

Remuneration Report

of Allianz Global Corporate &
Specialty SE

2018



Pursuant to § 4.8 of the Remuneration Regulation for the Insurance Industry (VersVergV), major companies within the meaning of § 1.2 of this Regulation are required to publish an annual remuneration report in a suitable form and containing, in particular, information on remuneration policy and the remuneration structures, including the proportion of variable remuneration. These requirements relate, in accordance with § 4.1 sentence 1 VersVergV, to the managers of major companies whose activities have a material impact on the overall risk profile (known as "risk takers").¹

Allianz Global Corporate & Specialty SE (hereinafter referred to as the "Company") has classified itself as a major company within the meaning of the VersVergV. The Company has identified individual members of the senior management team, in addition to the members of the Board of Management, as risk takers pursuant to the VersVergV.

The report below describes the basic principles, structure and details of remuneration provisions for members of the Board of Management (valid as of January 1, 2010) and risk takers (valid as of January 1, 2011) of the Company.

Remuneration policy

The remuneration provisions are based on competitive, fair market conditions. Remuneration is designed to reflect the Company's business development, taking into account its sustainability and a comparison with the competitive landscape. The remuneration structure is aimed at attracting top performers for the highest level, and senior levels of management, as well as at ensuring and promoting sustainable, value-oriented corporate governance.

The composition and ratio of fixed to variable remuneration varies depending on the responsibility assumed by the members of top-level and senior levels of management in their respective functions according to the Allianz Grading System (AGS). The greater the impact that these activities could have on the results of Allianz Global Corporate & Specialty SE or a business unit, the higher the proportion of variable remuneration and the weighting of the long-term performance component tends to be. For members of the Board of Management, the aim is to have variable remuneration account for 65 percent of total remuneration, while the figure for risk takers is between 50 and 40 percent.

The variable remuneration is designed in a way that supports sustainable business development in various different result scenarios and in a changing business environment. The composition, weighting and the times of payment are structured in a manner that ensures a balanced relationship between opportunities and risks.

As a general rule, the remuneration structures are designed in a manner that counteracts inappropriate risk appetites. The limits placed on all variable remuneration components allow

process that involves all members of the Board of Management and risk takers. The targets are based primarily on the objectives of Allianz Global Corporate & Specialty SE. This process, which is repeated every year, creates a clear understanding as to what is expected of the Board of Management members and risk takers in the interests of sustainable business development. Targets measure quantitative, financial and operating results. What is more, the system takes account of qualitative measures and initiatives that promote the Company's sustainable development, as well as specially worded conduct-related targets.

to dual residence are paid where appropriate. These additional benefits have to be taxed by the Board of Management members. Additional benefits are not performance-related.

Performance-related (variable) remuneration

The various components of the performance-related remuneration are set out in a model that applies within the Allianz Group, the

The structure of Board of Management remuneration

The remuneration system for the Board of Management was adjusted to reflect statutory requirements based on the German Act on the Adequacy of Managerial Salaries (VorstAG) of July 31, 2009, with effect from January 1, 2010.

The Board of Management remuneration consists of non-performance related and performance-related components. The non-performance related remuneration includes fixed remuneration and additional benefits. The performance-related remuneration consists of three components, namely the annual bonus, the three-year bonus (MTB) and Allianz Equity Incentives (AEI). Company pension benefits are also provided.

Fixed remuneration

The basic remuneration paid to members of the Board of Management is a fixed amount that is paid out in twelve monthly installments. Its amount is based firstly on the function and responsibility to be assumed, and secondly on external market conditions.

Additional benefits

Board of Management members also receive certain additional benefits. These mainly relate to premiums for accident and liability insurance policies and the provision of a company car or lump-sum company car benefit. Expenses relating

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