Re Group maintains complex risk management systems. These systems define the Group's risk strategy, the allocation of tasks and responsibilities within the risk management process and the continuing identification, documentation, assessment, reporting and the measurement to control and manage risks. Despite the implementation of group wide risk management guidelines, the occurrence of errors or interruptions of these systems may not be excluded. It cannot be assured that data and assumptions used in the risk modules correctly indicate in every respect the future market development and the risks arising thereof for the Hannover Re Group's business and investment portfolio.

Since 2008 the Hannover Re Group is in an ongoing review process with the German Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*, "BaFin") for the approval of its internal capital model in the light of Solvency II requirements. Moreover, the risk management system is also subject to the regular rating process with rating agencies.

If the Hannover Re Group's risk control and risk management systems do not sufficiently reflect material risks or should the handling of risks not be sufficient, this could detrimentally affect the Hannover Re Group's assets, financial position and net income.

Expectations from acquisitions

Hannover Re Group's acquisitions of other companies are based on factors and conditions to be taken into account that are partially or entirely beyond Hannover Re Group's control. Such factors and conditions influence the business results of the acquired companies and may have an adverse impact on the business results. Therefore the expectations of the Hannover Re Group connected with acquisitions may not be met, the benefits of acquisitions can be materially different from the expectations and expected synergies can be materially smaller or realized later than expected.

Risks relating to the Bonds

An investment in the Bonds involves certain risks associated with the characteristics of the Bonds. Such risks could result in principal or interest not being paid on time or at all by the Issuer and/or a material impairment of the market price of the Bonds. The following is a description of risk factors in relation to the Bonds.

Bonds may not be a suitable investment for all investors

Each potential investor in the Bonds must determine the suitability of such investment in light of its own circumstances. The Bonds are only suitable for sophisticated investors. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this Prospectus;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation and the investment(s) it is considering, an investment in the Bonds and the impact the Bonds will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Bonds and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Bonds are complex financial instruments. Sophisticated institutional investors generally purchase complex financial instruments as part of a wider portfolio strategy rather than as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with a measured and appropriate addition of risk to their overall portfolios, and only after performing an intensive analysis of all involved risks. A potential investor should not invest in the Bonds – which are complex financial instruments – unless it has the expertise (either alone or with a financial adviser) to evaluate how the Bonds will perform under changing conditions, the resulting effects on the value of the Bonds and the impact this investment will have on the potential investor's overall investment portfolio.

Perpetual securities

The Bonds are perpetual securities and have no fixed maturity date or redemption date. The Issuer is under no obligation to redeem the Bonds at any time and the holders of the Bonds (each a "**Bondholder**") have no right to put the Bonds for redemption.

Risks in case of an early redemption of the Bonds

At the Issuer's option and subject to the Conditions to Redemption being fulfilled, the Bonds may be redeemed at any time prior to the First Call Date at the Redemption Amount (being par plus any accrued and unpaid interest and any outstanding Arrears of Interest), if, in each case as a result of any change of or amendment to the laws or regulations of the Issuer's country of domicile for tax purposes, an opinion of a recognised independent tax adviser has been delivered to the Principal Paying Agent stating that (i) the Issuer has or will become obliged to pay Additional Amounts or (ii) 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, or an opinion of a recognised accounting firm has been delivered to the Principal Paying Agent stating that the Issuer must not or must no longer record the obligations under the Bonds for the payment of principal as liabilities on the consolidated balance sheet of the Issuer prepared in accordance with Applicable Accounting Standards.

The Bonds may also be redeemed at the Redemption Amount if the Bonds do no longer fulfil the requirements for the inclusion in the calculation of the own funds for purposes of determining the single solvency of the Issuer or the group solvency of the Hannover Re Group or the group of companies the Issuer is a member of, under Applicable Supervisory Regulations pursuant to a written statement of the Competent Supervisory Authority to the Issuer. The Bonds may further be redeemed at the Redemption Amount if S&P or A.M. Best, or any respective successor, changes its equity credit criteria for securities such as the Bonds which results, in the reasonable opinion of the Issuer, in a lower equity credit being given to the Bonds.

The Bonds may also be redeemed at the option of the Issuer at their Redemption Amount on the First Call Date or on any Floating Interest Payment Date thereafter.

If Bonds are redeemed earlier than expected by the Bondholder, a Bondholder is exposed to the risk that due to the early redemption his investment will have a lower than expected term and yield and to the risks connected with any reinvestment of the cash proceeds received as a result of the early redemption. Bondholders will receive the Redemption Amount upon any early redemption. The Redemption Amount may be lower than the then prevailing market price of the Bonds.

Subordination

The Bonds constitute unsecured obligations of the Issuer ranking (a) subordinated to all unsubordinated obligations of the Issuer; (b) subordinated to all subordinated obligations of the Issuer pursuant to § 39(1) German Insolvency Code (*Insolvenzordnung*); (c) *pari passu* among themselves; (d) subordinated to all subordinated obligations of the Issuer required to be preferred by mandatory provisions of law; and (e) subordinated to all subordinated dated obligations of the Issuer, unless such obligations are expressed to rank *pari passu* with, or junior to, the Bonds. 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 subordinated to (i) all unsubordinated obligations of the Issuer, (ii) all subordinated obligations of the Issuer pursuant to § 39(1) of the German Insolvency Code (*Insolvenzordnung*) and (iii) all subordinated obligations of the Issuer required to be preferred by mandatory provisions of law, so that in any such event payments will not be made under the Bonds until all claims against the Issuer which pursuant to the subordination clause 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. Only after all of the aforementioned claims and the obligations of the Issuer under the Bonds will first have been satisfied, any remaining assets may be distributed to the holders of any instruments that rank junior to the claims under the Bonds, any preference shares of the Issuer, if any, and the common shares of the Issuer.

The Bondholders must accept 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 the insolvency laws applicable to the Issuer from time to time.

In relation to any other existing and future subordinated obligations of the Issuer that are expressed to rank behind all of the Issuer's unsubordinated obligations but are not expressed to rank behind all of the Issuer's (x) obligations subordinated by operation of law pursuant to § 39(1) of the German Insolvency Code (*Insolvenzordnung*), and (y) subordinated obligations ranking at least *pari passu* with the Issuer's legally subordinated obligations pursuant to § 39(1) of the German Insolvency Code (*Insolvenzordnung*) (and where the contractual provisions do not provide for any other ranking), there are good arguments that the default provision of § 39(2) of the German Insolvency Code (*Insolvenzordnung*) would apply, pursuant to which all contractually subordinated claims against the relevant insolvent debtor rank behind the claims referred to in § 39(1) of the German Insolvency Code (*Insolvenzordnung*) unless the contractual provisions provide otherwise. However, if a competent court were to find § 39(2) of the German Insolvency Code (*Insolvenzordnung*) inapplicable in relation to one or several of such existing and future subordinated obligations of the Issuer (e.g., because it finds that the parties to the relevant agreement have agreed that they rank *pari passu* with, or senior to, the legally subordinated obligations pursuant to § 39(1) of the German Insolvency Code (*Insolvenzordnung*)), this may result in such obligations to rank prior to the obligations of the Issuer under the Bonds and, hence, the relevant creditors may receive a portion of the insolvency dividend which exceeds the one received by the Bondholder (if any insolvency dividend is paid to subordinated creditors at all).

There is a significant risk that an investor in the Bonds will lose all or some of its investment should the Issuer become insolvent.

Interest deferral

Bondholders should be aware that, in certain cases, interest will not be due and payable (*fällig*) on the scheduled Interest Payment Date, and that the payment of the resulting Arrears of Interest is subject to certain further conditions.

Mandatory deferral of interest

In case a Compulsory Deferral Event has occurred 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.

A "**Compulsory Deferral Event**" will have occurred with respect to the date on which any payment of interest and/or Arrears of Interest is scheduled to be paid under the Terms and Conditions if (i) a corresponding 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 in accordance with regulations applicable at such time from making payments under the Bonds; or (iii) a Solvency Capital Event either has occurred on or prior to such date and is continuing on such date or would be caused by the payment by the Issuer of interest and/or Arrears of Interest on the relevant date, unless prior to such day the Competent Supervisory Authority has given and not withdrawn its prior consent to the payment of the relevant interest and Arrears of Interest, respectively, despite the Solvency Capital Event.

A Solvency Capital Event, as defined in the Terms and Conditions, will not only occur if there is an insufficiency of funds pursuant to Applicable Supervisory Regulations at the Issuer or the Hannover Re Group but also if it occurs on the level of the group of companies the Issuer is a member of. Currently, HDI (as defined in *General Information on the Issuer and the Hannover Re Group - Incorporation, Corporate Seat, Duration, Corporate Purpose and Regulation*) indirectly holds the shares of the Issuer through Talanx (as defined in *General Information on the Issuer and the Hannover Re Group - Incorporation, Corporate Seat, Duration, Corporate Purpose and Regulation*) which holds 50.22 per cent. of the share capital of the Issuer (cf. *General Information on the Issuer and the Hannover Re Group - Incorporation, Corporate Seat, Duration, Corporate Purpose and Regulation*).

Any such non-payment will not constitute a default of the Issuer or any other breach of its obligations under the Bonds or for any other purpose.

Interest suspended will constitute Arrears of Interest. Bondholders will not receive any additional interest or compensation for the compulsory suspension of payments. In particular, the resulting Arrears of Interest will not bear interest.

Optional deferral of interest payments

Even if no Compulsory Deferral Event has occurred, the Issuer may, with respect to each Optional Interest Payment Date, elect in its discretion to suspend the payment of accrued interest (in whole or in part) by giving not less than 10 and not more than 15 Business Days' prior notice to the Bondholders. Such interest will not be due and payable (*fällig*) on that Interest Payment Date.

Any such non-payment will not constitute a default of the Issuer or any other breach of its obligations under the Bonds or for any other purpose.

Interest suspended will constitute Arrears of Interest. Bondholders will not receive any additional interest or compensation for the optional suspension of payments. In particular, the resulting Arrears of Interest will not bear interest.

Restrictions on payment of Arrears of Interest

The Issuer will only be entitled to pay Arrears of Interest at any time the Conditions to Settlement are fulfilled. These restrictions also apply in the case of a mandatory settlement of Arrears of Interest, as further described in the Terms and Conditions.

The payment of Arrears of Interest may become subject to regulatory approval (see the risk "Changes in Applicable Supervisory Regulations upon implementation of the Solvency II Directive" below).

No express Events of Default

The Bondholders should be aware that the Terms and Conditions do not contain any express events of default provision.

Changes in Applicable Supervisory Regulations upon implementation of the Solvency II Directive

The Terms and Conditions provide that interest payments must be deferred (subject to limited exceptions further described in the Terms and Conditions), *inter alia*, if under the Applicable Supervisory Regulations a Solvency Capital Event has occurred and is continuing or would be caused by the respective payment.

In addition, the Issuer may call the Bonds for redemption prior to the First Call Date, *inter alia*, if, upon the Solvency II Directive becoming part of the Applicable Supervisory Regulations the Bonds would not be eligible to qualify for the inclusion in the determination of at least the Tier 2 Capital for single solvency purposes of the Issuer or, for group solvency of the Hannover Re Group or the group of companies the Issuer is a member of from time to time.

Although the Solvency II Directive, as amended by the so-called Omnibus II Directive, has been adopted by the European Parliament and the Council of the European Union and published in the Official Journal of the European Union, the implementation rules in general and the exact criteria for instruments eligible as Tier 2 Capital as well as the corresponding transitional arrangements in particular have not been finalised yet.

Therefore, it is currently difficult to predict the exact effect the implementation of the Solvency II Directive will have on the Issuer and the Hannover Re Group or the group of companies the Issuer is a member of as well as on the eligibility of the Bonds at least as Tier 2 Capital.

Accordingly, Bondholders should be aware that the implementation of the Solvency II Directive may lead to, or increase the likelihood of, a deferral of interest payments under the Bonds and/or an early redemption of the Bonds. Such final implementation may also impact the Issuer's ability to pay any Arrears of Interest.

No limitation on issuing further debt

There is no restriction on the amount of debt or guarantee which the Issuer may issue ranking equal or senior to the obligations under or in connection with the Bonds. Such issuance of further debt and guarantees may reduce the amount recoverable by the Bondholders upon insolvency or winding-up of the Issuer or may increase the likelihood that payments of the principal amount or interest under the Bonds will be mandatorily suspended or may, in the case of interest payments, be deferred at the option of the Issuer.

Liquidity risk

There is currently no secondary market for the Bonds. Application has been made for the Bonds to be admitted to trading on the EU-regulated market segment of the Luxembourg Stock Exchange and to be listed on the official list of the Luxembourg Stock Exchange. There can, however, be no assurance that a liquid secondary market for the Bonds will develop or, if it does develop, that it will continue. In an illiquid market, an investor may not be able to sell his Bonds at any time at fair market prices. The possibility to sell the Bonds might additionally be restricted by country specific reasons.

Fixed to Floating Rate Bonds

The Bonds bear interest at a fixed rate from and including the Interest Commencement Date to but excluding the First Call 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 Call Date, the market yield typically changes on a daily basis. If the market yields change, the price of the Bonds 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.

If the Bonds are not called on the First Call Date, the Bonds will bear interest at a floating rate from the First Call Date (including) until the first Floating Interest Payment Date (excluding) and thereafter from and including each Floating Interest Payment Date to but excluding the next Floating Interest Payment Date.

The floating rate applicable to the Bonds from (and including) the First Call Date is based on two components, namely the 3-months EURIBOR and the Margin. The floating rate (i.e. the coupon) is payable quarterly, and will be adapted immediately prior to any Floating Interest Period to the then prevailing 3-months EURIBOR rate plus the Margin. The Margin is fixed at issuance of the transaction. Investors are exposed to the risk that 3-months EURIBOR rates decline.

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

Since the Margin is fixed at issuance of the transaction, Bondholders are subject to the risk that the Margin does not reflect the spread that investors require in addition to the 3-month EURIBOR as a compensation for the risks inherent in the Bonds ("market spread"). The market spread typically changes on a daily basis. As the market spread changes, the price of the Bonds changes in the opposite direction. A decrease of the market spread has a positive impact on the price of the Bonds, an increase of the market spread has a negative impact on the price of the Bond. However, the price of the Bonds is subject to changes in the market spread, changes in the 3-months EURIBOR or both. Bondholders should be aware that movements of the market spread can adversely affect the price of the Bonds and can lead to losses for the Bondholders.

In addition, Bondholders are exposed to reinvestment risk with respect to proceeds from coupon payments or early redemptions by the Issuer. If the market yield (or market spread, respectively) declines, and if Bondholders want to invest such proceeds in comparable transactions, Bondholders will only be able to reinvest such proceeds in comparable transactions at the then prevailing lower market yields (or market spreads, respectively).

Ratings of the Bonds, if any, may be subject to change at all times

One or more independent credit rating agencies may assign credit ratings to the Bonds and the Issuer. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Bonds. 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. Rating agencies may also change their methodologies for rating securities with features similar to the Bonds in the future. If the rating agencies were to change their practices for rating such securities in the future and the ratings of the Bonds were to be subsequently lowered, this may have a negative impact on the trading price of the Bonds.

Currency Risk in relation to the Bonds

The Bonds are denominated in Euro. If such currency represents a foreign currency to a Bondholder, such Bondholder is particularly exposed to the risk of changes in currency exchange rates which may affect the yield of such Bonds measured in the Bondholder's currency. Changes in currency exchange rates result from various factors such as macroeconomic factors, speculative transactions and interventions by central banks and governments.

In addition, government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable currency exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Because the Global Bonds are held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the Issuer.

The Bonds will be represented by one or more Global Bonds. Such Global Bonds will be deposited with a common depositary for Euroclear and Clearstream, Luxembourg. Investors will not be entitled to receive definitive Bonds. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Bonds. While the Bonds are represented by one or more Global Bonds, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg and the Issuer will discharge its payment obligations under the Bonds by making payments to the common depositary for

Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Bond must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the Bonds. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of beneficial interests in the Global Bonds.

Risks in connection with the application of the German Act on Issues of Debt Securities (Gesetz über Schuldverschreibungen aus Gesamtemissionen)

A Bondholder is subject to the risk of being outvoted and of losing rights towards the Issuer against his will in the case that Bondholders agree pursuant to the Terms and Conditions to amendments of the Terms and Conditions by majority vote according to the German Act on Issues of Debt Securities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen*). In the case of an appointment of a bondholders' representative for all Bondholders a particular Bondholder may lose, in whole or in part, the possibility to enforce and claim his rights against the Issuer regardless of other Bondholders.

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 suffer. 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. In addition, the market participants' estimation 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 occurs, third parties would only be willing to purchase Bonds for a lower price than before the materialisation of mentioned risk. Under these circumstances, the market value of the Bonds will decrease.

Market volatility and other factors

The trading market for debt securities may be volatile and may be adversely impacted by many events. The market for debt securities is influenced by economic and market conditions in Germany and, to varying degrees, by market conditions, interest rates, currency exchange rates and inflation rates in other European and other industrialised countries. There can be no assurance that events in Germany, Europe or elsewhere will not cause market volatility or that such volatility will not adversely affect the price of Bonds or that economic and market conditions will not have any other adverse effect.

Legal investment considerations may restrict certain investors to acquire the Bonds

The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Bonds are legal investments for it, (ii) Bonds can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Bonds. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Bonds under any applicable risk-based capital or similar rules.

Transaction costs

Transaction costs reduce the yield an investor will realise on the investment in the Bonds. When Bonds are purchased, several types of incidental costs (including transaction fees and commissions) are incurred and will have to be paid by the buyer in addition to the then current market price. Similarly, when a Bondholder sells any Bonds, such incidental costs will reduce the actual price the Bondholder will receive for each Bond sold. These incidental costs may significantly reduce or even exclude the profit potential of an investment in the Bonds. For instance, credit institutions as a rule charge their clients for own commissions which are either fixed minimum commissions or pro-rata commissions depending on the order value. To the extent that additional – domestic or foreign – parties are involved in the execution of an order, including but not limited to domestic Managers or brokers in foreign markets, Bondholders must take into account that they may also be charged for the brokerage fees, commissions and other fees and expenses of such parties (third party costs).

In addition to such costs directly related to the purchase of Bonds (direct costs), Bondholders must also take into account any follow-up costs (such as custody fees). Investors should inform themselves about any

additional costs incurred in connection with the purchase, custody or sale of the Bonds before investing in the Bonds.

Margin lending

Margin lending, where it is permitted, can materially increase the risk to a Bondholder of non-performance of the Bonds. If a loan is used to finance the acquisition of the Bonds and the Bonds subsequently go into default, or if the trading price diminishes significantly, the Bondholder not only has to face a potential loss on its investment, but it will also have to repay the loan and pay interest thereon. This may significantly increase the risk of a loss. Investors should not assume that they will be able to repay the loan or pay interest thereon from the profits of a transaction. Instead, investors should assess their financial situation prior to an investment, as to whether they are able to pay interest on the loan, or to repay the loan on demand, even if they may suffer losses on such investment.

Taxation

Investors should be aware that duties and other taxes and/or expenses, including any stamp duty, depositary charges, transaction charges and other charges, may be levied in accordance with the laws and practices in the countries where the Bonds are transferred and that it is the obligation of an investor to pay all such duties, other taxes and/or expenses.

All payments made under the Bonds shall be made free and clear of, and without withholding or deduction for, any present or future taxes imposed by the Issuer's country of incorporation (or any authority or political subdivision thereof or therein), unless such withholding or deduction is imposed or required by law. If any such withholding or deduction is imposed and required by law, the Issuer will, save in limited circumstances, be required to pay additional amounts to cover the amounts so withheld or deducted, and such event might allow the Issuer to redeem the Bonds early as this could be a 'Gross Up Event'. In no event will additional amounts be payable in respect of US withholding taxes pursuant to the Foreign Account Tax Compliance Act.

Change in tax law

Investors should be aware that tax regulations and their application by the relevant taxation authorities are subject to change, possibly with retrospective effect, and that this could negatively affect the value of the Bonds. Any such change may cause the tax treatment of the Bonds to change from the tax position at the time of purchase and may render the statements in this Prospectus concerning the relevant tax law and practice to be inaccurate or insufficient to cover the material tax considerations in respect of the Bonds. It is not possible to predict the precise tax treatment which will apply at any given time and changes in tax law may give the Issuer the right to amend the determinations and calculations in relation to the Bonds, or redeem the Bonds.

Tax impact of the investment

An effective yield on the Bonds may be diminished by the tax impact on an investment in the Bonds. Payments of interest on the Bonds, or profits realised by the Bondholder upon the sale or repayment of the Bonds, may be subject to taxation in its home jurisdiction or in other jurisdictions in which it is required to pay taxes. The tax impact on Bondholders generally in Germany and Luxembourg is described under "TAXATION", starting on page 74; however, the tax impact on an individual Bondholder may differ from the situation described for Bondholders generally.

All investors are advised to contact their own tax advisers for advice on the tax impact of an investment in the Bonds. Examples of taxation risk that investors should consider together with their advisers include among others the risk of double taxation (in Germany and their home jurisdiction or another country, if applicable).

Financial Transaction Tax

On 14 February 2013, the EU Commission adopted a proposal for a Council Directive (the "**Draft Directive**") on a common financial transaction tax ("**FTT**"). According to the Draft Directive, the FTT shall be implemented in eleven EU Member States (Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Spain, Slovakia and Slovenia; the "**Participating Member States**").

Pursuant to the Draft Directive, the FTT shall be payable on financial transactions provided at least one party to the financial transaction is established or deemed established in a Participating Member State and there is a financial institution established or deemed established in a Participating Member State which is a party to the

financial transaction, or is acting in the name of a party to the transaction. The FTT shall, however, not apply to (inter alia) primary market transactions referred to in Article 5 (c) of Regulation (EC) No 1287/2006, including the activity of underwriting and subsequent allocation of financial instruments in the framework of their issue.

Pursuant to the Draft Directive the rates of the FTT shall be fixed by each Participating Member State but for transactions involving financial instruments other than derivatives shall amount to at least 0.1 per cent. of the taxable amount. The taxable amount for such transactions shall in general be determined by reference to the consideration paid or owed in return for the transfer. The FTT shall be payable by each financial institution established or deemed established in a Participating Member State which is a party to the financial transaction, acting in the name of a party to the transaction or where the transaction has been carried out on its account. Where the FTT due has not been paid within the applicable time limits, each party to a financial transaction, including persons other than financial institutions, shall become jointly and severally liable for the payment of the FTT due.

On 6 May 2014, the Ministers of Finance of the Participating Member States agreed upon the further steps to work on a progressive implementation of the FTT. According to the Joint Statement by these Ministers of Finance further technical work will be conducted in order to finalise viable solutions by the end of the year 2014. They agreed on the following key elements: The progressive implementation of the FTT will first focus on the taxation of shares and some derivatives. According to the Joint Statement this approach is essential to ensure that each step towards full implementation of the FTT is designed in a manner that takes due consideration of the economic impact. The first step should be implemented at the latest on 1 January 2016.

Under the first step the sale, purchase or exchange of the Bonds should not be subject to the FTT. However, it is not possible to predict the future FTT treatment if further steps towards the full implementation of the FTT are taken. Prospective holders should therefore note that any sale, purchase or exchange of the Bonds may be subject to the FTT in the future. The holder may be liable to itself pay this charge or reimburse a financial institution for the charge, and/or the charge may affect the value of the Bonds. However, the issuance of the Bonds should not be subject to the FTT.

The Draft Directive remains subject to negotiation between the Participating Member States and is the subject of legal challenge and change. It may therefore be altered prior to its adoption, the timing of which remains unclear. Moreover, once the Draft Directive has been adopted (the "Directive"), it will need to be implemented into the respective domestic laws of the Participating Member States and the domestic provisions implementing the Directive might deviate from the Directive itself. Finally, additional EU Member States may decide to participate. Prospective holders of the Bonds should consult their own tax advisers in relation to the consequences of the FTT associated with subscribing for, purchasing, holding and disposing of the Bonds.

U.S. Foreign Account Tax Compliance Withholding

Whilst the Bonds are in global form and held within Euroclear or Clearstream, Luxembourg (together, the "ICSDs"), in all but the most remote circumstances, it is not expected that FATCA will affect the amount of any payment received by the ICSDs (see *Taxation — U.S. Foreign Account Tax Compliance Withholding*). However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA including any IGA legislation, if applicable) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them. If an amount in respect of U.S. withholding tax were to be deducted or withheld from interest, principal or other payments on the Bonds as a result of FATCA, none of the Issuer, a guarantor, any paying agent or any other person would, pursuant to the Terms and Conditions be required to pay additional amounts

as a result of the deduction or withholding. As a result, investors may receive less interest or principal than expected.

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

"Anleihegläubiger" bezeichnet den Eigentümer eines Miteigentumsanteils bzw. Rechts an der Globalurkunde.

"Anwendbare Aufsichtsrechtliche Vorschriften" bezeichnet die jeweils geltenden Vorschriften des Versicherungsaufsichtsrechts 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) hinsichtlich der Solo-Solvabilität der Emittentin oder der Gruppen-Solvabilität des Hannover Rück-Konzerns (wenn und soweit dieser im Hinblick auf die Gruppensolvabilität beaufsichtigt wird) oder des Konzerns, dem die Emittentin angehört (wenn und soweit dieser im Hinblick auf die Gruppensolvabilität beaufsichtigt wird), sowie sämtliche unmittelbar anwendbaren Vorschriften des Europäischen Gemeinschaftsrechts, die im Zuge der Umsetzung der Solvency II Richtlinie oder anderer, etwaiger künftiger Richtlinien erlassen werden.

"Anwendbare Insolvenzrechtliche Vorschriften" bezeichnet die jeweiligen Vorschriften des jeweiligen Insolvenzrechts und darauf bezogene Regelungen und Verordnungen (einschließlich der Gerichtspraxis oder 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, wie sie von der Emittentin zu den jeweiligen Stichtagen und für die jeweiligen Rechnungslegungsperioden jeweils anwendbar sind, oder andere, von der Emittentin anzuwendende, allgemein anerkannte Rechnungslegungsgrundsätze, die diese in Zukunft

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

"Bondholder" means the owner of a proportional co-ownership interest or right in the Global Bond.

"Applicable Supervisory Regulations" means the provisions of insurance supervisory laws 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) for single solvency purposes of the Issuer or for group solvency of the Hannover Re Group (if and to the extent it is subject to supervision for group solvency purposes) or the group of companies the Issuer is a member of (if and to the extent it is subject to supervision for group solvency purposes) as applicable from time to time as well as any directly applicable provisions of European Community law which will be enacted for the implementation of the Solvency II Directive or any other future directive(s).

"Applicable Insolvency Regulations" means the provisions of the relevant insolvency laws and any rules and regulations thereunder (including any applicable decision of a court) 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 the Issuer at the relevant dates and for the relevant periods, or any other accounting principles generally accepted and as applied by the Issuer which subsequently supersede them.

ersetzen.

Ein "**Aufsichtsrechtliches Ereignis**" tritt ein, wenn

- (i) am oder nach dem Tag der Begebung der Schuldverschreibungen, und bevor die Solvency II Richtlinie Teil der Anwendbaren Aufsichtsrechtlichen Vorschriften geworden ist, die Zuständige Aufsichtsbehörde schriftlich gegenüber der Emittentin feststellt, dass nach den Anwendbaren Aufsichtsrechtlichen Vorschriften (einschließlich der Übergangsvorschriften) die Schuldverschreibungen ganz oder teilweise nicht länger die Anforderungen für die Einbeziehung in die Berechnung der Eigenmittel für Zwecke der Ermittlung der Solo-Solvabilität der Emittentin oder der Gruppensolvabilität des Hannover Rück-Konzerns oder des Konzerns, dem die Emittentin angehört, erfüllen, es sei denn, dies beruht auf Überschreitung der Anrechnungsobergrenzen für die Einbeziehung der Schuldverschreibungen in die Eigenmittel aufgrund der Anwendbaren Aufsichtsrechtlichen Vorschriften (einschließlich der Übergangsvorschriften); dies gilt nur, wenn die Schuldverschreibungen diese Anforderungen vor dieser Feststellung erfüllt hatten; oder
- (ii) es, nachdem die Solvency II Richtlinie Teil der Anwendbaren Aufsichtsrechtlichen Vorschriften geworden ist, gemäß den Anwendbaren Aufsichtsrechtlichen Vorschriften zulässig ist, für Eigenmittelzwecke der Emittentin oder des Hannover Rück-Konzerns oder des Konzerns, dem die Emittentin angehört, Tier 2 Kapital vorzuhalten, und die Zuständige Aufsichtsbehörde schriftlich gegenüber der Emittentin feststellt, dass nach den Anwendbaren Aufsichtsrechtlichen Vorschriften (einschließlich der Übergangsvorschriften) die Schuldverschreibungen ganz oder teilweise nicht die Anforderungen für die Einbeziehung in die Berechnung der Eigenmittel für Zwecke der Ermittlung der Solo-Solvabilität der Emittentin oder der Gruppensolvabilität des Hannover Rück-Konzerns oder des Konzerns, dem die Emittentin angehört, als Tier 2 Kapital (oder eine bessere Eigenmittelkategorie) erfüllen, oder sie derartige Anforderungen nicht länger erfüllen, nachdem sie diese Anforderungen nach der Umsetzung der Solvency II Richtlinie zunächst erfüllt hatten, es sei denn, dies beruht

A "**Regulatory Event**" will occur if

- (i) on or after the date of issue of the Bonds, and prior to the Solvency II Directive becoming part of the Applicable Supervisory Regulations, the Competent Supervisory Authority states in writing to the Issuer that under Applicable Supervisory Regulations (including the transitional provisions) the Bonds (in whole or in part) no longer fulfil the requirements for the inclusion in the calculation of the own funds for purposes of determining the single solvency of the Issuer or the group solvency of the Hannover Re Group or the group of companies the Issuer is a member of, except where this is the result of exceeding any applicable limits on the inclusion of the Bonds in the own funds pursuant to the Applicable Supervisory Regulations (including the transitional provisions); this applies only if prior to such statement the Bonds did fulfil such requirements; or
- (ii) upon the Solvency II Directive becoming part of the Applicable Supervisory Regulations, it is permitted under the Applicable Supervisory Regulations to use Tier 2 Capital for regulatory capital purposes of the Issuer or of the Hannover Re Group or of the group of companies the Issuer is a member of, and the Competent Supervisory Authority states in writing to the Issuer that under the Applicable Supervisory Regulations (including the transitional provisions) the Bonds (in whole or in part) would not be eligible to qualify for the inclusion in the determination of the own funds for single solvency purposes of the Issuer or for group solvency purposes of the Hannover Re Group or the group of companies the Issuer is a member of, as Tier 2 Capital (or a better category of own funds) or that they no longer fulfil such requirements provided that upon implementation of the Solvency II Directive the Bonds did fulfil such 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 of the

allein auf der Überschreitung der Anrechnungsobergrenzen für die Einbeziehung solcher Wertpapiere in die Berechnung der Eigenmittel der Emittentin oder der Gruppensolvabilität des Hannover Rück-Konzerns oder des Konzerns, dem die Emittentin angehört, als Tier 2 Kapital (oder eine bessere Eigenmittelkategorie) aufgrund der Anwendbaren Aufsichtsrechtlichen Vorschriften (einschließlich der Übergangsvorschriften).

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

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

"Clearingsystem" bezeichnet gemeinsam Clearstream Banking, société anonyme, Luxembourg, 42 Avenue JF Kennedy, L-1855 Luxembourg und Euroclear Bank SA/NV, 1, Boulevard du Roi Albert II, B-1210 Brüssel.

"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.

"Euro", "EUR" oder **"€"** bezeichnet die gesetzliche Währung der Bundesrepublik Deutschland.

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

"Erster Kündigungstermin" ist der 26. Juni 2025.

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

Issuer or for group solvency purposes of the Hannover Re Group or the group of companies the Issuer is a member of pursuant to the Applicable Supervisory Regulations (including the transitional provisions) as Tier 2 Capital (or a better category of own funds).

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

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

"Clearing System" means together Clearstream Banking, *société anonyme*, Luxembourg, 42 Avenue JF Kennedy, L-1855 Luxembourg, and Euroclear Bank SA/NV, 1, Boulevard du Roi Albert II, B-1210 Brussels.

"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.

"Euro", "EUR" or **"€"** means the legal currency of the Federal Republic of Germany.

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

"First Call Date" means 26 June 2025.

"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" 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

(ausschließlich).

"Festzinszahlungstag" ist der 26. Juni eines jeden Jahres, erstmals am 26. Juni 2015 (erster kurzer Kupon).

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

"Geschäftstag" bezeichnet einen Tag (außer einem Samstag oder Sonntag), (i) an dem das Clearingsystem und (ii) alle betroffenen Bereiche des Trans-European Automated Real-time Gross settlement Express Transfer system 2 (TARGET) geöffnet sind, um Zahlungen abzuwickeln.

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

Ein **"Gross-up-Ereignis"** tritt ein, wenn der Hauptzahlstelle ein Gutachten eines anerkannten unabhängigen Steuerberaters vorgelegt wird, aus dem hervorgeht, dass die Emittentin aufgrund einer an oder nach dem Tag der Begebung der Schuldverschreibungen in Kraft tretenden Änderung oder Erneuerung von Gesetzen oder Verordnungen des Staats, in dem die Emittentin steuerlich ansässig ist, oder einer zur Erhebung von Steuern berechtigten Gebietskörperschaft oder Behörde des Staats, in dem die Emittentin steuerlich ansässig ist, oder als Folge einer Änderung der offiziellen Auslegung oder Anwendung dieser Gesetze oder Verordnungen 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 zumutbare Maßnahmen ergreift, die sie nach Treu und Glauben für 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 in Bezug auf (i) eine Zahlung von Zinsen, Zinsrückständen oder Kapital auf die Schuldverschreibungen oder (ii) einen Rückkauf der Schuldverschreibungen eingetreten, wenn die Emittentin durch die Zahlung bzw. den Rückkauf nach Maßgabe der Anwendbaren Insolvenzrechtlichen Vorschriften insolvent würde.

"Marge" ist gleich 3,25 %.

Die **"Nachzahlungsvoraussetzungen"** sind an einem Tag in Bezug auf eine Zahlung von Zinsrückständen

Fixed Interest Payment Date.

"Fixed Interest Payment Date" means 26 June of each year commencing on 26 June 2015 (short first coupon).

"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 both (i) the Clearing System and (ii) all relevant parts of the Trans-European Automated Real-time Gross settlement Express Transfer system 2 (TARGET) are open to effect payments.

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

A **"Gross-up Event"** will occur if an opinion of a recognised independent tax adviser has been delivered to the Principal Paying Agent, stating that the Issuer has or will become obliged to pay Additional Amounts pursuant to § 7 on the Bonds as a result of any change in, or amendment to, the laws or regulations of the Issuer's country of domicile for tax purposes or any political subdivision or any authority thereof or therein having power to tax, or as a result of any change in the official interpretation or application of any such laws or regulations, which change or amendment becomes effective on or after the date of issue of the Bonds, and that obligation cannot be avoided by the Issuer taking such reasonable measures it (acting in good faith) deems 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 in respect of (i) a payment of interest, Arrears of Interest or principal on the Bonds or (ii) a repurchase of the Bonds if the Issuer would become insolvent in accordance with the Applicable Insolvency Regulations as a result thereof.

"Margin" means 3.25 per cent.

The **"Conditions to Settlement"** are fulfilled on a day

erfüllt, wenn

- (i) an diesem Tag kein Pflichtaussetzungsereignis eingetreten ist und fort dauert; und
- (ii) vor diesem Tag die Zuständige Aufsichtsbehörde ihre Zustimmung zu der betreffenden Zahlung erteilt und nicht widerrufen hat, vorausgesetzt, dass zu diesem Zeitpunkt die Solvency II Richtlinie Teil der Anwendbaren Aufsichtsrechtlichen Vorschriften geworden ist und dass eine solche Zustimmung zum betreffenden Zeitpunkt für die Qualifikation der Schuldverschreibungen als Tier 2 Kapital (oder eine bessere Eigenmittelkategorie) der Emittentin oder des Hannover Rück-Konzerns oder des Konzerns, dem die Emittentin angehört, gemäß den Anwendbaren Aufsichtsrechtlichen Vorschriften (einschließlich der Übergangsvorschriften) erforderlich ist.

Dies gilt auch dann, wenn die Schuldverschreibungen nicht die Voraussetzungen für die Qualifikation als Tier 2 Kapital erfüllen, jedoch aufgrund der Übergangsvorschriften der Anwendbaren Aufsichtsrechtlichen Vorschriften als Tier 1 Kapital oder Tier 2 Kapital in die Berechnung der Eigenmittel einbezogen werden.

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

"Obligatorischer Zinszahlungstag" bezeichnet jeden Zinszahlungstag (wie nachstehend definiert), 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 fort dauert.

"Obligatorisches Zinszahlungsereignis" bezeichnet jedes der folgenden Ereignisse:

- (i) auf der letzten ordentlichen Hauptversammlung der Emittentin vor dem betreffenden Zinszahlungstag wurde eine Dividende, sonstige Ausschüttung oder Zahlung auf eine beliebige Gattung von Aktien der Emittentin wirksam beschlossen; oder
- (ii) seit der letzten ordentlichen Hauptversammlung der Emittentin hat die Emittentin eine Abschlagszahlung auf den Bilanzgewinn geleistet; oder

with respect to any payment of Arrears of Interest if

- (i) on such day no Compulsory Deferral Event has occurred and is continuing; and
- (ii) prior to such day the Competent Supervisory Authority has given, and not withdrawn, its consent to the relevant payment, provided that the Solvency II Directive has become part of the Applicable Supervisory Regulations and that such consent is required at the time in order for the Bonds to qualify as Tier 2 Capital (or a better category of own funds) of the Issuer or the Hannover Re Group or the group of companies the Issuer is a member of under the Applicable Supervisory Regulations (including the transitional provisions).

This shall also apply if the Bonds do not fulfil the requirements to qualify as Tier 2 Capital but are being recognised as Tier 1 Capital or Tier 2 Capital for purposes of calculating the own funds under the transitional provisions of the Applicable Supervisory Regulations.

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

"Compulsory Interest Payment Date" means any Interest Payment Date (as defined below) 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.

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

- (i) the most recent ordinary general meeting of shareholders (*ordentliche Hauptversammlung*) of the Issuer prior to the relevant Interest Payment Date 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 since the most recent ordinary general meeting of shareholders (*ordentliche Hauptversammlung*) of the Issuer; or

- (iii) die Emittentin hat, direkt oder indirekt durch eine mit der Emittentin verbundene Tochtergesellschaft eine beliebige Gattung von Aktien der Emittentin gegen Geld zurückgekauft (mit Ausnahme von Rückkäufen, die im Rahmen von Aktienoptions- oder Beteiligungsprogrammen für die Geschäftsführung oder Mitarbeiter der Emittentin oder von mit der Emittentin verbundenen Unternehmen im Rahmen des gewöhnlichen Geschäftsverlaufs getätigt werden).

Ein "**Pflichtaussetzungseignis**" ist in Bezug auf einen Tag, an dem Zahlungen von Zinsen und/oder Zinsrückständen gemäß diesen Anleihebedingungen vorgesehen sind, eingetreten, wenn

- (i) eine entsprechende Zahlung zu einem Insolvenzereignis führen oder dessen Eintritt beschleunigen würde; oder
- (ii) am betreffenden Tag eine Anordnung der Zuständigen Aufsichtsbehörde in Kraft ist, die der Emittentin im Rahmen der dann anwendbaren gesetzlichen Bestimmungen untersagt, Zahlungen auf die Schuldverschreibungen zu leisten; oder
- (iii) an oder vor diesem Tag ein Solvenzkapitalereignis entweder eingetreten ist und am betreffenden Tag fort dauert oder durch die Zahlung von Zinsen und/oder Zinsrückständen durch die Emittentin am betreffenden Tag eintreten würde, es sei denn, die Zuständige Aufsichtsbehörde hat vor diesem Tag ihre vorherige Zustimmung zur Zahlung der betreffenden Zinsen bzw. Zinsrückstände trotz Solvenzkapitalereignis erteilt und nicht widerrufen.

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

- (i) den nächsten Zinszahlungstag, der auf den Tag folgt, an dem ein Obligatorisches Zinszahlungseignis eingetreten ist, und in Bezug auf den die Nachzahlungsvoraussetzungen erfüllt sind;
- (ii) den Tag der Rückzahlung der Schuldverschreibungen gemäß diesen Anleihebedingungen; 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

- (iii) the Issuer, directly or indirectly through a subsidiary of the Issuer, repurchased shares of any class of the Issuer for cash (with the exception of repurchases in connection with stock option or stock ownership programmes for management or employees of the Issuer or affiliates of the Issuer made in the ordinary course of business).

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

- (i) a corresponding 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 in accordance with regulations applicable at such time from making payments under the Bonds; or
- (iii) a Solvency Capital Event either has occurred on or prior to such date and is continuing on such date or would be caused by the payment by the Issuer of interest and/or Arrears of Interest on the relevant date, unless prior to such day the Competent Supervisory Authority has given and not withdrawn its prior consent to the payment of the relevant interest and Arrears of Interest, respectively, despite the Solvency Capital Event.

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

- (i) the next Interest Payment Date following the date on which a Compulsory Interest Payment Event occurred, and in respect of which the Conditions to Settlement are fulfilled;
- (ii) the date of redemption of the Bonds in accordance with these Terms and Conditions; 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

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"** liegt vor, wenn Standard & Poor's Ratings Services, ein Unternehmensbereich der McGraw Hill Financial, Inc. ("**S&P**") oder A.M. Best Company ("**A.M. Best**") (oder eine jeweilige Nachfolgerin) ihre an dem Tag der Begebung der Schuldverschreibungen geltenden Kriterien (oder deren Auslegung bzw. Anwendung) für die Eigenkapitalanrechnung von Wertpapieren wie die Schuldverschreibungen ändert, und soweit nach begründeter Auffassung der Emittentin die Änderung der Kriterien (oder deren Auslegung bzw. Anwendung) zu einer niedrigeren Eigenkapitalanrechnung führt, als die Eigenkapitalanrechnung, die den Schuldverschreibungen von S&P bzw. A.M. Best vor dem Zeitpunkt dieser Änderung der Kriterien (oder deren Auslegung bzw. Anwendung) zugewiesen wurde.

Ein **"Rechnungslegungseignis"** tritt ein, wenn der Emittentin ein Gutachten einer unabhängigen anerkannten Wirtschaftsprüfungsgesellschaft übergeben worden ist (und die Emittentin der Hauptzahlstelle eine Kopie davon übergeben hat), aus dem hervorgeht, dass die Emittentin aufgrund einer Änderung der Anwendbaren Rechnungslegungsvorschriften die Verbindlichkeiten aus den Schuldverschreibungen zur Zahlung des Kapitals in dem nach Maßgabe der Anwendbaren Rechnungslegungsvorschriften aufgestellten Konzernjahresabschluss der Emittentin nicht bzw. nicht mehr als Verbindlichkeiten ausweisen kann und die Emittentin dies nicht abwenden kann, indem sie zumutbare Maßnahmen ergreift, die sie nach Treu und Glauben für angemessen hält.

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

"Rückzahlungsbedingungen" 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

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 Standard & Poor's Ratings Services, a division of McGraw Hill Financial, Inc. ("**S&P**") or A.M. Best Company ("**A.M. Best**"), or any respective successor, changes its equity credit criteria (or the interpretation or application thereof) for securities such as the Bonds as such criteria are in effect on the date of issue of the Bonds, and such change in the criteria (or the interpretation or application thereof) results, in the reasonable opinion of the Issuer, in a lower equity credit being given to the Bonds than the equity credit given by S&P or A.M. Best to the Bonds prior to such change in the criteria (or the interpretation or application thereof).

An **"Accounting Event"** will occur if an opinion of a recognised accounting 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 the Issuer must not or must no longer record the obligations under the Bonds for the payment of principal as liabilities on the consolidated balance sheet prepared in accordance with Applicable Accounting Standards for purposes of the Issuer's published consolidated annual financial statements and this cannot be avoided by the Issuer taking such reasonable measures it (acting in good faith) deems appropriate.

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

"Conditions to Redemption" 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 yet unpaid and, for the avoidance of

bezahlten Zinsen sowie, zur Klarstellung, sämtlicher fälligen Zinsrückstände in Bezug auf diese Schuldverschreibung.

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

"**SchVG**" bezeichnet das Gesetz über Schuldverschreibungen aus Gesamtemissionen – SchVG.

"**Solvency II Richtlinie**" bezeichnet die Richtlinie 2009/138/EG des Europäischen Parlaments und der Kommission vom 25. November 2009 in der jeweils geltenden Fassung, die dazu erlassenen weiteren Rechtsakte der Europäischen Union und die darauf bezogenen einschlägigen Umsetzungsgesetze und -maßnahmen.

Ein "**Solvenzkapitalereignis**" ist eingetreten

- (i) bevor die Solvency II Richtlinie Teil der Anwendbaren Aufsichtsrechtlichen Vorschriften geworden ist, falls die Emittentin, der Hannover Rück-Konzern oder der Konzern, dem die Emittentin angehört, nicht über ausreichende Mittel zur Deckung der geforderten Mindest-Solvabilitätsspanne (oder einem entsprechenden Begriff nach einer Änderung anzuwendender Vorschriften) verfügt, wie sie nach den Anwendbaren Aufsichtsrechtlichen Vorschriften vorgeschrieben sind; bzw.
- (ii) nachdem die Solvency II Richtlinie Teil der Anwendbaren Aufsichtsrechtlichen Vorschriften geworden ist, falls die Eigenmittel (unabhängig von der im Rahmen der Umsetzung der Solvency II Richtlinie gewählten Bezeichnung) der Emittentin, des Hannover Rück-Konzerns oder des Konzerns, dem die Emittentin angehört, nicht ausreichen, um die geltenden Solvenzkapitalanforderungen (unabhängig von der im Rahmen der Umsetzung der Solvency II Richtlinie gewählten Bezeichnung) gemäß den Anwendbaren Aufsichtsrechtlichen Vorschriften abzudecken, und für die Qualifikation der Schuldverschreibungen als Tier 2 Kapital der Emittentin, des Hannover Rück-Konzerns oder des Konzerns, dem die Emittentin angehört, im Falle einer solchen Unterschreitung eine Aussetzung von Zinszahlungen erforderlich bzw. die Nachzahlung von Zinsrückständen, die Rückzahlung des Kapitals oder der Rückkauf untersagt ist.

Dies gilt auch dann, wenn die Schuldverschreibungen nicht die

doubt, any Arrears of Interest due on such Bond.

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

"**SchVG**" means the German Act on Issues of Debt Securities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen – SchVG*).

"**Solvency II Directive**" 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, and the applicable legislation and measures implementing the same.

A "**Solvency Capital Event**" will have occurred

- (i) prior to the Solvency II Directive becoming part of the Applicable Supervisory Regulations, if the Issuer, the Hannover Re Group or the group of companies the Issuer is a member of does not have sufficient funds to cover the required minimum solvency margin (or a comparable term in case of a change in applicable rules) in accordance with Applicable Supervisory Regulations; or
- (ii) upon the Solvency II Directive becoming part of the Applicable Supervisory Regulations, if the regulatory capital (howsoever described in the course of the implementation of the Solvency II Directive) of the Issuer, the Hannover Re Group or the group of companies the Issuer is a member of is not sufficient to cover the relevant solvency capital requirement pursuant to the Applicable Supervisory Regulations (howsoever described in the course of the implementation of the Solvency II Directive) and a deferral of interest is required or a payment of Arrears of Interest or a repayment of principal or repurchase is prohibited, respectively, in the case of such insufficiency in order for the Bonds to qualify as Tier 2 Capital of the Issuer, the Hannover Re Group or the group of companies the Issuer is a member of.

This shall also apply if the Bonds do not fulfil the requirements to qualify as Tier 2 Capital but

Voraussetzungen für die Qualifikation als Tier 2 Kapital erfüllen, jedoch aufgrund der Übergangsvorschriften der Anwendbaren Aufsichtsrechtlichen Vorschriften als Tier 1 Kapital oder Tier 2 Kapital in die Berechnung der Eigenmittel einbezogen werden.

Ein **"Steuerereignis"** tritt ein, wenn der Hauptzahlstelle ein Gutachten eines anerkannten unabhängigen Steuerberaters vorgelegt wird, aus dem hervorgeht, dass aufgrund einer an oder nach dem Tag der Begebung der Schuldverschreibungen in Kraft tretenden Änderung oder Erneuerung von Gesetzen oder Verordnungen des Staates, in dem die Emittentin steuerlich ansässig ist oder einer zur Erhebung von Steuern berechtigten Gebietskörperschaft oder Behörde des Staates, in dem die Emittentin steuerlich ansässig ist, oder als Folge einer Änderung der offiziellen Auslegung oder Anwendung dieser Gesetze oder Verordnungen durch eine gesetzgebende Körperschaft, ein Gericht, eine Regierungsstelle oder eine Aufsichtsbehörde (einschließlich des Erlasses von Gesetzen, Verordnungen und sonstigen Vorschriften sowie der Bekanntmachung gerichtlicher oder aufsichtsrechtlicher Entscheidungen), Zinsen, die von der Emittentin auf die Schuldverschreibungen zu zahlen sind, von der Emittentin nicht mehr für die Zwecke der Ertragsteuer des Staates, 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 zumutbare Maßnahmen ergreift, die sie nach Treu und Glauben für angemessen hält.

"Steuern" hat die in § 7 festgelegte Bedeutung.

"TARGET-Geschäftstag" hat die in § 4(2)(c) festgelegte Bedeutung.

"Teilweiser Pflichtnachzahlungstag" hat die in § 4(4)(b) festgelegte Bedeutung.

"Tier 1 Kapital" bezeichnet nach Umsetzung der Solvency II Richtlinie aufsichtsrechtliches Tier 1 Kapital (unabhängig von der im Rahmen der Umsetzung der Solvency II Richtlinie gewählten Bezeichnung).

"Tier 2 Kapital" bezeichnet nach Umsetzung der Solvency II Richtlinie aufsichtsrechtliches Tier 2 Kapital (unabhängig von der im Rahmen der Umsetzung der Solvency II Richtlinie gewählten Bezeichnung).

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

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

are being recognised as Tier 1 Capital or Tier 2 Capital for purposes of calculating the own funds under the transitional provisions of the Applicable Supervisory Regulations.

A **"Tax Event"** will occur if an opinion of a recognised independent tax counsel has been delivered to the Principal Paying Agent, stating that, as a result of any change in, or amendment to, the laws or regulations of the Issuer's country of domicile for tax purposes or any political subdivision or any authority of or in the Issuer's country of domicile for tax purposes having power to tax, or as a result of any change in the official interpretation or application of any such laws or regulations by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation, regulation or other rule and the publication of any judicial decision or regulatory determination), which change or amendment 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 reasonable measures it (acting in good faith) deems appropriate.

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

"TARGET Business Day" has the meaning set out in § 4(2)(c).

"Partial Mandatory Settlement Date" has the meaning set out in § 4(4)(b).

"Tier 1 Capital" means, upon implementation of the Solvency II Directive, tier 1 regulatory capital (howsoever described in the course of the implementation of the Solvency II Directive).

"Tier 2 Capital" means, upon implementation of the Solvency II Directive, tier 2 regulatory capital (howsoever described in the course of the implementation of the Solvency II Directive).

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

"Floating Interest Rate" has the meaning set out in

Bedeutung.

"Variabler Zinszahlungstag" bezeichnet den 26. März, 26. Juni, 26. September und 26. Dezember eines jeden Jahres, beginnend mit dem 26. Juni 2025. 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 Kündigungstermin (einschließlich) bis zum ersten Variablen Zinszahlungstag (ausschließlich) und nachfolgend ab jedem Variablen Zinszahlungstag (einschließlich) bis zu dem jeweils nächstfolgenden Variablen Zinszahlungstag (ausschließlich).

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

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

"Zinslaufbeginn" ist der 15. September 2014.

"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.

"Zinstagequotient" hat die in § 4(2)(c) 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 wird.

§ 2

Verbriefung und Nennbetrag

(1) Währung, Nennbetrag und Form.

Die Emittentin gibt auf den Inhaber lautende, nachrangige, fest- bis variabel verzinsliche

§ 4(2)(b).

"Floating Interest Payment Date" means 26 March, 26 June, 26 September and 26 December in each year, commencing on 26 June 2025. 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 Call 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.

"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 15 September 2014.

"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).

"Day Count Fraction" has the meaning set out in § 4(2)(c).

"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 becomes its successor in such capacity as insurance regulator.

§ 2

Form and Denomination

(1) Currency, Denomination and Form.

The Issuer issues undated subordinated fixed to floating rate bearer bonds (the **"Bonds"**) in a

Schuldverschreibungen ohne feste Laufzeit (die "**Schuldverschreibungen**") im festgelegten Nennbetrag von je € 100.000 (der "**Festgelegte Nennbetrag**") und im Gesamtnennbetrag von € 500.000.000.

(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 nicht vor Ablauf von 40 und spätestens nach Ablauf von 180 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 gemäß den Regeln und Betriebsabläufen des Clearingsystems gegen eine endgültige Globalinhaberschuldverschreibung (die "**Dauer-Globalurkunde**" und, gemeinsam mit der Vorläufigen Globalurkunde, jeweils eine "**Globalurkunde**") ohne Zinsscheine ausgetauscht. Zahlungen auf eine Vorläufige Globalurkunde erfolgen nur gegen Vorlage einer solchen Bestätigung. Einzelurkunden oder Zinsscheine werden nicht ausgegeben.

(3) Die Miteigentumsanteile bzw. Rechte der Anleihegläubiger an der Globalurkunde können nach Maßgabe des anwendbaren Rechts und der Regeln und Bestimmungen des Clearingsystems übertragen werden.

§ 3 Status

(1) Status der Schuldverschreibungen.

Die Schuldverschreibungen begründen nicht besicherte Verbindlichkeiten der Emittentin, die

- (a) nachrangig gegenüber allen nicht nachrangigen Verbindlichkeiten der Emittentin sind;
- (b) nachrangig gegenüber allen nachrangigen Verbindlichkeiten der Emittentin gemäß § 39 Absatz 1 Insolvenzordnung sind;

denomination of € 100,000 each (the "**Principal Amount**") in the aggregate principal amount of € 500,000,000.

(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 depositary for the Clearing System on or around the date of issue of the Bonds. The Temporary Global Bond will be exchangeable 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 and not later than 180 days after the date of issue of the Bonds upon certification as to non-U.S. beneficial ownership in accordance with the rules and operating procedures of the Clearing System. Payments on a Temporary Global Bond will only be made against presentation of such certification. No definitive Bonds or interest coupons will be issued.

(3) The Bondholders' proportional co-ownership interests or rights in the Global Bond 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

- (a) subordinated to all unsubordinated obligations of the Issuer;
- (b) subordinated to all subordinated obligations of the Issuer pursuant to § 39(1) German Insolvency Code (*Insolvenzordnung*);

- (c) untereinander gleichrangig sind;
- (d) nachrangig gegenüber allen nachrangigen Verbindlichkeiten der Emittentin sind, soweit zwingende gesetzliche Bestimmungen solche anderen nachrangigen Verbindlichkeiten im Rang besser stellen; und
- (e) nachrangig gegenüber allen nachrangigen Verbindlichkeiten der Emittentin mit begrenzter Laufzeit sind, soweit für solche Verbindlichkeiten nicht ausdrücklich ein Gleich- oder Nachrang gegenüber den Verbindlichkeiten der Emittentin aus den Schuldverschreibungen festgelegt ist.

Die Emittentin hat das Recht, den Status der Schuldverschreibungen dahingehend zu ändern, dass der Vorrang von Verbindlichkeiten gemäß diesem § 3(1)(e) entfällt. Die Änderung wird mit Bekanntmachung der Emittentin hierüber an die Anleihegläubiger gemäß § 11 wirksam, vorausgesetzt, die Zuständige Aufsichtsbehörde hat ihre vorherige Zustimmung erteilt.

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 (i) allen nicht nachrangigen Verbindlichkeiten der Emittentin, (ii) allen nachrangigen Verbindlichkeiten der Emittentin gemäß § 39 Absatz 1 Insolvenzordnung und (iii) allen nachrangigen Verbindlichkeiten der Emittentin, soweit zwingende gesetzliche Bestimmungen solche anderen nachrangigen Verbindlichkeiten im Rang besser stellen, im Rang nach, so dass Zahlungen auf die 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; erst nach Befriedigung aller der vorgenannten Ansprüche können die verbleibenden Vermögenswerte an die Eigner etwaiger Instrumente, die den Ansprüchen aus den Schuldverschreibungen im Rang nachgehen, etwaiger Vorzugsaktien der Emittentin und der Stammaktien der

- (c) *pari passu* among themselves;
- (d) subordinated to all subordinated obligations of the Issuer required to be preferred by mandatory provisions of law; and
- (e) subordinated to all subordinated dated obligations of the Issuer, unless such obligations are expressed to rank *pari passu* with, or junior to, the Bonds.

The Issuer has the right to amend the status of the Bonds such that the senior rank of obligations pursuant to this § 3(1)(e) will cease to apply. Such amendment shall become effective upon notification thereof by the Issuer to the Bondholders pursuant to § 11, provided that prior consent of the Competent Regulatory Authority has been obtained.

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 subordinated to (i) all unsubordinated obligations of the Issuer, (ii) all subordinated obligations of the Issuer pursuant to § 39(1) of the German Insolvency Code (*Insolvenzordnung*) and (iii) all subordinated obligations of the Issuer required to be preferred by mandatory provisions of law, so that in any such event payments will not be made under the Bonds until 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 will first have been satisfied in full; only after all of the aforementioned claims will first have been satisfied any remaining assets may be distributed to the holders of any instruments that rank junior to the claims under the Bonds, any preference shares of the Issuer, if any, and the common shares of the Issuer.

Emittentin verteilt werden.

- (2) Hinweis nach § 53c Absatz 3b Satz 4 Versicherungsaufsichtsgesetz.

Nachträglich können weder der Nachrang gemäß diesem § 3 beschränkt noch die Laufzeit der Schuldverschreibungen begrenzt oder die Kündigungsfristen verkürzt werden. Eine vorzeitige Rückerstattung ist der Emittentin ohne Rücksicht auf entgegenstehende Vereinbarungen zurückzugewähren, soweit die Emittentin nicht aufgelöst wurde und sofern nicht der rückerstattete Betrag durch die Einzahlung anderer, zumindest gleichwertiger Eigenmittel ersetzt worden ist oder die Zuständige Aufsichtsbehörde der Rückerstattung zugestimmt hat.

- (3) 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.

- (4) 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 Zinsen

- (1) Festzinsperiode.

(a) Im Zeitraum ab dem Zinslaufbeginn (einschließlich) bis zum Ersten Kündigungstermin (ausschließlich) werden die Schuldverschreibungen bezogen auf den Festgelegten Nennbetrag mit jährlich 3,375 % verzinst. Die erste Zinszahlung beläuft sich auf EUR 2.626,03 je Festgelegtem Nennbetrag. Während dieses Zeitraums sind Zinsen nachträglich an jedem Festzinszahlungstag zur Zahlung vorgesehen, und werden nach Maßgabe der in § 4(3) und § 4(4)

- (2) Notification pursuant to § 53c (3b) Sentence 4 of the German Insurance Supervisory Act (*Versicherungsaufsichtsgesetz*).

No subsequent agreement may limit the subordination pursuant to the provisions set out in this § 3 or limit the term of the Bonds or shorten any applicable termination period (*Kündigungsfrist*) in respect of the Bonds. If the Bonds are redeemed early the amounts redeemed must be returned to the Issuer irrespective of any agreement to the contrary unless the Issuer has been dissolved and if such amounts have not been replaced by other at least equivalent own funds (*Eigenmittel*) of at least equal status or if the Competent Supervisory Authority has given its consent to the redemption.

- (3) 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.

- (4) 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 Interest

- (1) Fixed Interest Period.

(a) In the period from and including the Interest Commencement Date to but excluding the First Call Date the Bonds bear interest on their Principal Amount at the rate of 3.375 per cent. per annum. The first payment of interest will amount to EUR 2,626.03 per Principal Amount. 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).

dargelegten Bedingungen fällig.

- (b) Sofern Zinsen in Bezug auf eine Festzinsperiode oder einen Teil davon zu berechnen sind, erfolgt die Berechnung auf der Grundlage des Festzins-Zinstagequotienten (wie nachstehend definiert) (ausgenommen ist der für die erste Zinszahlung relevante Zeitraum, für den ein fester Zinsbetrag festgelegt ist).

"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) If interest is required to be calculated for any Fixed Rate Interest Period or part thereof, such interest shall be calculated on the basis of the Fixed Rate Day Count Fraction (as defined below) (other than the period of time in relation to the first payment of interest for which a fixed interest amount has been set).

"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) der Anzahl der Tage in dem betreffenden Zinsberechnungszeitraum, die in die nachfolgende Feststellungsperiode fallen, dividiert durch die Anzahl der Tage in dieser Feststellungsperiode.

"**Feststellungsperiode**" bezeichnet den Zeitraum ab dem 26. Juni eines Jahres (einschließlich) bis zum nächsten 26. Juni (ausschließlich).

(2) Variable Zinsperiode.

(a) Variable Verzinsung.

Im Zeitraum ab dem Ersten Kündigungstermin (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**") berechnet sich aus dem Angebotssatz (ausgedrückt als Prozentsatz per annum) für Dreimonatseinlagen in Euro für diese Variable Zinsperiode, der am Zinsfestsetzungstag um 11:00 Uhr vormittags (Brüsseler Ortszeit) auf der Bildschirmseite angegeben wird, zuzüglich der Marge, wobei alle Festlegungen durch die Berechnungsstelle erfolgen.

Sollte die Bildschirmseite nicht zur Verfügung stehen oder wird zu dem betreffenden Zeitpunkt kein Angebotssatz angezeigt, wird die

- (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.

"**Determination Period**" means the period from and including 26 June in any year to but excluding the next 26 June.

(2) Floating Rate Interest Period.

(a) Floating Rate Interest.

In the period from and including the First Call 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 (*fällig*) in accordance with the conditions set out in § 4(3) and § 4(4).

(b) Floating Rate Interest.

The rate of interest for the relevant Floating Interest Period (the "**Floating Interest Rate**") will be the offered quotation (expressed as a percentage rate per annum) for three-month deposits in euro for that Floating Interest Period which appears on the Screen Page as of 11:00 a.m. (Brussels time) on the Interest Determination Date plus the Margin, all as determined by the Calculation Agent.

If the Screen Page is not available or if no such quotation appears at such time, the Calculation Agent shall request the Reference Banks (as defined below) to

Berechnungsstelle von den Referenzbanken (wie nachstehend definiert) deren jeweilige Angebotssätze (jeweils als Prozentsatz per annum ausgedrückt) für Dreimonatseinlagen in Euro für die betreffende Variable Zinsperiode und über einen repräsentativen Betrag (wie nachstehend definiert) gegenüber führenden Banken im Interbankenmarkt der Euro-Zone um ca. 11.00 Uhr (Brüsseler Ortszeit) an dem betreffenden Zinsfestsetzungstag einholen. Falls zwei oder mehr Referenzbanken der Berechnungsstelle solche Angebotssätze nennen, ist der Variable Zinssatz für die betreffende Variable Zinsperiode das arithmetische Mittel (falls erforderlich, auf- oder abgerundet auf das nächste Tausendstel Prozent, wobei 0,0005 aufgerundet wird) dieser Angebotssätze zuzüglich der Marge, wobei alle Feststellungen durch die Berechnungsstelle erfolgen.

Falls an dem betreffenden Zinsfeststellungstag nur eine oder keine der Referenzbanken der Berechnungsstelle die im vorstehenden Absatz beschriebenen Angebotssätze nennt, ist der Variable Zinssatz 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 Berechnungsstelle ausgewählte Großbanken im Interbankenmarkt der Euro-Zone der Berechnungsstelle auf ihre Anfrage als den jeweiligen Satz nennen, zu dem sie um 11.00 Uhr (Brüsseler Ortszeit) am betreffenden Zinsfestsetzungstag Darlehen in Euro für die betreffende Variable Zinsperiode und über einen repräsentativen Betrag gegenüber führenden europäischen Banken anbieten, zuzüglich der Marge.

Falls der Variable Zinssatz nicht gemäß der oben definierten Bestimmungen ermittelt werden kann, ist der Variable

provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for three months deposits in euro for the relevant Floating Interest Period and in a representative amount (as defined below) to prime banks in the Euro-Zone interbank market at approximately 11:00 a.m. (Brussels time) on the relevant Interest Determination Date. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Floating Interest Rate for such 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 plus the Margin, all as determined by the Calculation Agent.

If on the relevant Interest Determination Day only one or none of the selected Reference Banks provides the Calculation Agent with such offered quotations as provided in the preceding paragraph, the Floating Interest Rate for the relevant 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 to (and at the request of) the Calculation Agent by major banks in the Euro-Zone interbank market, selected by the Calculation Agent, at which such banks offer, as at 11:00 a.m. (Brussels time) on the relevant Interest Determination Day, loans in euro for the relevant Floating Interest Period and in a representative amount to leading European banks plus the Margin.

If the Floating Interest Rate cannot be determined in accordance with the foregoing provisions, the Floating

Zinssatz der Angebotssatz auf der Bildschirmseite an dem letzten Tag vor dem Zinsfestsetzungstag, an dem diese Angebotssätze angezeigt wurden, zuzüglich der Marge;

- (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 einheitliche Währung eingeführt haben oder jeweils eingeführt haben werden.

"Referenzbanken" die Hauptniederlassungen von vier von der Berechnungsstelle 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;

"TARGET-Geschäftstag" bezeichnet einen Tag, an dem alle maßgeblichen Stellen des Trans-European Automated Real-time Gross settlement Express Transfer (TARGET 2) Systems Geschäfte tätigen.

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

"Zinstagequotient" im Hinblick auf die Berechnung des Variablen Zinsbetrages für einen Zinsberechnungszeitraum die tatsächliche Anzahl von Tagen im

Interest Rate will be the offered quotation on the Screen Page on the last day preceding the Interest Determination Date on which such quotations were offered plus the Margin;

- (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 the purpose 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.

"Reference Banks" means the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Calculation Agent;

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

"TARGET Business Day" means a day on which all relevant parts of the Trans-European Automated Real-time Gross settlement Express Transfer (TARGET 2) system are operational.

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

"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

Zinsberechnungszeitraum geteilt durch 360.

(d) Aufgaben der Berechnungsstelle.

Die Berechnungsstelle wird zu oder baldmöglichst nach jedem Zeitpunkt, an dem der Variable Zinssatz zu bestimmen ist, den auf die Schuldverschreibungen fälligen Variablen Zinsbetrag (der "**Variable Zinsbetrag**") für die entsprechende Variable Zinsperiode berechnen. Die Berechnungsstelle ermittelt den Variablen Zinsbetrag, indem sie den Zinssatz (einschließlich der Marge) und den Zinstagequotient 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 und, sofern dies von den jeweiligen Wertpapierbörsen, an denen die Schuldverschreibungen notiert sind, vorgesehen ist, den jeweiligen Wertpapierbörsen sowie den Anleihegläubigern 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 notiert sind, sowie den Anleihegläubigern gemäß § 11 bekannt gemacht.

Alle Bescheinigungen, Mitteilungen,

Calculation Period divided by 360.

(d) Duties of the Calculation Agent.

The Calculation Agent will, on or as soon as practicable after each time at which the Floating Interest Rate is to be determined, determine the Floating Interest Rate and calculate the amount of interest (the "**Floating Interest Amount**") payable 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 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 and, if required by the rules of any stock exchange on which the Bonds are from time to time listed, to such stock exchange, and to the Bondholders 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 and to the Bondholders in accordance with § 11.

All certificates, communications,

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) Ende der Verzinsung und Verzugszinsen.

Die Verzinsung der Schuldverschreibungen endet mit Ablauf des Tages, der dem Tag 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 der Schuldverschreibungen mit Ablauf des Tages vor dem Tag der tatsächlichen Zahlung. Der in einem solchen Fall jeweils anzuwendende Zinssatz wird gemäß diesem § 4 bestimmt.

- (3) Fälligkeit von Zinszahlungen; wahlweise und zwingende Aussetzung von Zinszahlungen.

- (a) Zinsen, die während einer Zinsperiode auflaufen, die an einem Obligatorischen Zinszahlungstag (ausschließlich) endet, werden an diesem Obligatorischen Zinszahlungstag fällig.

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

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) End of interest accrual and default interest.

The Bonds will cease to bear interest from the end of the day 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, the Bonds will cease to bear interest from the end of the day preceding the day on which such payment is made. In such case the applicable rate of interest will be determined pursuant to this § 4.

- (3) 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.

- (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, 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 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

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 ein Pflichtaussetzungsereignis eingetreten ist, werden Zinsen, die während eines Zeitraumes aufgelaufen sind, der an dem betreffenden Zinszahlungstag (ausschließlich) endet, 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 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(3) nicht fällig gewordene aufgelaufene Zinsen für eine Zinsperiode sind Zinsrückstände (die "**Zinsrückstände**").

Zinsrückstände werden nicht verzinst.

(4) 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

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(3) will constitute arrears of interest ("**Arrears of Interest**").

Arrears of Interest will not bear interest.

(4) 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

Bekanntmachung gemäß § 11 unter Einhaltung einer Frist von nicht weniger als 10 und nicht mehr als 15 Geschäftstagen in Kenntnis zu setzen, wobei eine solche 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.

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

(ii) Wenn ein Aufsichtsrechtliches Ereignis eintritt, ist die Emittentin unbeschadet des § 4(4)(b)(i) verpflichtet, sämtliche Zinsrückstände, die durch wahlweise Aussetzung gemäß § 4(3)(b) entstanden sind, vorbehaltlich § 4(4)(c), spätestens an dem Zinszahlungstag (dieser Zinszahlungstag jeweils ein "**Teilweiser Pflichtnachzahlungstag**") nachzuzahlen, der auf den späteren der folgenden Tage fällt: (i) den fünften Jahrestag des betreffenden Zinszahlungstags, an dem sich die Emittentin zur Aussetzung der entsprechenden aufgelaufenen Zinsen entschieden hat, bzw. (ii) den ersten Zinszahlungstag, der

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.

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

(ii) If a Regulatory Event occurs, the Issuer must, notwithstanding § 4(4)(b)(i), pay all outstanding Arrears of Interest resulting from an optional deferral pursuant to § 4(3)(b), subject to § 4(4)(c), no later than on the later of (i) the Interest Payment Date falling on or after the fifth anniversary of the relevant Interest Payment Date in respect of which the Issuer elected to defer the relevant accrued interest and (ii) the Interest Payment Date falling on or after the fifth anniversary of the date on which the Regulatory Event occurs (the "**Partial Mandatory Settlement Date**").

mindestens fünf Jahre nach dem Tag des Eintritts des Aufsichtsrechtlichen Ereignisses liegt.

- (c) Falls an einem Freiwilligen Nachzahlungstag, einem Pflichtnachzahlungstag oder einem Teilweisen Pflichtnachzahlungstag die Nachzahlungsvoraussetzungen, soweit erforderlich, nicht erfüllt sind, werden Zinsrückstände, deren Zahlung an diesem Tag vorgesehen war, an dem betreffenden Freiwilligen Nachzahlungstag, Pflichtnachzahlungstag bzw. Teilweisen Pflichtnachzahlungstag nicht fällig, sondern bleiben ausstehend. Eine 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, Pflichtnachzahlungstag bzw. Teilweisen Pflichtnachzahlungstag informieren.

Soweit an einem Teilweisen Pflichtnachzahlungstag die Nachzahlungsvoraussetzungen, soweit erforderlich, nicht erfüllt sind, werden die betreffenden Zinsrückstände am nächsten Zinszahlungstag fällig, an dem die Nachzahlungsvoraussetzungen erfüllt sind.

§ 5

Rückzahlung und Rückkauf

- (1) Keine Endfälligkeit.

Die Schuldverschreibungen haben keinen Endfälligkeitstag und die Emittentin ist außer gemäß den Bestimmungen in § 5(3) und (4) nicht zur Kündigung der Schuldverschreibungen berechtigt.

- (2) Rückkauf.

- (a) Vorbehaltlich der Erfüllung der

- (c) If on an Optional Settlement Date, a Mandatory Settlement Date or a Partial Mandatory Settlement Date the Conditions to Settlement, to the extent required, 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, Mandatory Settlement Date or Partial Mandatory Settlement Date, as the case may be, but will remain outstanding. 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, Mandatory Settlement Date or Partial Mandatory Settlement Date.

If on any Partial Mandatory Settlement Date the Conditions to Settlement, to the extent required, are not fulfilled, the relevant Arrears of Interest will become due and payable (*fällig*) on the next Interest Payment Date on which the Conditions to Settlement are fulfilled.

§ 5

Redemption and Repurchase

- (1) No scheduled redemption.

The Bonds have no final maturity date and the Issuer has no right to call the Bonds for redemption except in accordance with the provisions set out in § 5(3) and (4).

- (2) Repurchase.

- (a) Subject to the Conditions to Redemption

Rückzahlungsbedingungen 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 Rückzahlungsbedingungen 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) erwerben, es sei denn, die Anteile an diesem OGAW werden mehrheitlich von der Emittentin oder von einer ihrer Tochtergesellschaften gehalten.
- (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 jedoch nicht nur teilweise) vorbehaltlich der Erfüllung der Rückzahlungsbedingungen am Ersten Kündigungstermin und an jedem nachfolgenden Variablen Zinszahlungstag durch Erklärung gemäß § 5(5) zum Rückzahlungsbetrag zurückzuzahlen. Die Rückzahlung steht auch nach einer Kündigungserklärung unter dem Vorbehalt der Erfüllung der Rückzahlungsbedingungen 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 oder eines Ratingereignisses.

(a) Gross-up-Ereignis.

Wenn vor dem Ersten Kündigungstermin ein Gross-Up-Ereignis eintritt, ist die Emittentin

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 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) § 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 may, upon giving notice in accordance with § 5(5) and subject to the Conditions to Redemption being fulfilled, call the Bonds for redemption (in whole but not in part) at their Redemption Amount on the First Call 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 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 or a Rating Event.

(a) Gross-up Event.

If prior to the First Call Date a Gross-Up Event occurs, the Issuer may, at any time, upon giving notice in accordance

jederzeit berechtigt, die Schuldverschreibungen (insgesamt und nicht teilweise) durch Erklärung gemäß § 5(5) und vorbehaltlich der Erfüllung der Rückzahlungsbedingungen an dem in der Erklärung gemäß § 5(5) für die Rückzahlung festgelegten Tag zum Rückzahlungsbetrag zurückzuzahlen. Die Rückzahlung steht auch nach einer Kündigungserklärung unter dem Vorbehalt der Erfüllung der Rückzahlungsbedingungen an dem in der Erklärung gemäß § 5(5) für die Rückzahlung festgelegten Tag.

Die Bekanntmachung der Rückzahlung darf nicht früher als 90 Tage vor dem Tag erfolgen, an dem die Emittentin erstmals verpflichtet wäre, Zusätzliche Beträge gemäß § 7 zu zahlen.

- (b) Steuerereignis, Aufsichtsrechtliches Ereignis, Rechnungslegungseignis oder Ratingereignis.

Wenn vor dem Ersten Kündigungstermin ein Steuerereignis, ein Aufsichtsrechtliches Ereignis, ein Rechnungslegungseignis oder ein Ratingereignis eintritt, ist die Emittentin berechtigt, die Schuldverschreibungen jederzeit (insgesamt und nicht teilweise) durch Erklärung gemäß § 5(5) und vorbehaltlich der Erfüllung der Rückzahlungsbedingungen an dem in der Erklärung gemäß § 5(5) für die Rückzahlung festgelegten Tag zum Rückzahlungsbetrag zurückzuzahlen. Jedoch ist die Emittentin nicht zur Kündigung gemäß § 5(4)(b) berechtigt, wenn die Solvency II Richtlinie Teil der Anwendbaren Aufsichtsrechtlichen Vorschriften geworden ist und ein solches Kündigungsrecht die Einbeziehung der Schuldverschreibung in die Berechnung der Eigenmittel der Emittentin oder des Hannover Rück-Konzerns oder des Konzerns, dem die Emittentin angehört, als Tier 2 Kapital (oder eine bessere Eigenmittelkategorie) oder deren Qualifikation als Tier 2 Kapital (oder eine bessere Eigenmittelkategorie) nach den Anwendbaren Aufsichtsrechtlichen Vorschriften verhindert. Die

with § 5(5) and subject to the Conditions to Redemption being fulfilled, call the Bonds for redemption (in whole but not in part) at their Redemption Amount on the date fixed for redemption in the notice pursuant to § 5(5). Even if such call notice is given, the redemption is subject to the Conditions to Redemption being fulfilled on the date fixed for redemption in the notice pursuant to § 5(5).

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 pursuant to § 7.

- (b) Tax Event, Regulatory Event, Accounting Event or Rating Event.

If prior to the First Call Date a Tax Event, a Regulatory Event, an Accounting Event or a Rating Event occurs, the Issuer may, at any time, upon giving notice in accordance with § 5(5) and subject to the Conditions to Redemption being fulfilled, call the Bonds for redemption (in whole but not in part) at their Redemption Amount on the date fixed for redemption in the notice pursuant to § 5(5). However, there shall be no right to call the Bonds for redemption pursuant to § 5(4)(b) if the Solvency II Directive has become part of the Applicable Supervisory Regulations and such redemption right would prevent the inclusion of the Bonds in the determination of the own funds of the Issuer or of the Hannover Re Group or the group of companies the Issuer is a member of as Tier 2 Capital (or a better category of own funds) or their qualification as Tier 2 Capital (or a better category of own funds) under the Applicable Supervisory Regulations. Even if such call notice is given, the redemption is subject to the Conditions to Redemption being fulfilled on the date fixed for redemption in the notice pursuant to § 5(5).

Rückzahlung steht auch nach einer Kündigungserklärung unter dem Vorbehalt der Erfüllung der Rückzahlungsbedingungen an dem in der Erklärung gemäß § 5(5) für die Rückzahlung festgelegten Tag.

(5) Bekanntmachung der Rückzahlung.

Die Emittentin kann ein Recht zur Rückzahlung gemäß § 5(3) und (4) durch eine Bekanntmachung an die Anleihegläubiger gemäß § 11 unter Einhaltung einer Frist von nicht weniger als 30 und nicht mehr als 60 Tagen ausüben. Die Bekanntmachung und die Information der Hauptzahlstelle haben in den Fällen des § 5(4) diejenigen Tatsachen zu enthalten, auf welche die Emittentin ihr Recht zur Kündigung stützt, und den für die Rückzahlung festgelegten Tag zu bezeichnen.

(6) Rückzahlungsbedingungen.

Die "**Rückzahlungsbedingungen**" sind an einem Tag in Bezug auf eine vorgesehene Rückzahlung oder einen geplanten Rückkauf der Schuldverschreibungen erfüllt, wenn

- (a) im Falle einer Rückzahlung oder eines Rückkaufs der Schuldverschreibungen, bevor die Solvency II Richtlinie Teil der Anwendbaren Aufsichtsrechtlichen Vorschriften geworden ist, der rückzuzahlende oder zurückzukaufende Nennbetrag durch die Einzahlung anderer, zumindest gleichwertiger Eigenmittel ersetzt worden ist oder die Zuständige Aufsichtsbehörde der Rückzahlung oder dem Rückkauf zustimmt; bzw.
- (b) nachdem die Solvency II Richtlinie Teil der Anwendbaren Aufsichtsrechtlichen Vorschriften geworden ist,
 - (i) eine entsprechende Zahlung bzw. ein entsprechender Rückkauf nicht zu einem Insolvenzereignis führen oder dessen Eintritt beschleunigen würde; und
 - (ii) kein Solvenzkapitalereignis eingetreten ist und fort dauert oder durch die Rückzahlung der Schuldverschreibungen durch die Emittentin bzw. durch den Rückkauf eintreten würde, es sei

(5) Notification of redemption.

The Issuer will give not less than 30 nor more than 60 days' notice to the Bondholders in accordance with § 11 of any redemption pursuant to § 5(3) and (4). In the case of § 5(4) such notices will set forth the underlying facts of the Issuer's right to redemption and specify the date fixed for redemption.

(6) Conditions to Redemption.

The "**Conditions to Redemption**" are fulfilled on any day with respect to a scheduled redemption or a planned repurchase of the Bonds, if

- (a) in the case of a redemption or repurchase of the Bonds prior to the Solvency II Directive becoming part of the Applicable Supervisory Regulations the repaid or repurchased principal amount has been replaced by other at least equivalent regulatory capital (*Eigenmittel*) of at least equal status or if the Competent Supervisory Authority gives its consent to the redemption or the repurchase; or
- (b) upon the Solvency II Directive becoming part of the Applicable Supervisory Regulations,
 - (i) a corresponding payment or a corresponding repurchase 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 Issuer or the repurchase of the Bonds, unless the Competent Supervisory

denn, dass die Zuständige Aufsichtsbehörde trotz Solvenzkapitalereignis ihre vorherige Zustimmung zur Rückzahlung und der Zahlung von aufgelaufenen Zinsen bzw. etwaigen Zinsrückständen auf die Schuldverschreibungen bzw. zu dem Rückkauf erteilt und bis zu diesem Tag nicht widerrufen hat; und

- (iii) die Zuständige Aufsichtsbehörde ihre Zustimmung zur Rückzahlung und der Zahlung von aufgelaufenen Zinsen bzw. etwaigen Zinsrückständen auf die Schuldverschreibungen bzw. zu dem Rückkauf erteilt und bis zu diesem Tag nicht widerrufen hat (falls ein solcher Zustimmungsvorbehalt zum betreffenden Zeitpunkt für die Einbeziehung der Schuldverschreibungen in die Berechnung der Eigenmittel der Emittentin oder des Hannover Rück-Konzerns oder des Konzerns, dem die Emittentin angehört, als Tier 2 Kapital (oder eine bessere Eigenmittelkategorie) gemäß den Anwendbaren Aufsichtsrechtlichen Vorschriften (einschließlich der Übergangsvorschriften) erforderlich ist oder, in dem Fall einer Kündigung aufgrund eines Aufsichtsrechtlichen Ereignisses, ein solcher Zustimmungsvorbehalt unmittelbar vor dessen Eintritt erforderlich war); und
- (iv) im Falle einer Rückzahlung der Schuldverschreibungen gemäß § 5(4) bzw. eines Rückkaufs der Schuldverschreibungen gemäß § 5(2) vor dem Ersten Kündigungstermin das Kapital durch die Einzahlung anderer, zumindest gleichwertiger Eigenmittel ersetzt worden ist (falls ein solcher Ersetzungsvorbehalt zum betreffenden Zeitpunkt für die Einbeziehung der Schuldverschreibungen in die

Authority has given, and not withdrawn by such date, its prior consent to the redemption of the Bonds and the payment of accrued interest and Arrears of Interest (if any) on the Bonds or to the repurchase of the Bonds despite the Solvency Capital Event; and

- (iii) the Competent Supervisory Authority has given, and not withdrawn by such day, its prior consent to the redemption of the Bonds and the payment of accrued interest and Arrears of Interest (if any) on the Bonds or to the repurchase of the Bonds (if such consent is required in order for the Bonds to be recognised in the determination of the own funds of the Issuer or of the Hannover Re Group or the group of companies the Issuer is a member of as Tier 2 Capital (or a better category of own funds) under the Applicable Supervisory Regulations (including the transitional provisions) at the time, or, in the case of a redemption following a Regulatory Event, such consent had been required immediately before such Regulatory Event occurred); and
- (iv) in the event of a redemption of the Bonds pursuant to § 5(4) or the repurchase of the Bonds pursuant to § 5(2) prior to the First Call Date the capital has been replaced by other at least equivalent regulatory capital (if such replacement is required in order for the Bonds to be recognised in the determination of the own funds of the Issuer or of the Hannover Re Group or the group of companies the Issuer is

Berechnung der Eigenmittel der Emittentin oder des Hannover Rück-Konzerns oder des Konzerns, dem die Emittentin angehört, als Tier 2 Kapital (oder eine bessere Eigenmittelkategorie) gemäß den Anwendbaren Aufsichtsrechtlichen Vorschriften (einschließlich der Übergangsvorschriften) erforderlich ist, oder, in dem Fall einer Kündigung aufgrund eines Aufsichtsrechtlichen Ereignisses, ein solcher Ersetzungsvorbehalt unmittelbar vor dessen Eintritt erforderlich war).

a member of as Tier 2 Capital (or a better category of own funds) under the Applicable Supervisory Regulations (including the transitional provisions) at the time, or, in the case of a redemption following a Regulatory Event, such replacement had been required immediately before such Regulatory Event occurred).

- (7) Die Anleihegläubiger sind zu keinem Zeitpunkt zur Kündigung der Schuldverschreibungen berechtigt.

- (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 ordnungsgemäßigem Nachweis gemäß § 2(2).

- (b) Sämtliche Zahlungen stehen in allen Fällen unter dem Vorbehalt geltender steuerlicher und sonstiger gesetzlicher Vorschriften, Richtlinien und Verordnungen oder sonstiger gesetzlicher Vorschriften, 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 oder Verordnungen oder Verpflichtungen auferlegt oder erhoben werden. Dies berührt jedoch nicht die Bestimmungen von § 7. Den

§ 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 and regulations or other laws 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.

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.

§ 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 geleistet ("**Steuern**"), 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

- (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 effected 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.

§ 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

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, abziehen oder einzubehalten sind; oder
- (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; oder
- (e) wenn der Einbehalt oder Abzug durch eine der folgenden Regelungen auferlegt wird:
 - (i) eine in Section 1471(b) des U.S. Internal Revenue Code von 1986 (der "**Code**") beschriebene Vereinbarung;
 - (ii) Sections 1471 bis 1474 des Codes;
 - (iii) etwaige darunter erlassene Verordnungen oder Vereinbarungen;
 - (iv) offizielle Auslegungen dieser Sections; oder
 - (v) etwaige Richtlinien, Verordnungen oder sonstige gesetzliche Vorschriften, die einen zwischenstaatlichen Ansatz zu diesen Abschnitten umsetzen.

§ 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.

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) 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; or
- (e) where the deduction or withholding is imposed pursuant to any of the following:
 - (i) any agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**");
 - (ii) Sections 1471 through 1474 of the Code;
 - (iii) any regulations or agreements thereunder;
 - (iv) any official interpretations thereof; or
 - (v) any directive and regulation or any other law implementing an intergovernmental approach thereto.

§ 8

Presentation Period, Prescription

The period for presentation of the Bonds will be reduced to 10 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

Zahlstellen und Berechnungsstellen

(1) Bestellung.

Die Emittentin hat BNP Paribas Securities Services, Luxembourg Branch als Hauptzahlstelle in Bezug auf die Schuldverschreibungen (die "**Hauptzahlstelle**" und gemeinsam mit jeder etwaigen von der Emittentin nach § 9(2) bestellten zusätzlichen Zahlstelle, die "**Zahlstellen**", und jede eine "**Zahlstelle**") und BNP Paribas Securities Services, Luxembourg Branch als Berechnungsstelle (die "**Berechnungsstelle**") bestellt.

(2) Änderung oder Beendigung der Bestellung.

Die Emittentin behält sich das Recht vor, jederzeit die Benennung einer Zahlstelle oder der Berechnungsstelle zu verändern oder zu beenden und Nachfolger- bzw. zusätzliche Zahlstellen oder eine Nachfolger-Berechnungsstelle zu ernennen. Den Anleihegläubigern werden Änderungen in Bezug auf die Zahlstellen und die Berechnungsstelle oder deren angegebenen Geschäftsstellen umgehend gemäß § 11 bekannt gemacht.

(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.

§ 10

Weitere Emissionen

Die Emittentin kann ohne Zustimmung der Anleihegläubiger weitere Schuldverschreibungen begeben, die in jeder Hinsicht (mit Ausnahme der ersten Zinszahlung) die gleichen Bedingungen wie die Schuldverschreibungen dieser Anleihe haben und die zusammen mit den Schuldverschreibungen dieser Anleihe eine einzige Anleihe bilden. Der Begriff "Schuldverschreibungen" umfasst im Fall einer solchen weiteren Begebung auch solche zusätzlich

§ 9

Paying and Calculation Agents

(1) Appointment.

The Issuer has appointed BNP Paribas Securities Services, Luxembourg Branch 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 BNP Paribas Securities Services, Luxembourg Branch as Calculation Agent (the "**Calculation Agent**") with respect to the Bonds

(2) Variation or Termination of Appointment.

The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent or the Calculation Agent and to appoint successor or additional Paying Agents or a successor Calculation Agent. Notice of any change in the Paying Agents or the Calculation Agent or in the specified office of any Paying Agent or the Calculation Agent will promptly be given to the Bondholders pursuant to § 11.

(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*).

§ 10

Further Issues

The Issuer may from time to time, without the consent of the Bondholders, create and issue further bonds having the same terms and conditions as the Bonds in all respects (except for the first payment of interest) 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.

begebenen Schuldverschreibungen.

§ 11

Bekanntmachungen

- (1) Alle Bekanntmachungen, die die Schuldverschreibungen betreffen, werden im Bundesanzeiger und (solange die Schuldverschreibungen an der Luxemburger Wertpapierbörse notiert sind) auf der Internet-Seite der Luxemburger Börse unter www.bourse.lu veröffentlicht. Für das Datum und die Rechtswirksamkeit sämtlicher Bekanntmachungen ist die erste Veröffentlichung maßgeblich.
- (2) Die Emittentin ist berechtigt, alle die Schuldverschreibungen betreffenden Mitteilungen an das Clearingsystem zur Weiterleitung an die Anleihegläubiger zu übermitteln. Jede derartige Mitteilung gilt am dritten 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 ist berechtigt, die Anleihebedingungen mit Zustimmung aufgrund Mehrheitsbeschlusses der Anleihegläubiger nach Maßgabe der §§ 5 ff. SchVG zu ändern.

Das Recht der Emittentin gemäß Satz 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 Solo-Solvabilität der Emittentin oder der Gruppen-Solvabilität des Hannover Rück-Konzerns oder des Konzerns, dem die Emittentin angehört, als Tier 2 Kapital (oder eine bessere Eigenmittelkategorie); und
- (iii) der Zustimmung der Zuständigen

§ 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 Luxembourg Stock Exchange) on the website of the Luxembourg Stock Exchange on www.bourse.lu. Any notice will become effective for all purposes on the date of the first such publication.
- (2) 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 third 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 is entitled to amend the Terms and Conditions with the consent of a majority resolution of the Bondholders pursuant to §§ 5 et seq. of the SchVG.

The Issuer's right under sentence 1 is subject to the following:

- (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 single solvency purposes of the Issuer or for group solvency purposes of the Hannover Re Group or the group of companies the Issuer is a member of, as Tier 2 Capital (or a better category of own funds); and
- (iii) the consent of the Competent

Aufsichtsbehörde (sofern im betreffenden Zeitpunkt eine solche Zustimmung aufgrund der Anwendbaren Aufsichtsrechtlichen Vorschriften erforderlich ist).

Supervisory Authority (if under the Applicable Supervisory Regulations such consent is required at the time).

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 mit Ausnahme der Ersetzung der Emittentin, die in § 13 abschließend geregelt ist, mit den in dem nachstehenden § 12(2) genannten Mehrheiten zustimmen. Ein ordnungsgemäß gefasster Mehrheitsbeschluss ist für alle Anleihegläubiger verbindlich.

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(3) of the SchVG, but excluding a substitution of the Issuer, which is exclusively subject to the provisions in § 13, by resolutions passed by such majority of the votes of the Bondholders as stated under § 12(2) below. A duly passed majority resolution will be binding upon all Bondholders.

(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 Nummer 1 bis 9 SchVG, geändert wird, bedürfen zu ihrer Wirksamkeit einer Mehrheit von mindestens 75 % der an der Abstimmung teilnehmenden Stimmrechte (eine "**Qualifizierte Mehrheit**"). Das Stimmrecht ruht, solange die Schuldverschreibungen der Emittentin oder einem mit ihr verbundenen Unternehmen (§ 271 Absatz 2 HGB) zustehen oder für Rechnung der Emittentin oder eines mit ihr verbundenen Unternehmens gehalten werden.

(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(3) numbers 1 through 9 of the SchVG, may only be passed by a majority of at least 75 per cent. of the voting rights participating in the vote (a "**Qualified Majority**"). The voting right is suspended as long as any Bonds are attributable to the Issuer or any of its affiliates (within the meaning of § 271(2) of the German Commercial Code (*Handelsgesetzbuch*)) or are being held for the account of the Issuer or any of its affiliates.

(3) Beschlüsse der Anleihegläubiger werden entweder in einer Gläubigerversammlung nach § 12(3)(a) oder im Wege der Abstimmung ohne Versammlung nach § 12(3)(b) getroffen, die von der Emittentin oder einem gemeinsamen Vertreter einberufen wird. Gemäß § 9 Absatz 1 S. 2 SchVG können Anleihegläubiger, deren Schuldverschreibungen zusammen 5 % des jeweils ausstehenden Gesamtnennbetrags der Schuldverschreibungen erreichen, schriftlich die Durchführung einer Anleihegläubigerversammlung oder Abstimmung ohne Versammlung mit einer gemäß § 9 Absatz 1 S. 2 SchVG zulässigen Begründung verlangen.

(3) Resolutions of the Bondholders will be made either in a Bondholders' meeting in accordance with § 12(3)(a) or by means of a vote without a meeting (*Abstimmung ohne Versammlung*) in accordance with § 12(3)(b), in either case convened by the Issuer or a joint representative, if any. Pursuant to § 9(1) sentence 2 of the SchVG, Bondholders holding Bonds in the total amount of 5 per cent. of the outstanding aggregate principal amount of the Bonds may in writing request to convene a Bondholders' meeting or vote without a meeting for any of the reasons permitted pursuant to § 9(1) sentence 2 of the SchVG.

- (a) Beschlüsse der Anleihegläubiger im Rahmen einer Gläubigerversammlung werden nach §§ 9 ff. SchVG getroffen. Die Einberufung der Gläubigerversammlung regelt die weiteren Einzelheiten der Beschlussfassung und der Abstimmung. Mit der Einberufung der Gläubigerversammlung werden in der Tagesordnung die Beschlussgegenstände sowie die Vorschläge zur Beschlussfassung den Anleihegläubigern bekannt gegeben.
- (b) Beschlüsse der Anleihegläubiger im Wege der Abstimmung ohne Versammlung werden nach § 18 SchVG getroffen. Die Aufforderung zur Stimmabgabe durch den Abstimmungsleiter regelt die weiteren Einzelheiten der Beschlussfassung und der Abstimmung. Mit der Aufforderung zur Stimmabgabe werden die Beschlussgegenstände sowie die Vorschläge zur Beschlussfassung den Anleihegläubigern bekannt gegeben.
- (4) Die Stimmrechtsausübung ist von einer vorherigen Anmeldung der Anleihegläubiger abhängig. Die Anmeldung muss bis zum dritten Tag vor dem Beginn des Abstimmungszeitraums unter der in der Aufforderung zur Stimmabgabe angegebenen Anschrift zugehen. Zusammen mit der Anmeldung müssen Anleihegläubiger den Nachweis ihrer Berechtigung zur Teilnahme an der Abstimmung durch eine besondere Bescheinigung der Depotbank gemäß § 14(4)(i) in Textform und die Vorlage eines Sperrvermerks der Depotbank erbringen, aus dem hervorgeht, dass die relevanten Schuldverschreibungen für den Zeitraum vom Tag der Absendung der Anmeldung (einschließlich) bis dem Ende des Abstimmungszeitraums (einschließlich) nicht übertragen werden können.
- (5) Wird die Beschlussfähigkeit bei der Abstimmung ohne Versammlung nach § 12(3)(b) nicht festgestellt, kann der Abstimmungsleiter eine Gläubigerversammlung einberufen, welche als zweite Gläubigerversammlung im Sinne des § 15(3) Satz 3 SchVG gilt. Die Teilnahme an der
- (a) Resolutions of the Bondholders in a Bondholders' meeting will be made in accordance with § 9 et seq. of the SchVG. The convening notice of a Bondholders' meeting will provide the further details relating to the resolutions and the voting procedure. The subject matter of the vote as well as the proposed resolutions will be notified to Bondholders in the agenda of the meeting.
- (b) Resolutions of the Bondholders by means of a voting not requiring a physical meeting (*Abstimmung ohne Versammlung*) will be made in accordance § 18 of the SchVG. The request for voting as submitted by the chairman (*Abstimmungsleiter*) will provide the further details relating to the resolutions and the voting procedure. The subject matter of the vote as well as the proposed resolutions will be notified to Bondholders together with the request for voting.
- (4) The exercise of voting rights is subject to the registration of the Bondholders. The registration must be received at the address stated in the request for voting no later than the third day preceding the beginning of the voting period. As part of the registration, Bondholders must demonstrate their eligibility to participate in the vote by means of a special confirmation of the Custodian in accordance with § 14(4)(i) hereof 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 registration has been sent until and including the day the voting period ends.
- (5) If it is ascertained that no quorum exists for the vote without meeting pursuant to § 12(3)(b), the chairman (*Abstimmungsleiter*) may convene a meeting, which shall be deemed to be a second meeting within the meaning of § 15(3) sentence 3 of the SchVG. Attendance at the second meeting and exercise of voting rights is

zweiten Gläubigerversammlung und die Stimmrechtsausübung sind von einer vorherigen Anmeldung der Anleihegläubiger abhängig. Die Anmeldung muss bis zum dritten Tag vor der zweiten Gläubigerversammlung unter der in der Einberufung angegebenen Anschrift zugehen. Zusammen mit der Anmeldung müssen Anleihegläubiger den Nachweis ihrer Berechtigung zur Teilnahme an der Abstimmung durch eine besondere Bescheinigung der Depotbank gemäß § 14(4)(i) in Textform und die Vorlage eines Sperrvermerks der Depotbank erbringen, aus dem hervorgeht, dass die relevanten Schuldverschreibungen für den Zeitraum vom Tag der Absendung der Anmeldung (einschließlich) bis zum angegebenen Ende der Versammlung (einschließlich) nicht übertragen werden können.

- (6) Die Anleihegläubiger können durch Mehrheitsbeschluss die Bestellung und Abberufung eines gemeinsamen Vertreters, 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 wird, wesentlichen Änderungen der Anleihebedingungen gemäß § 12(2) zuzustimmen.
- (7) Bekanntmachungen betreffend diesen § 12 erfolgen gemäß den §§ 5ff. SchVG sowie nach § 11.
- (8) 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

subject to the registration of the Bondholders. The registration must be received at the address stated in the convening notice no later than the third day preceding the second bondholders' meeting. Bondholders must demonstrate their eligibility to participate in the vote by means of a special confirmation of the Custodian in accordance with § 14(4)(i) hereof in text form and by submission of a blocking instruction by the depositary bank stating that the relevant Bonds are not transferable from and including the day such registration has been sent until and including the stated end of the meeting.

- (6) The Bondholders may by majority resolution provide for the appointment or dismissal of a joint representative, the duties and responsibilities and the powers of such joint representative, the transfer of the rights of the Bondholders to the joint representative and a limitation of liability of the joint representative. Appointment of a joint representative may only be passed by a Qualified Majority if such joint 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.
- (7) Any notices concerning this § 12 will be made in accordance with § 5 et seq. of the SchVG and § 11.
- (8) 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

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, sofern eine Zustellung an die Neue Emittentin außerhalb der Bundesrepublik Deutschland erfolgen müsste, einen Zustellungsbevollmächtigten in der Bundesrepublik Deutschland bestellt; und
- (b) die Emittentin und die Neue Emittentin sämtliche für die Schuldnerersatzung und die Erfüllung der Verpflichtungen aus oder im Zusammenhang mit den Schuldverschreibungen erforderlichen Genehmigungen erhalten haben; 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, auferlegt, erhoben oder eingezogen werden; und
- (d) die Emittentin unwiderruflich die Verpflichtungen der Neuen Emittentin aus den Schuldverschreibungen zu Bedingungen garantiert, die sicherstellen, dass jeder Anleihegläubiger wirtschaftlich mindestens so gestellt wird, wie er ohne die Ersetzung stehen würde; und
- (e) die Zuständige Aufsichtsbehörde der Ersetzung zugestimmt hat (sofern im betreffenden Zeitpunkt eine solche Zustimmung aufgrund der Anwendbaren Aufsichtsrechtlichen Vorschriften erforderlich ist); und
- (f) zum Zeitpunkt der Ersetzung die

"**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, if service of process vis-à-vis the New Issuer would have to be effected outside the Federal Republic of Germany, appoints a process agent within the Federal Republic of Germany; 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; 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 arising from or in connection with the Bonds; and
- (d) the Issuer irrevocably guarantees 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
- (e) the Competent Supervisory Authority has given its prior consent thereto (if under the Applicable Supervisory Regulations such consent is required at the time); and
- (f) the Conditions to Redemption are

Rückzahlungsbedingungen erfüllt sind, wobei die Rückzahlungsbedingungen für die Ersetzung entsprechende Anwendung finden.

(2) Bezugnahmen.

Im Fall einer Schuldnerersetzung gemäß § 13(1) gilt jede Bezugnahme in diesen Anleihebedingungen auf die Emittentin als eine solche auf die Neue Emittentin.

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 Solo-Solvabilität der Hannover Rück SE bzw. die Gruppen-Solvabilität des Hannover Rück-Konzerns oder des Konzerns, dem die Hannover Rück SE angehört, 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 und Besteuerung).

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.

(3) Bekanntmachung und Wirksamwerden der Ersetzung.

Die Ersetzung der Emittentin ist gemäß § 11 bekanntzumachen. Mit der Bekanntmachung der 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 notiert sind.

(4) Nach einer Ersetzung gemäß diesem § 13 kann jede Neue Emittentin durch Bekanntmachung nach § 11 ohne Zustimmung

fulfilled at the time of the substitution, where the Conditions to Redemption shall apply *mutatis mutandis* to the substitution.

(2) References.

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.

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 single solvency applicable to Hannover Rück SE and the group solvency of the Hannover Re Group or the group of companies Hannover Rück SE is a member of, 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 and Taxation).

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.

(3) Notice and Effectiveness of Substitution.

Notice of any substitution of the Issuer shall be given by notice in accordance with § 11. Upon such 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, after giving notice in accordance with § 11 and without the consent

der Anleihegläubiger die Ersetzung entsprechend rückgängig machen.

§ 14

Schlussbestimmungen

- (1) Anzuwendendes Recht.
- Form und Inhalt der Schuldverschreibungen bestimmen sich nach dem Recht der Bundesrepublik Deutschland.
- (2) Gerichtsstand.
- Ausschließlicher Gerichtsstand für alle Rechtsstreitigkeiten aus den in diesen Anleihebedingungen geregelten Angelegenheiten ist, 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 versichert, keines der Gerichte in Frankfurt am Main als ungelegenes oder unangemessenes Forum zu bezeichnen.
- Für Entscheidungen gemäß § 9 Absatz 2, § 13 Absatz 3 und § 18 Absatz 2 SchVG ist gemäß § 9 Absatz 3 SchVG das Amtsgericht am Sitz der Emittentin zuständig. Für Entscheidungen über die Anfechtung von Beschlüssen der Anleihegläubiger ist gemäß § 20 Absatz 3 SchVG das Landgericht am Sitz der Emittentin ausschließlich zuständig.
- (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 Schuldverschreibungen im eigenen Namen geltend zu machen gegen Vorlage:
- (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

of the Bondholders, reverse the substitution.

§ 14

Final Provisions

- (1) Applicable Law.
- The Bonds are governed by, and construed in accordance with, the laws of the Federal Republic of Germany.
- (2) Place of Jurisdiction.
- 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 they might 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.
- The local court (*Amtsgericht*) in the district where the Issuer has its seat will have jurisdiction for all judgments pursuant to § 9(2), § 13(3) and § 18(2) SchVG in accordance with § 9(3) SchVG. The regional court (*Landgericht*) in the district where the Issuer has its seat will have exclusive jurisdiction for all judgments over contested resolutions by Bondholders in accordance with § 20(3) SchVG.
- (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:
- (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

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

- (ii) einer von einem Vertretungsberechtigten des Clearingsystems oder der Hauptzahlstelle beglaubigten Ablichtung der Globalurkunde; oder
- (iii) eines anderen, in Rechtsstreitigkeiten in dem Land der Geltendmachung zulässigen Beweismittels.

§ 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.

(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) 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) any other means of evidence permitted in legal proceedings in the country of enforcement.

§ 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.

GENERAL INFORMATION ON THE ISSUER AND THE HANNOVER RE GROUP

Overview

Hannover Re Group, with a gross premium of around EUR 14.0 billion as of 31 December 2013, is one of the leading reinsurers in the world.

It transacts all lines of non-life and life and health reinsurance and is present on all continents with around 2,400 staff.

The rating agencies most relevant to the insurance industry have awarded the Issuer very strong insurer financial strength ratings (S&P AA- "Very Strong" and A.M. Best A+ "Superior")². A list of credit rating agencies registered under the CRA Regulation is available for viewing at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>.

Incorporation, Corporate Seat, Duration, Corporate Purpose and Regulation

The Issuer was 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 Unterstützungs Kasse kraftfahrender Beamter Deutschlands a.G., Schadensschutzverband GmbH and Westfalen Bank AG. The major shareholders of the Issuer, namely Feuerschadenverband Rheinisch Westfälischer Zechen V.a.G. and Haftpflichtverband der Deutschen Industrie V.a.G., later 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**").

The registered office of the Issuer is at Karl-Wiechert-Allee 50, 30625 Hannover, Germany, telephone number +49 511 5604-0. The Issuer is registered with the Commercial Register of the Local Court (*Amtsgericht*) Hannover under the registration number HRB 6778. 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 in other insurance business.

Copies of the Articles in German language are publicly available from the Commercial Register in Hannover.

The Issuer is established for an unlimited period of time.

The annual general meeting of shareholders (*Jahreshauptversammlung*, the "**AGM**") of the Issuer has approved on 3 May 2012 the resolution of the executive board (*Vorstand*) of the Issuer (the "**Executive Board**") to transform the company into a European public limited company (*Societas Europaea*, SE). The transformation into an SE took place on 19 March 2013.

The legal form of an SE enables the company to relocate its registered office within the European Union.

Announcements of the Issuer are published electronically in German Federal Gazette (*Bundesanzeiger*).

Share Capital, Shares and Dividends

Share Capital

On 30 June 2014, the issued share capital of the Issuer totals EUR 120,597,134.00, consisting of 120,597,134 ordinary registered no-par-value shares (*Stückaktien*). All shares are fully paid up and have the same voting rights.

Shares

The major shareholder 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 held in free float. The shares of the Issuer are listed for trading on all German stock exchanges; in Frankfurt and Hannover on the regulated market. The

² The office issuing and elaborating the rating was a registered branch of S&P and A.M. Best each of which is, to the Issuer's belief, registered in accordance with Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (see "List of registered and certified credit rating agencies" which can be accessed under www.esma.europa.eu).

AGM takes place at least once a year and passes resolutions with respect to the allocation and distribution of profits and the ratification of responsibilities of the Executive Board and the supervisory board (*Aufsichtsrat*) of the Issuer (the "**Supervisory Board**"). The AGM shall take place within the first fourteen months after the conclusion of the financial year and is called by the Executive Board. To attend and vote, shareholders must be registered in the share register of the Issuer and give advanced notice of their intention to attend and vote. At the AGM each share shall have one vote.

The announcement of the AGM must be published electronically in the Federal Gazette of Germany (*Bundesanzeiger*).

Dividends

Dividends are proposed by the Supervisory Board and Executive Board, and are approved at the AGM. If approved, dividends are paid once a year promptly following the AGM. Dividends may be declared and paid from the distributable profit (*Bilanzgewinn*) only, as shown in the annual financial statements. The annual financial statements are adopted and approved by resolution of the Executive Board and the Supervisory Board. In determining the distributable profit, the Executive Board and the Supervisory Board are authorised to allocate to other revenue reserves (*andere Gewinnrücklagen*) up to 50 per cent. of the net income (*Jahresüberschuss*) that remains after deduction of amounts to be allocated to the statutory reserves and losses carried forward. The AGM, which resolves on the distribution of profits, is entitled to allocate additional amounts to the profit reserves and to carry forward the profits in part or in full.

For the financial years 2011, 2012 and 2013 the Issuer has paid the following dividends on fully paid up shares:

	Dividend
	EUR
2011	2.10
2012	2.60 + 0.40 bonus
2013	3.00

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 being in an obligation or entitlement that is material to the Issuer's ability to meet its obligations to Bondholders under the Bonds.

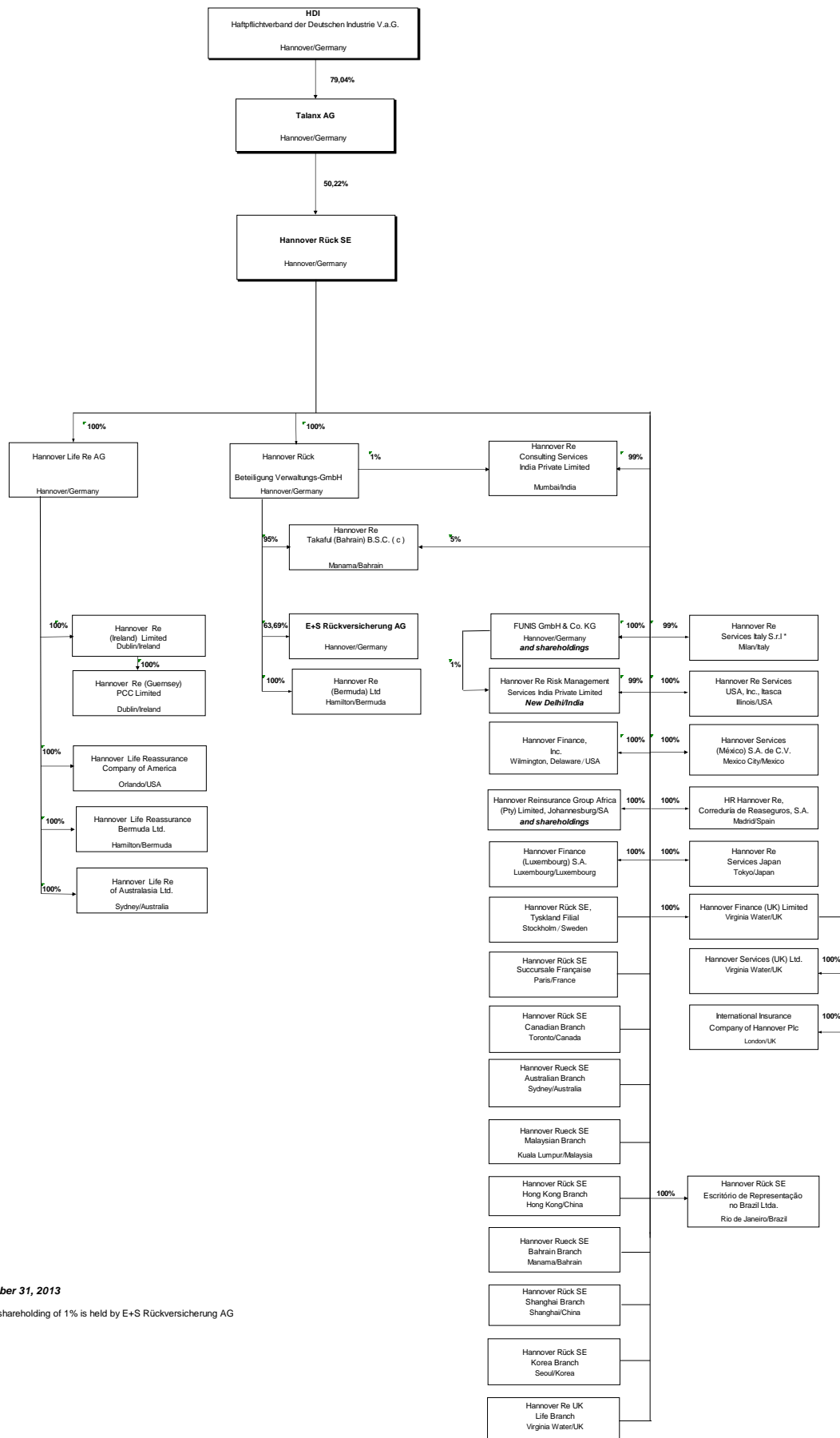
Organisational Structure

The Issuer is the parent company of the Hannover Re Group. The consolidated financial statements for the financial year 2013 include 17 (in 2012: 17) German and 63 (in 2012: 58) foreign companies. Three (in 2012: three) German and seven (in 2012: six) foreign associated companies were consolidated using the equity method.

The Issuer conducts its own reinsurance business and also operates as a holding company, performing management and control functions within the Hannover Re Group. As of 31 December 2013, total assets of Hannover Re Group amounted to EUR 53.9 billion. As of 31 December 2013, the Hannover Re Group globally employed a total of 2,419 employees, consisting of 1,128 in Germany, 285 in the US, 272 in the UK and Ireland, 155 in South Africa and 579 in other countries.

The following chart gives an overview of the operating subsidiaries of the Hannover Re Group as at 31 December 2013 (please see also next page):

Hannover Re Group



As of December 31, 2013

* remaining shareholding of 1% is held by E+S Rückversicherung AG

Attention: On March 19, 2013, the conversion of Hannover Rückversicherung AG into a Societas Europaea (SE) legally took place.
On July 2, 2013, HDI V.a.G. sold shares in Talanx AG and now holds 79.1% compared to 82.3% prior to the transaction.
On August 1, 2013, International Insurance Company of Hannover Ltd. converted into a Plc.
On November 20, 2013, Hannover Re Risk Management Services India Private Limited has been incorporated.
On November 26, the share of HDI V.a.G. in Talanx AG changed from 79.09% to 79.04%.

As at 31 December 2013, the major operating subsidiaries of the Issuer were:

*E+S Rückversicherung AG, Hannover/Germany ("**E+S Rück**")*

E+S Rück is a 63.69 per cent. owned subsidiary of the Issuer. The majority of the remaining shares are held by eight German mutual insurance companies. Within the Hannover Re Group, E+S Rück is exclusively responsible for the German business and operates in both property and casualty reinsurance as well as life and health reinsurance segments.

Hannover Life Reassurance Company of America, Orlando/USA

Hannover Life Reassurance Company of America is one of the largest foreign operational risk carriers within the Hannover Re Group, serving mainly the U.S. market. Its focus is on designing custom solutions for clients in the Life and Health reinsurance market.

On 3 March 2014 Hannover Life Reassurance Company of America (Bermuda) Ltd. was incorporated as a 100 per cent subsidiary of Hannover Life Reassurance Company of America.

*Hannover Re (Bermuda) Ltd., Hamilton/Bermuda ("**HR Bermuda**")*

HR Bermuda in Hamilton/Bermuda was established in 2001 and is a wholly owned subsidiary of the Issuer. HR Bermuda participates in various excess of loss property catastrophe reinsurance contracts.

HR Bermuda was formed to be the centre of excellence within the Hannover Re Group for the writing of property catastrophe business. By setting up the company in the Bermuda market Hannover secured its presence in one of the most active reinsurance environments.

*Hannover Re (Ireland) Limited, Dublin/Ireland ("**HRI**")*

The Company is the legal successor of the previous company Hannover Life Reassurance (Ireland) Ltd ("**HLR Ir**") and now the Group's sole reinsurer in Ireland writing both Life and Non-Life business. Effective 3 September 2012 all assets and liabilities of Hannover Reinsurance (Ireland) Ltd ("**HR Ir**") have been transferred to HLR Ir and HR Ir was dissolved without going into liquidation.

The Life business largely focuses on two key areas: Conventional Reinsurance includes individual term life business with a regional focus on the United Kingdom and the United States. Financial Solution business includes deficit account financing and block assumption transactions mainly in the US market.

The Non-Life business specifically focuses on the North American and British Isles markets. Structured treaty reinsurance transactions enable the coverage to be tailored to the individual needs of the clients. The major lines of business are general and automobile liability, professional indemnity, workers compensation and property.

Other operating subsidiaries of the Hannover Re Group include:

Hannover Life Re of Australasia Ltd., Sydney/Australia

International Insurance Company of Hannover SE, London/United Kingdom

Hannover Life Reassurance Bermuda Ltd., Hamilton/Bermuda

Hannover ReTakaful B.S.C. (c), Manama/Bahrain

Hannover Reinsurance Group Africa (Pty) Ltd., Johannesburg/South Africa.

Business Overview

Non-life reinsurance

The Hannover Re Group writes virtually all classes of non-life reinsurance on a global scale. Accounting for more than half of gross premium income, non-life reinsurance remains Hannover Re Group's largest and most important business group. The Hannover Re Group has a strategic-growth target in non-life reinsurance of 3-5 per cent. over the cycle and is also guided by active cycle management according to which business is expanded if the rate situation is favourable and the portfolio is scaled back if prices are inadequate.

The Hannover Re Group splits its portfolio into three sections: target markets, specialty lines and global reinsurance.

The Hannover Re Group considers Germany and North America to be target markets. As at 31 December 2013 they accounted for around 29 per cent. of the Hannover Re Group's gross premium volume in non-life reinsurance. Germany is the second-largest non-life reinsurance market in the world (source: Swiss Re Sigma Study No. 3/2013 Assekuranz Global 2012, page 49). The German market is served by the Issuer's subsidiary E+S Rück which continues to rank as one of the leading providers in Germany. The North American (re)insurance market is the world's largest single market (source: Swiss Re Sigma Study No. 3/2013 Assekuranz Global 2012, page 49) and currently the second-most important for Hannover Re Group's portfolio.

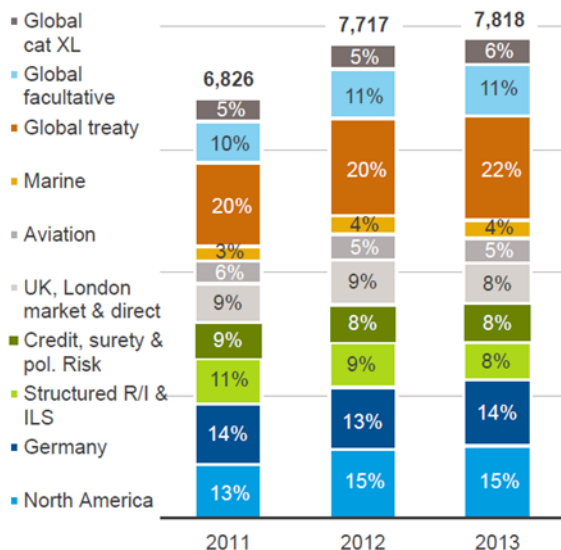
The specialty lines segment includes marine and aviation business, credit/surety, structured products, ILS (Insurance-Linked Securities), the London Market and direct business. With effect from 1 September, 2014 structured products and ILS (Insurance-Linked Securities) will be reported under global reinsurance.

The Hannover Re Group combines all markets worldwide under global reinsurance, with the exception of the target markets of Germany and North America and the specialty lines. The global reinsurance business also encompasses a number of specialised areas such as worldwide catastrophe business, facultative reinsurance, agricultural risks and Sharia-compliant retakaful business. With effect from 1 September, 2014 the facultative reinsurance business will be reported in the specialty lines segment and the markets of France, Scandinavia and Benelux will be reported under target markets.

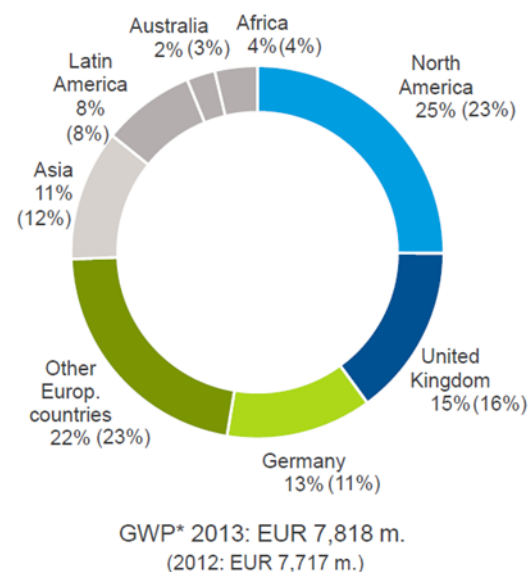
The following charts provide an overview of the split of non-life segment gross written premium ("**GWP**") (split within divisions as well as a regional split) for the financial year 2013:

GWP* split by lines of business

in m. EUR



GWP* split by regions



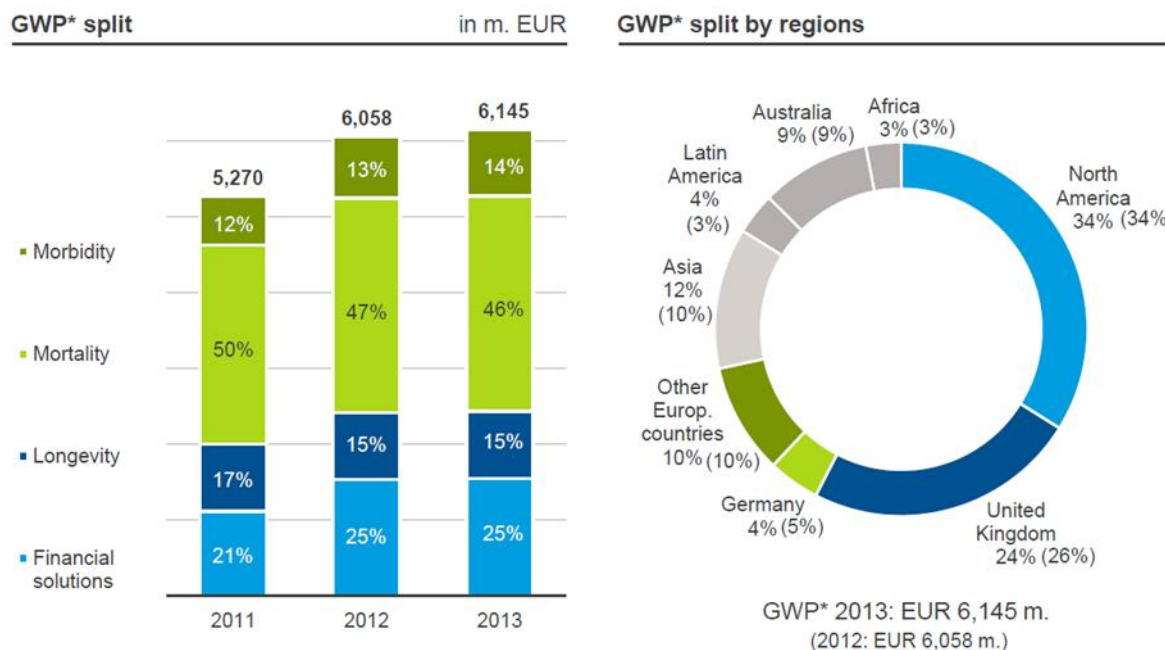
Life and health reinsurance

Life and health reinsurance is a strategic growth segment for the Hannover Re Group.

In this business group the Hannover Re Group structures its customer relationships as long-term partnerships with the goal of designing needs-oriented solutions to its clients' individual problems.

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.

The following charts provide an overview of the split of life and health GWP (split within strategic pillars as well as a regional split) for the financial year 2013:



Business development overview

In the 2013 financial year, the Hannover Re Group generated a Group net income of EUR 895.5 million (2012: EUR 849.6 million). This figure was assisted by positive tax effects from the recognition of deferred taxes, the guidance of around EUR 800 million would have been surpassed even without this effect. In the 2013 financial year, earnings per share amounted to EUR 7.43 (2012: EUR 7.04). GWP in total business 2013 increased by 1.4 per cent. to EUR 14.0 billion (2012: EUR 13.8 billion). At constant exchange rates the increase would have been 4.2 per cent.. The level of retained premium decreased slightly to 89.0 per cent. in 2013 (2012: 89.8 per cent.). This resulted principally from increased reinsurance cessions for fronting business written for third parties. Net premium earned remained almost unchanged in the 2013 financial year at EUR 12.2 billion (2012: EUR 12.3 billion). At constant exchange rates growth would have come in at 2.3 per cent.

The operating profit (EBIT)³ as at 31 December 2013 retreated by 11.8 per cent. following the elimination of positive effects from fair value changes in the Modified Coinsurance (ModCo)⁴ derivatives and inflation swaps, reached EUR 1,229.1 million (2012: EUR 1,393.9 million).

Shareholders' equity declined in the financial year 2013: while erosion of the valuation reserves due to rises in yields – especially on high-quality government bonds – and payment of an increased dividend in the second quarter of 2013 led to a slight reduction in shareholders' equity, the return on equity of 15.0% in 2013 (2012: 15.4%) surpassed the minimum target of 9.8% (750 bps above risk free rate). Thus shareholders' equity amounted to EUR 5.9 billion as at 31 December 2013 (2012: EUR 6.0 billion). In the 2013 financial, year the book value per share accordingly declined to EUR 48.83 (2012: EUR 50.02). The total policyholders' surplus, consisting of shareholders' equity, non-controlling interests and hybrid capital, amounted to EUR 8.8 billion as at 31 December 2013 (2012: EUR 8.9 billion).

Non-life reinsurance

GWP in the non-life reinsurance business group increased by 1.3 per cent. (currency-adjusted: 3.5 per cent.) to EUR 7.8 billion in 2013 (2012: EUR 7.7 billion). Thus the growth came in at forecast target of 3 to 5 per cent. for the full financial year 2013. Net premium earned amounted to EUR 6.9 billion in 2013 (2012: EUR 6.9 billion).

³ Earnings before interests on hybrid capital and taxes.

⁴ Derivative for the credit risk associated with special life reinsurance treaties under which securities deposits are held by cedants for the account of the Hannover Re Group

Europe suffered exceptionally heavy damage from weather events in 2013. The June flooding was the most expensive natural disaster in 2013 for the (re)insurance industry measured in terms of total economic losses. The most costly insurance loss worldwide in 2013 – and at the same time the most expensive ever hail event in German history – was the series of hailstorms that impacted some areas of northern and south-western Germany at the end of July. In the 2013 financial year the net losses for the Hannover Re Group from the hail events "Manni" and "Andreas" totaled EUR 137.0 million. In addition, heavy losses from windstorms "Christian" and "Xaver" were experienced in the financial year 2013, that totaled net losses of EUR 61.2 million.

Investment income from assets under own management for the non-life reinsurance contracted by 17.7 per cent. year-on-year to EUR 766.2 million in 2013 (2012: EUR 930.8 million). This was due in part to the low interest rate level and also to the elimination of positive special effects, which in 2012 had resulted from higher realized gains and the fair value development of the inflation swaps. In the 2013 financial year, the operating profit (EBIT) of EUR 1,061.0 million fell slightly short of the result in 2012 (EUR 1,091.4 million). The combined ratio⁵ improved from previous year's level in 2012 of 95.8 per cent. to 94.9 per cent. in 2013. The Group net income increased by 17.8 per cent. to EUR 807.7 million in 2013 (2012: EUR 685.6 million).

Life and health reinsurance

Gross premium volume increased by 1.4 per cent. to EUR 6.1 billion in 2013 (2012: EUR 6.1 billion). Adjusted for exchange rate effects, growth amounted to 5.1 per cent.; it thus came in within the forecast target corridor for 2013 of 5 to 7 per cent. Net premium amounted to EUR 5.4 billion in 2013 (2012: EUR 5.4 billion).

In the 2013 financial year, investment income in life and health reinsurance totalled EUR 611.5 million (2012: EUR 685.1 million). Of this, EUR 269.1 million (2012: EUR 343.4 million) was attributable to assets under own management and EUR 342.4 million (2012: EUR 341.7 million) to securities deposited with ceding companies. The decline of 10.7 per cent. in investment income reflects the continuing low interest rate level and the difficult investment climate on capital markets. As a further factor, the performance of the ModCo derivatives reverted to normal after the positive result posted in 2012.

The operating profit (EBIT) of EUR 150.5 million in 2013 (2012: EUR 279.0 million) was influenced by the fact that the 2012 result had been impacted by positive special effects that were not repeated in the financial year 2013. The Hannover Re Group also strengthened reserves for its Australian disability business in the financial year 2013. The Financial Solutions and Longevity business generated an EBIT margin² of 5.2 per cent. and thus beating the 2 per cent. target. The EBIT margin for Mortality and Morbidity business fell well short of the targeted 6 per cent. mark at 1.2 per cent. This was influenced by unfavourable performance of Morbidity business. The Mortality business on a stand-alone basis would have actually surpassed the target. The elevated risk experiences market-wide in Australian disability business and the deterioration in their run-off were the key factors in the unsatisfactory development of the EBIT margin. The Australian market has since initiated intensive efforts to positively counteract this trend. In the 2013 financial year, these to some extent opposing developments resulted in reduced Group net income of EUR 164.2 million (2012: EUR 222.5 million) for life and health reinsurance. Earnings per share for life and health business amounted to EUR 1.36 in 2013 (2012: EUR 1.84).

Competition

As one of the worldwide leading reinsurers, the Hannover Re Group competes with reinsurance companies in all regions of the world. The Issuer believes that the main competitors for the Hannover Re Group are Munich Re, Swiss Re, SCOR and several Lloyd's syndicates (source: A.M. Best, September 2013).

Investments

Due to a positive operating cash flow, the portfolio of investments under own management amounted to EUR 31.9 billion in 2013 and thus remained on a par with the 2012 financial year (2012: EUR 31.9 billion) despite the decrease in valuation reserves. In the 2013 financial year, in spite of continued low level of interest

⁵ Combined ratio (including interests from funds withheld) means sum of the loss ratio and expense ratio. The loss ratio contains the proportion of loss expenditure in the retention relative to the net premiums earned and the expense ratio consists of the administrative expenses in relation to the net premiums written.

² EBIT margin means EBIT in relation to net premium earned

rates, ordinary investment income excluding income from funds withheld and contract deposits remained virtually unchanged at EUR 1,041.3 million (2012: EUR 1,088.4 million).

Overall, the income from assets under own management contracted year-on-year as expected: it totaled EUR 1,054.5 million as at 31 December 2013 (2012: EUR 1,300.2 million). The resulting annual return amounted to 3.3 per cent. in 2013 (2012: 4.3 per cent.). In the 2013 financial year, the decrease relative to the 2012 financial year can be attributed in part to the net realized gains, which at EUR 144.2 million were considerably lower than in 2012 (EUR 227.5 million) – when the Hannover Re Group had acted to a greater extent on opportunities in the real estate sector. On the other hand, in 2012 the Group had recorded high positive fair value changes of EUR 89.3 million in its financial assets measured at fair value through profit or loss; these contrasted with negative fair value change of EUR 27.1 million as at 31 December 2013, which was attributable primarily to the performance of the inflation swaps. This was only partially offset by marginally positive result of the ModCo derivatives.

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 feasible to predict or determine the ultimate outcome of these proceedings. The Issuer, however, does not believe that the outcome of these pending or threatened proceedings from ordinary business activities will have significant effects on the financial position or profitability of the Hannover Re Group, after consideration of any applicable reserves, in such a way that the ability to perform the obligations under the Bonds would be materially adversely affected.

Management

Executive Board

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

Name	Position	Principal Outside Activity
Ulrich Wallin	Chairman; Business Opportunity Management; Compliance; Controlling; Corporate Communications; Corporate Development; Human Resources Management; Internal Auditing; Risk Management	Member of the board of management of Talanx AG, Hannover
Sven Althoff ³	Specialty Lines (Marine incl. Offshore Energy, Aviation and Space, Credit, Surety and Political Risk, Facultative Reinsurance, UK, London Market and Direct Business)	Member of the board of directors of Integra Insurance Solutions Limited, Bradford/UK
Claude Chèvre	Life and Health Reinsurance (Africa, Asia, Australia and New Zealand, Latin America, Western and Southern Europe)	None
Jürgen Gräber	Coordination of worldwide Non-Life Reinsurance; Quotations Non-Life Reinsurance; Retrocessions;	Member of the board of directors of Energi, Inc., Peabody/USA

³ Appointed with effect from 1 August 2014.

Name	Position	Principal Outside Activity
	Reinsurance (Catastrophe Business, Structured Reinsurance Products incl. Insurance Linked Securities, worldwide Non-life reinsurance)	
Dr. Klaus Miller	Life and Health Reinsurance (Longevity Solutions, North America, Northern, Eastern and Central Europe, United Kingdom and Ireland)	None
Dr. Michael Pickel	Group Legal Services; Run-Off Solutions; Target Markets in Non-Life Reinsurance (Germany, France, Scandinavia, Austria, Italy, Switzerland, Benelux, North America incl. Canada)	Chairman of the board of directors of Glencar Underwriting Managers, Inc., Itasca/USA Chairman of the board of directors of Mediterranean Reinsurance Services Ltd., Hong Kong/China
Roland Vogel	Asset Management; Facility Management; Finance and Accounting; Information Technology;	Member of the board of directors of Meribel Midco Limited, St. Helier/Jersey Member of the board of directors of Meribel Topco Limited, St. Helier/Jersey Member of the supervisory board of Talanx Asset Management GmbH, Cologne

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

Name	Position within Supervisory Board	Principal Outside Activity
Herbert K. Haas	Chairman	Chairman of the board of management of Talanx AG, Hannover Chairman of the board of management of HDI Haftpflichtverband der Deutschen Industrie V.a.G., Hannover Chairman of the supervisory board of E+S Rückversicherung AG, Hannover Chairman of the supervisory board of HDI Kundenservice AG, Cologne Chairman of the supervisory board of HDI-Gerling Industrie Versicherung AG, Hannover Chairman of the supervisory board of Talanx Deutschland AG, Hannover Chairman of the supervisory board of Talanx International AG, Hannover Chairman of the supervisory board of

Dr. Immo Querner	Member	Talanx Systeme AG, Hannover
		Member of the board of management of Talanx AG, Hannover
		Member of the board of management of HDI Haftpflichtverband der Deutschen Industrie V.a.G., Hannover
		Member of the supervisory board of E+S Rückversicherung AG, Hannover
		Deputy chairman of the supervisory board of Talanx Reinsurance Broker GmbH, Hannover
		Member of the supervisory board of Talanx International AG, Hannover
		Deputy chairman of the supervisory board of Talanx Service AG, Hannover
		Member of the supervisory board of Talanx Systeme AG, Hannover
		Member of the supervisory board of BÖAG Börsen AG, Hamburg and Hannover
		Member of the board of management of Bureau für Versicherungswesen Robert Gerling & Co. GmbH, Cologne
		Chairman of the supervisory board of Talanx Asset Management GmbH, Cologne
		Deputy chairman of supervisory board of AmpegaGerling Investment GmbH, Cologne
		Deputy chairman of supervisory board of Talanx Immobilien Management GmbH, Cologne
		Member of supervisory board of Talanx Finanz (Luxembourg) S.A., Luxembourg
		Member of supervisory board of Tertia Handelsbeteiligungsgesellschaft mbH, Cologne
		Member of the board of directors of Talanx Re (Ireland) Limited, Dublin/Ireland
Wolf-Dieter Baumgartl	Member	Former chairman of the board of management of Talanx AG and HDI Haftpflichtverband der Deutschen Industrie V.a.G., Hannover
		Chairman of the supervisory board of Talanx AG, Hannover
		Chairman of the supervisory board of HDI Haftpflichtverband der Deutschen Industrie V.a.G., Hannover
		Member of the board of directors of HDI Assicurazioni S.p.A., Rome/Italy
		None
Frauke Heitmüller	Member	None

Ass. jur. Otto Müller	Member	Member of the supervisory board of Talanx AG, Hannover
Dr. Andrea Pollak	Member	None
Maike Sielaff	Member	None
Dr. Klaus Sturany	Deputy Chairman	Former Member of the executive board of RWE AG, Essen Member of the supervisory board of Bayer AG, Leverkusen Member of the board of directors of Sulzer AG, Winterthur/Switzerland
Dr. Erhard Schipporeit	Member	Former member of the board of management of E.ON SE, Düsseldorf Member of the supervisory board of Talanx AG, Hannover Member of the supervisory board of BDO AG, Hamburg Member of the supervisory board of Deutsche Börse AG, Frankfurt/Main Member of the supervisory board of Fuchs Petrolub SE, Mannheim Member of the supervisory board of SAP SE, Walldorf Member of the supervisory board of HDI Haftpflichtverband der Deutschen Industrie V.a.G. , Hannover Member of the supervisory board of Rocket Internet AG, Berlin Member of the board of directors of Fidelity Funds SICAV, Luxembourg Member of the board of directors of TUI Travel PLC, London/Great Britain

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.

Share Ownership

Members of the Supervisory Board and Executive Board and their spouses or registered partners and first-degree relatives hold less than 1 per cent. of the issued shares. As at 2 September 2014, the total holding amounted to 2,893 shares.

Financial Year

The financial year of the Issuer is the calendar year.

Auditors

The auditors of the Issuer and the consolidated financial statements of the Hannover Re Group are KPMG AG Wirtschaftsprüfungsgesellschaft, Osterstr. 40, 30159 Hannover, Germany ("**KPMG AG**"). KPMG AG is a member of the German Chamber of Auditors (*Wirtschaftsprüferkammer*). The financial statements of the Issuer as at 31 December 2012 as well as 31 December 2013 and the consolidated financial statements of the Hannover Re Group as at 31 December 2012 as well as 31 December 2013 were audited by KPMG AG and KPMG AG has in each case issued an unqualified auditors' opinion.

Recent Developments since 30 June 2014

On 17 July 2014 Malaysia Airlines flight MH17, a passenger plane en route from Amsterdam to Kuala Lumpur, came down near the Ukraine-Russia border to the east of the city of Donetsk, Ukraine. In addition, we anticipate further losses from armed clashes around Tripoli airport in Libya. Hannover Re expects significant major loss expenditure from these events in the third quarter, although based on the information currently available the loss amount should be comfortably covered by the unused portion of the major loss budget in the first half of the year.

Significant Changes

There has been no significant change in the financial or trading position of the Issuer since 30 June 2014.

Trend Information

There has been no material adverse change in the prospects of the Issuer since 31 December 2013.

TAXATION

The following is a general description of certain tax considerations relating to the purchasing, holding and disposing of the 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 holder of the Bonds. 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 retrospective effect.

Prospective holders of the Bonds ("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, Luxembourg and each country of which they are residents or citizens.

U.S. Foreign Account Tax Compliance Withholding

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF U.S. FEDERAL INCOME TAX ISSUES IN THIS PROSPECTUS IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY ANY PERSON FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON SUCH PERSON UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS INCLUDED HEREIN BY THE ISSUER IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF CIRCULAR 230) BY THE ISSUER OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) PROSPECTIVE PURCHASERS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

The foreign account tax compliance provisions of the Hiring Incentives to Restore Employment Act of 2010 ("**FATCA**") impose a withholding tax of 30% on (i) certain U.S. source payments and (ii) payments of gross proceeds from the disposition of assets that produce U.S. source interest or dividends made to persons that fail to meet certain certification or reporting requirements. In order to avoid becoming subject to this withholding tax, non-U.S. financial institutions must enter into agreements with the IRS ("**IRS Agreements**") (as described below) or otherwise be exempt from the requirements of FATCA. Non-U.S. financial institutions that enter into IRS Agreements or become subject to provisions of local law ("**IGA legislation**") intended to implement an intergovernmental agreement entered into pursuant to FATCA ("**IGAs**"), may be required to identify "financial accounts" held by U.S. persons or entities with substantial U.S. ownership, as well as accounts of other financial institutions that are not themselves participating in (or otherwise exempt from) the FATCA reporting regime. In addition, in order (a) to obtain an exemption from FATCA withholding on payments it receives and/or (b) to comply with any applicable IGA legislation, a financial institution that enters into an IRS Agreement or is subject to IGA legislation may be required to (i) report certain information on its U.S. account holders to the government of the United States or another relevant jurisdiction and (ii) withhold 30 per cent. from all, or a portion of, certain payments made to persons that fail to provide the financial institution with information, consents and forms or other documentation that may be necessary for such financial institution to determine whether such person is compliant with FATCA or otherwise exempt from FATCA withholding.

Under FATCA, withholding is required with respect to payments to persons that are not compliant with FATCA or that do not provide the necessary information, consents or documentation made on or after (i) 1 July 2014 in respect of certain U.S. source payments, (ii) 1 January 2017, in respect of payments of gross proceeds (including principal repayments) on certain assets that produce US source interest or dividends and (iii) 1 January 2017 (at the earliest) in respect of "foreign passthru payments" and then, for "obligations" that are not treated as equity for U.S. federal income tax purposes, only on such obligations that are issued or materially modified on or after the later (a) 1 July 2014, and (b) in the case of an obligation that pays only foreign passthru payments, the date that is six months after the date on which the final regulations applicable to "foreign passthru payments" are filed in the Federal Register.

The application of FATCA to interest, principal or other amounts paid with respect to the Bonds and the information reporting obligations of the Issuer and other entities in the payment chain is still developing. In

particular, a number of jurisdictions have entered into, or have announced their intention to enter into, IGAs (or similar mutual understandings) with the United States, which modify the way in which FATCA applies in their jurisdictions. The full impact of such agreements (and the laws implementing such agreements in such jurisdictions) on reporting and withholding responsibilities under FATCA is unclear. The Issuer and other entities in the payment chain may be required to report certain information on their U.S. account holders to government authorities in their respective jurisdictions or the United States in order (i) to obtain an exemption from FATCA withholding on payments they receive and/or (ii) to comply with applicable law in their jurisdiction. It is not yet certain how the United States and the jurisdictions which enter into IGAs will address withholding on "foreign passthru payments" (which may include payments on the Bonds) or if such withholding will be required at all. Germany and the United States have entered into an IGA.

Whilst the Bonds are in global form and held within Euroclear, Clearstream, Frankfurt or Clearstream, Luxembourg (together, the "ICSDs"), it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Bonds by the Issuer, any paying agent and the ICSDs, given that each of the entities in the payment chain from (but excluding) the Issuer and to (but including) the participants in the ICSDs is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an IGA will be unlikely to affect the Bonds.

If an amount in respect of U.S. withholding tax were to be deducted or withheld from interest, principal or other payments on the Bonds as a result of FATCA, none of the Issuer, any paying agent or any other person would, pursuant to the Terms and Conditions be required to pay additional amounts as a result of the deduction or withholding. As a result, investors may receive less interest or principal than expected.

FATCA IS PARTICULARLY COMPLEX AND ITS APPLICATION TO THE ISSUER, THE BONDS AND THE HOLDERS IS UNCERTAIN AT THIS TIME. EACH HOLDER SHOULD CONSULT ITS OWN TAX ADVISER TO OBTAIN A MORE DETAILED EXPLANATION OF FATCA AND TO LEARN HOW THIS LEGISLATION MIGHT AFFECT EACH HOLDER IN ITS PARTICULAR CIRCUMSTANCE.

Taxation in the Federal Republic of Germany

The following general description does not consider all aspects of income taxation in the Federal Republic of Germany ("**Germany**") that may be relevant to a holder of the Bonds in the light of the holder's particular circumstances and income tax situation. This general description is based on German tax laws and regulations, all as currently in effect and as applied on the date of this Prospectus and all subject to change at any time, possibly with retroactive effect. Prospective Bondholders should consult their own tax advisers as to the particular tax consequences to them of subscribing, purchasing, holding and disposing of the Bonds, including the application and effect of state, local, foreign and other tax laws and the possible effects of changes in the tax laws of Germany.

German tax 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.

Where the Bonds are acquired and/or sold in a currency other than Euro, the acquisition costs will be converted into Euro at the time of acquisition, the sales proceeds will be converted in Euro at the time of sale, and only the difference will then be computed in Euro.

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 below) the investor will have to include the income received with respect to the Bonds in its annual 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 which is applicable on all taxable income including the investment income is lower than 25 per cent. the investor may opt to be taxed at individual progressive rates with respect to its investment income.

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. 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 Euro per year (1,602 Euro jointly assessed husband and wife). The saver's lump sum tax allowance is also taken into account for purposes of 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 permitted.

Withholding tax

If the Bonds are kept or administered in a domestic securities deposit account with a German credit institution (*Kreditinstitut*) or financial services institution (*Finanzdienstleistungsinstitut*) (or with a German branch of a foreign credit or financial services institution), or with a German securities trading company (*Wertpapierhandelsunternehmen*) or a German securities trading bank (*Wertpapierhandelsbank*) (altogether 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 is collected for the individual investor by way of withholding which, in the case of interest received after 31 December 2014, is provided for as a standard procedure unless the Bondholder has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*).

Capital gains from the sale or 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 the Bonds were sold or redeemed after being transferred to a securities deposit account with another 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 current Domestic Paying Agent. The applicable withholding tax rate is in excess of the aforementioned rate if church tax is collected for the individual investor by way of withholding which, in the case of interest received after 31 December 2014, is provided for as a standard procedure unless the Bondholder has filed a blocking notice with the German Federal Central Tax Office.

German tax 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., in case of a corporation, which has 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.

Capital losses from the sale or redemption of the Bonds should generally be tax-recognised and may generally be offset against other income.

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 is collected for the individual investor by way of withholding which, in the case of interest received after 31 December 2014, is provided for as a standard procedure unless the Bondholder has filed a blocking notice with the German Federal Central Tax Office.

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. In this case any capital losses incurred from the disposal or redemption of the Bonds will also 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 tax resident investors

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 (such as income from the letting and leasing of certain property located in Germany) or (iii) the income is paid by a Domestic Paying Agent against presentation of the Bonds or interest coupons (so-called over-the-counter transaction, *Tafelgeschäfte*).

If the income derived from the Bonds is subject to German taxation according to (i) through (iii) above, the income is subject to German income taxation and withholding tax similar to that described above for German tax residents. Under certain circumstances, foreign investors may benefit from tax reductions or tax exemptions under applicable double tax treaties (*Doppelbesteuerungsabkommen*) entered into with Germany.

Inheritance tax and gift tax

The transfer of the Bonds to another person by way of gift or inheritance may be 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 (*Personenvereinigung*) or estate (*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 business assets attributable to a permanent establishment or a permanent representative in Germany.

Special regulations may apply to certain German expatriates.

Prospective Bondholders 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 the Bonds does, at present, 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 sales of the Bonds to other

entrepreneurs which would otherwise be tax exempt. Net wealth tax (*Vermögensteuer*) is, at present, not levied in Germany.

Luxembourg

The statements herein regarding taxation in Luxembourg are based on the laws in force in the Grand Duchy of Luxembourg as of the date of this Prospectus and are subject to any changes in law. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of the Bonds. Each prospective holder or beneficial owner of the Bonds should consult its tax advisor as to the Luxembourg tax consequences of the ownership and disposition of the Bonds.

Withholding tax and self-applied tax on interest

Under Luxembourg tax law currently in effect and with the possible exception of interest paid to individual Bondholders and to certain so-called residual entities, there is no Luxembourg withholding tax on payments of interest (including accrued but unpaid interest) to Bondholders. There is also no Luxembourg withholding tax, subject to the exception of payments made to individual Bondholders and to certain so-called residual entities, upon repayment of principal in case of reimbursement, redemption, repurchase or exchange of the Bonds to Bondholders.

Luxembourg non-resident individuals

Under the Luxembourg laws dated 21 June 2005, as amended, implementing the Council Directive 2003/48/EC on the taxation of savings income (the "**Savings Directive**", see subsequent paragraph – *EU Savings Tax Directive*) and several agreements concluded between Luxembourg and certain dependent or associated territories of the European Union ("**EU**"), a Luxembourg based paying agent (within the meaning of the Savings Directive) is required since 1 July 2005 to withhold tax on interest and other similar income paid by it to (or under certain circumstances, to the benefit of an individual or certain "residual entities" resident or established in another Member State or in certain EU dependent or associated territories, unless the beneficiary of the interest payments elects for the procedure of exchange of information or, in the case of an individual beneficiary, for the tax certificate procedure. "Residual entities" within the meaning of Article 4.2 of the Savings Directive are entities established in a Member State or in certain EU dependent or associated territories which are not legal persons (the Finnish and Swedish companies listed in Article 4.5 of the Savings Directive are not considered as legal persons for this purpose), whose profits are not taxed under the general arrangements for the business taxation and that are not and have not opted to be treated as a UCITS recognized in accordance with Council Directive 85/611/EEC, as replaced by Directive 2009/65/EC of the European Parliament and of the Council, or similar collective investment funds located in Jersey, Guernsey, the Isle of Man, the Turks and Caicos Islands, the Cayman Islands, Montserrat or the British Virgin Islands.

The current withholding tax rate is 35%. Responsibility for the withholding such tax will be assumed by the Luxembourg paying agent. The withholding tax system will only apply during a transitional period, the ending of which depends on the conclusion of certain agreements relating to information exchange with certain third countries.

The Council of the European Union adopted certain amendments to the Savings Directive, which will, upon implementation, amend or broaden the scope of the requirements described above.

Luxembourg resident individuals

Pursuant to the Luxembourg law dated 23 December 2005 as amended by the law of 17 July 2008, interest payments made by Luxembourg paying agents (defined in the same way as in the Savings Directive) to Luxembourg resident individuals or to certain residual entities that secure interest payments on behalf of such individuals (unless such entities have opted either to be treated as UCITS recognised in accordance with Council Directive 85/611/EEC, as replaced by Directive 2009/65/EC of the European Parliament and of the Council, or for the exchange of information regime) are subject to a 10% withholding tax. Responsibility for such withholding such tax will be assumed by the Luxembourg paying agent.

EU Savings Tax Directive

On 3 June 2003 the EU Council of Economic and Finance Ministers adopted a new directive regarding the taxation of savings income (the "**Savings Directive**"). The Savings Directive is effective as from 1 July 2005. Under the Savings Directive each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to an individual resident in that other Member State; however, Austria and Luxembourg may instead apply a withholding system for a transitional period in relation to such payments, deducting tax at rates rising over time to 35%. The transitional period has commenced on 1 July 2005 and terminates at the end of the first fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). In Germany, provisions for implementing the Savings Directive have been enacted by legislative regulations of the federal government (Zinsinformationsverordnung). These provisions apply as from 1 July 2005. Similar provisions may apply under agreements entered into pursuant to the Savings Directive in respect of interest payments made by persons within the jurisdiction of certain territories, not being Member States to individuals resident in Member States, and, in some cases, vice versa.

The Luxembourg government has announced its intention to elect out of the withholding system in favour of an automatic exchange of information with effect as from 1 January 2015.

Prospective Bondholders who are in any doubt as to their position should consult their own tax advisers.

SUBSCRIPTION AND SALE OF THE BONDS

General

Pursuant to a subscription agreement dated 12 September 2014 (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 15 September 2014. 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.

The Managers or their respective affiliates, including parent companies, engage, and may in the future engage, in investment banking, commercial banking (including the provision of loan facilities) and other related transactions with the Issuer and its affiliates and may perform services for them, for which the Managers or their affiliates have received or will receive customary fees and commissions, in each case in the ordinary course of business.

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.

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 under the Securities Act ("**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:

- (a) 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
- (b) 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.

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 30 September 2013 and 24 February 2014, of the Supervisory Board of the Issuer on 4 November 2013 and of the Finance and Audit Committee (*Finanz- und Prüfungsausschuss*) of the Supervisory Board on 7 March 2014.
2. **Use of Proceeds/Expenses of the Issue:** The net proceeds of the issuance of the Bonds, amounting to approximately EUR 495,090,000 will be used for general corporate purposes of the Hannover Re Group. The total expenses related to the admission to trading of the Bonds are expected to amount to EUR 15,000.
3. **Litigation:** There are no governmental, legal or arbitration proceedings against or affecting the Issuer or any of the Issuer's subsidiaries or assets for a period covering at least the last 12 months which may have or have had during such period a material adverse effect on the financial position or profitability of the Issuer and/or the Hannover Re Group, and, as far as the Issuer is aware, no such governmental, legal or arbitration proceedings are pending or threatened.
4. **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, société anonyme, 42 Avenue JF Kennedy L-1855 Luxembourg.

The Bonds have the following securities codes:

ISIN: XS1109836038

Common Code: 110983603

German Securities Code (*WKN*): A13R6M

5. **Luxembourg Listing and Admission to Trading:** Application has been made to the Luxembourg Stock Exchange for the Bonds to be admitted to the Official List and to be admitted to trading on the Luxembourg Stock Exchange's regulated market.
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). The Issuer will be entitled to deliver all notices concerning the Bonds to the Clearing System for communication by the Clearing System to the Holders.
7. **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 audited Annual Report of the Hannover Re Group for the fiscal year ended 31 December 2013 (the "**2013 Fiscal Year**") and (ii) the audited Annual Report of the Hannover Re Group for the fiscal year ended 31 December 2012 (the "**2012 Fiscal Year**"), each containing the English language translation of the respective German language consolidated financial statements of the Issuer and of the German language auditor's report (*Bestätigungsvermerk*) in respect thereof and (iii) the unaudited Interim Report of the Hannover Re Group for the half-year-period ended 30 June 2014 which has been reviewed by KPMG AG Wirtschaftsprüfungsgesellschaft.

- (1) Extracted from: Hannover Re Group – Audited Annual Report 2013
- Consolidated balance sheet as at 31 December 2013 pages 126-127
 - Consolidated statement of income for the 2013 Fiscal Year..... page 128
 - Consolidated statement of comprehensive income for the 2013.
Fiscal Year page 129
 - Consolidated statement of changes in shareholders' equity for
the 2013 Fiscal Year pages 130-131
 - Consolidated cash flow statement for the 2013 Fiscal Year pages 132-134
 - Notes to the consolidated financial statements pages 135-224
 - Auditor's report⁴ page 226
- (2) Extracted from: Hannover Re Group – Audited Annual Report 2012
- Consolidated balance sheet as at 31 December 2012 pages 110-111
 - Consolidated statement of income for the 2012 Fiscal Year..... page 112
 - Consolidated statement of comprehensive income for the 2012.
Fiscal Year page 113
 - Consolidated statement of changes in shareholders' equity for
the 2012 Fiscal Year pages 114-115
 - Consolidated cash flow statement for the 2012 Fiscal Year pages 116-118
 - Notes to the consolidated financial statements pages 119-201
 - Auditor's report⁵ page 202
- (3) Extracted from: Hannover Re Group – Reviewed Interim Report 2/2014
- Consolidated balance sheet as at 30 June 2014 (reviewed) pages 28-29
 - Consolidated statement of income as at 30 June 2014
(reviewed)..... page 30
 - Consolidated statement of comprehensive income as at
30 June 2014 (reviewed)..... page 31
 - Consolidated statement of changes in shareholders' equity
as at 30 June 2014 (reviewed)..... pages 32-33
 - Consolidated cash flow statement as at 30 June 2014
(reviewed)..... pages 34-36
 - Notes to the consolidated financial statements pages 38-66

⁴ 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 2013. The combined management report is not included in the prospectus.

⁵ 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 2012. The combined management report is not included in the prospectus.

All of these pages shall be deemed to be incorporated in by reference, 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 pursuant to Art 28.4 of the Commission Regulation (EC) 809/2004.

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).

8. **Documents on Display:** For so long as any Bond is outstanding, copies of the following documents may be inspected in physical form during normal business hours at the registered office of the Issuer:

- (a) the Articles of the Issuer;
- (b) this Prospectus; and
- (c) the documents specified in the section "Documents incorporated by Reference" above.

The Prospectus will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

9. **Yield:** For the subscribers, the yield of the Bonds until the First Call Date is 3.462 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.

10. **Expected rating of the Bonds:** The expected rating of the Bonds is "A" from S&P and "a" from A.M. Best.⁶

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 commitment on the obligation is still strong.

A.M. Best defines "a" as follows:

Strong. Assigned to issues where, in [A.M. Best's] opinion, the issuer has a strong ability to meet the terms of the obligation.

11. **Rating of the Issuer:** S&P has assigned a counterparty credit rating of "AA-" ("Very strong", stable outlook), while the credit rating assigned by A.M. Best is "aa-" ("Superior", stable outlook).

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.

A.M. Best defines "aa-" as follows:

Superior. Assigned to insurance companies that have, in [A.M. Best's] opinion, a superior ability to meet their ongoing senior financial obligations.

⁶ 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.

Issuer

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Karl-Wiechert-Allee 50
30625 Hannover
Federal Republic of Germany

Principal Paying Agent

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Howald – Hesperange
2085 Luxembourg
Grand Duchy of Luxembourg

Joint Lead Managers

Barclays Bank PLC

5 The North Colonnade
Canary Wharf
London E14 4BB
United Kingdom

Citigroup Global Markets Limited

Citigroup Centre – Canada Square
Canary Wharf
London E14 5LB
United Kingdom

Commerzbank Aktiengesellschaft

Kaiserstrasse 16 (Kaiserplatz)
60311 Frankfurt am Main
Federal Republic of Germany

Crédit Agricole Corporate and Investment Bank

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France

Co-Lead Managers

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Federal Republic of Germany

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To the Managers

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