

PERFORMANCE & VARIABLE COMPENSATION AT ALLIANZ

ALLIANZ SUSTAINED
PERFORMANCE PLAN (ASPP)
TWO-COMPONENTS



PRINCIPLES

Compensation at Allianz is based on a Target Total Direct Compensation (TTDC) approach. The TTDC in place for the performance year contains a mix of fixed and variable compensation as determined by company guidelines that consider regulatory requirements and link performance to rewards. Target variable compensation as communicated at the start of the performance year is subject to upward or downward fluctuation based on individual and company performance and may result in a higher or lower actual variable compensation payout.

Variable compensation at Allianz recognizes and rewards executives for both their individual contributions and Allianz's success in achieving its business strategy and ambitious goals, especially to deliver superior value to the customers with an excellent and caring customer experience. In addition to supporting the company's performance culture the use of consistent variable compensation plans for executives across all Allianz companies reinforces the aim of increasing mobility and career opportunities for executives across the organization. Allianz variable compensation plans are designed to meet internal and external corporate governance requirements.

It is Allianz's view that real success can best be measured over longer time periods. Of course annual achievement plays an important role, but the overall reward of the company's executives must encourage and reflect performance that is both sustainable and

competitive. Allianz's performance and variable compensation system evaluates overall individual and company performance using criteria that support the short-, medium- and long-term performance objectives and foster shareholder value creation and may use multiple short-, mid- and long-term incentives to appropriately reward executives. Variable compensation together with market-competitive fixed compensation and benefits provide an attractive total rewards package.

Individual compensation is regularly reviewed for internal and external market competitiveness.

Allianz expects strict risk and compliance discipline and does not tolerate any breaches of any internal or external rules. Allianz also expects active support for compliance initiatives and privacy initiatives. Hence, variable remuneration components may not be paid, or payment may be reduced partially or in full or otherwise restricted in the case of a failure to meet these expectations including a breach of relevant laws and regulation, the Allianz Code of Conduct or internal Policies, Rules, and Standards, including risk limits. The employer will take the corresponding decision using equitable discretion considering the significance of the breach and the principle of proportionality.

Variable Compensation may be deferred or fully or partially cancelled by the competent supervisory authority in certain cases as defined by the local law.

PERFORMANCE

GLOBAL PERFORMANCE MANAGEMENT

Performance consists of two key elements: individual performance and the Operating Entity (OE) component. These elements are weighted equally at 50%.

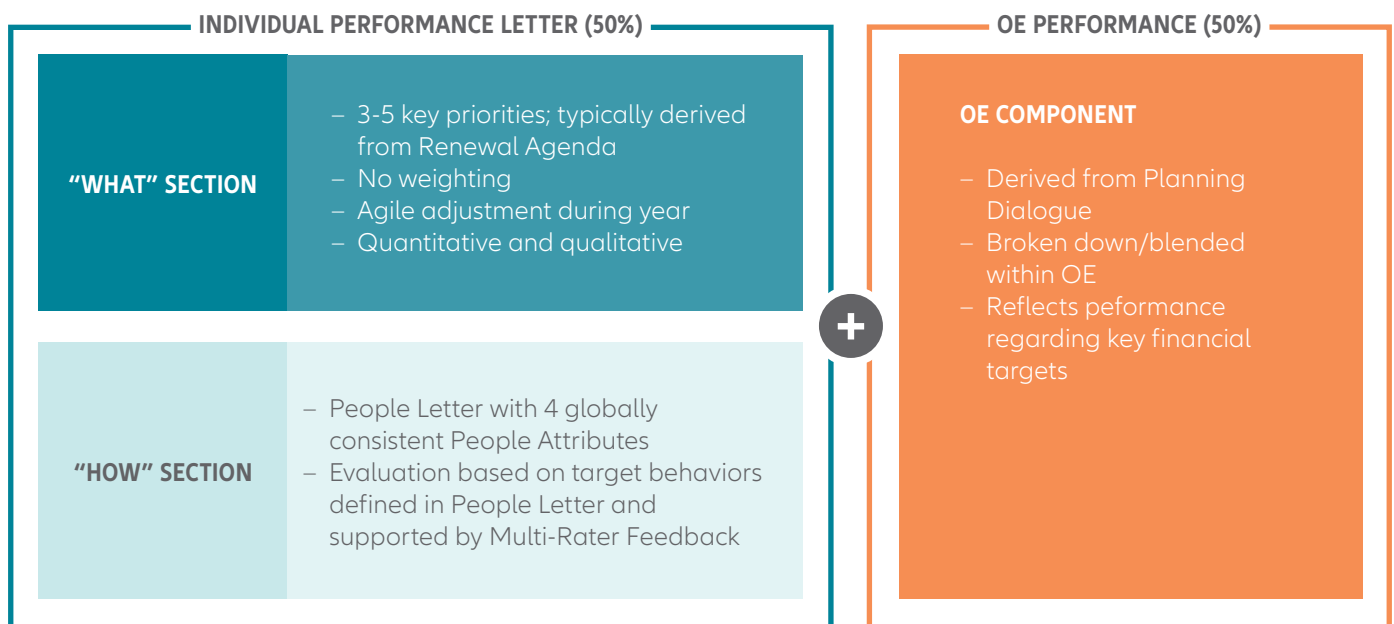
Agreed individual performance priorities are outlined in the Individual Performance Letter, which contains two aspects:

- “What”: includes personal priorities
- “How”: outlines the “People Attributes¹” and underlying behaviors

INDIVIDUAL PERFORMANCE ASSESSMENT (IPA)

At the end of the performance year, the manager will assess individual performance against a five point scale (see next page). This will consider WHAT has been achieved and, of equal importance, the behavior (HOW it has been achieved). More specifically:

- **WHAT:** The manager will make an assessment of contributions with particular reference to personal priorities which are agreed and documented annually in the global performance management system
- **HOW:** The manager will assess individual behavior against the “People Letter¹” with its 4 globally consistent People Attributes and underlying target behaviors



¹ The People Letter describes the four “People Attributes” and supporting behaviors considered under the “how” section of the Individual Performance Letter. The four People Letter Attributes include: Customer & Market Excellence, Collaborative Leadership, Entrepreneurship and Trust. For more information please refer to the Performance Management information available on Allianz Connect.

ACTUAL VARIABLE COMPENSATION DETERMINATION & DELIVERY

INDIVIDUAL PERFORMANCE FACTOR (IPF)

Based on the overall individual performance assessment the manager will determine an Individual Performance Factor (IPF) in % within the following ranges:

THE IPF IS RELEVANT FOR THE ACTUAL VARIABLE COMPENSATION DETERMINATION.

Far exceeds	140-200%
Exceeds	115-135%
Fully meets	90-110%
Partially meets	55-85%
Does not meet	0-50%

OE COMPONENT

The OE Component reflects the achievement of the key financial targets for the year. The measurement will be in the range of 0-200%¹.

ACTUAL VARIABLE COMPENSATION

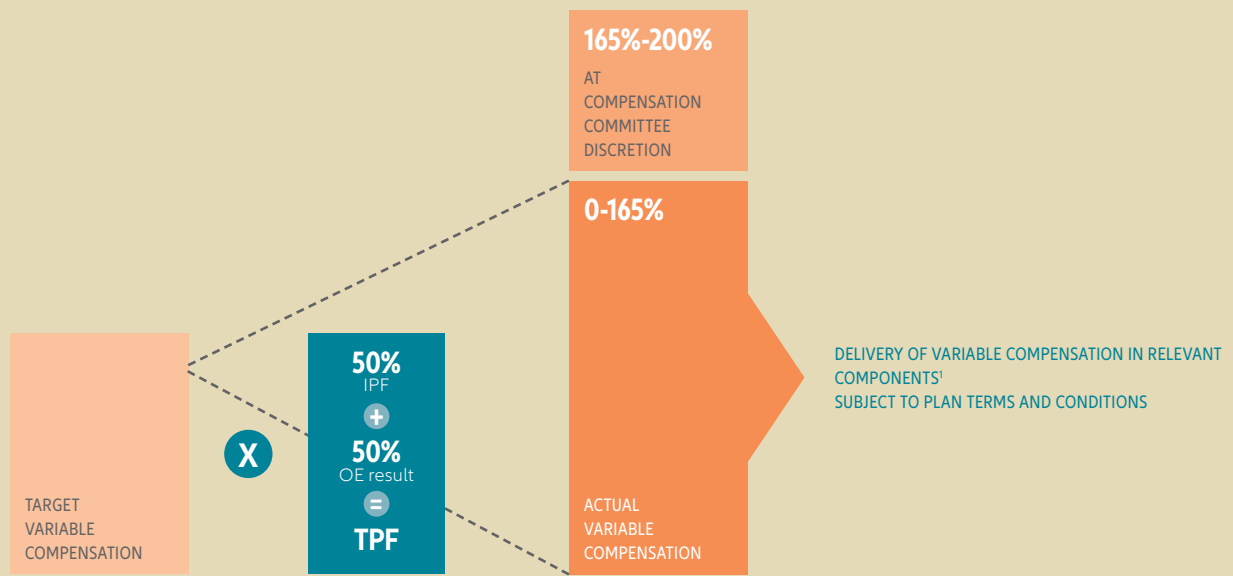
Actual variable compensation is determined by combining the Individual Performance Factor (IPF) results and the OE Component results with equal 50:50 weighting thus resulting in a Total Pay-Out Factor (TPF). Actual variable compensation for the performance year equals target variable compensation multiplied by the TPF.

The maximum TPF is generally capped at 165%² irrespective of the IPF and/or the OE Component results. In cases of truly exceptional performance the responsible Compensation Committee has the discretion to exceptionally extend this cap up to a maximum of 200%.

The chart on the right provides an illustration of how individual and company performance may affect actual variable compensation.

¹ For Allianz SE Board of Management Group financial performance is capped at 150%.

² For Allianz SE Board of Management the Total Pay-Out Factor cap is set at 150%.



¹ That is comprised of cash and non-cash elements depending on contractual agreements/grade.

DELIVERY OF VARIABLE COMPENSATION

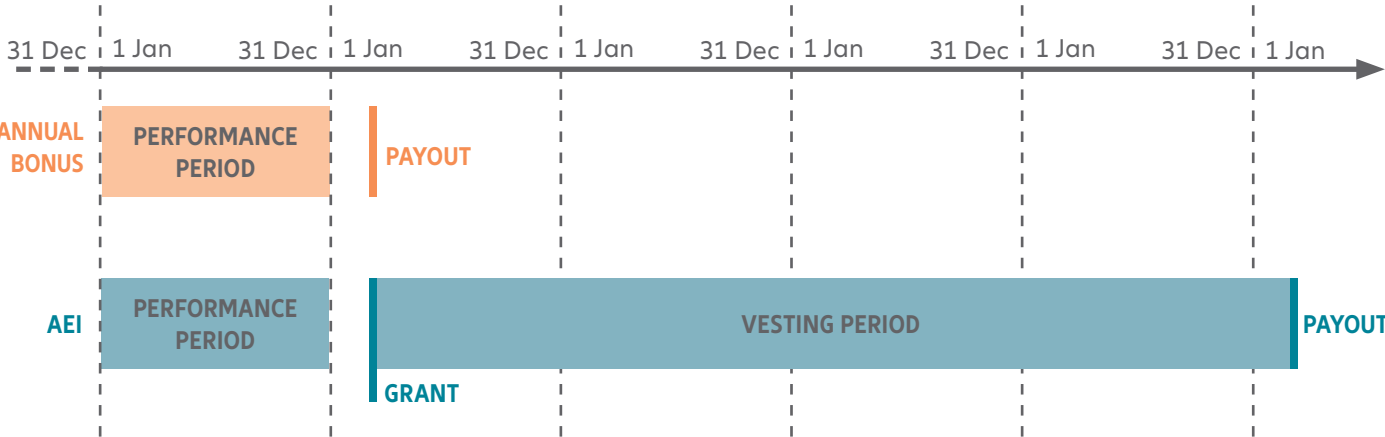
Variable compensation may consist of up to two components dependent on grade level and other local compensation plans. Each component is linked to different performance periods and drivers. In general variable compensation is equally divided between the eligible components.

Annual Bonus: rewards achievement of company and individual priorities for the respective performance year

Allianz Equity Incentive: provides a forward-looking award to align employees with company interests by linking their variable compensation to Allianz SE stock price performance over the subsequent four-year vesting period

Variable compensation is paid out as determined by the company and typically no later than at the end of the second quarter in the year following the final performance year or completed vesting period.

ILLUSTRATION OF DELIVERY AND DEFERRAL OF VARIABLE COMPENSATION FOR A GIVEN PERFORMANCE YEAR



VARIABLE COMPENSATION COMPONENT DETAILS

ANNUAL BONUS

Allianz rewards the employee's performance and contributions to the success of the company during a performance year with an Annual Bonus. The bonus amount is based on the target bonus amount multiplied by the Total Pay-Out Factor (TPF).

The company will pay the Annual Bonus in cash, net of payroll taxes and social charges, following annual performance assessment and determination of the actual variable compensation. This generally occurs after the company's financial performance of the respective financial year has been assessed, audited and approved and the Individual Performance Factor has been determined and calibrated.

The Annual Bonus is subject to the ASPP Conditions. If there is any discrepancy between the content of this document and the ASPP Conditions, the ASPP Conditions prevail.

ALLIANZ EQUITY INCENTIVE (AEI)

The Allianz Equity Incentive (AEI) is a deferral plan provided to top managers, executives and key employees to allow them to benefit from Allianz's long-term success. It aims to tie employees to Allianz's future success by linking variable compensation to the longer-term development of Allianz SE stock during continued employment until vesting.

The AEI is a long-term equity-based plan granting Restricted Stock Units ("RSU"), also known as virtual stock. The RSU have a four-year vesting period from the time of their grant. Allianz stock performance over the four-year vesting period drives the ultimate value of the AEI award. This also means that any value can only be realized if the plan participant remains employed within the Allianz Group or under certain conditions of leaving employment (see section "Leaving the Allianz Group" and RSU Conditions for more details).

The AEI plan is subject to the ASPP & RSU Conditions. If there is any discrepancy between the content of this document and the plan conditions, the plan conditions prevail.

HOW THE AEI PLAN WORKS

GRANT

The AEI award will be granted to the employee in the form of RSUs with a four-year vesting period. The number of RSU granted to the participant equals the AEI allocation value divided by the Fair Value at grant of a single RSU and will be rounded up or down to the nearest whole RSU.

RSU are granted once a year on the grant date, defined as the tenth trading day following the Allianz SE Financial Press Conference.

The participant is required to formally accept/confirm the grant and the RSU Conditions during a defined acceptance period within the Allianz equity administration tool. Failure to do so by the set date will result in forfeiture of the grant.

PAYOUT & CAP

The final payout is dependent on the development of the Allianz SE share price over the four-year vesting period. The payout of the Allianz Equity Incentive is capped at 200% share price growth over the price at grant. This is to avoid any extreme payouts.

RISK TAKER POSITIONS

For participants who receive an RSU grant while fulfilling a position identified as a Risk Taker role specific RSU Conditions apply for the payout.

EXAMPLE OF HOW THE AEI WORKS

Performance Year	Target variable compensation allocated to AEI		€ 100,000
Grant	Total Pay-Out Factor		110%
	Actual variable compensation allocated to AEI		€ 110,000
	RSU Fair Value at Grant		€ 100
	Grant Size (number of RSU)		1,100 RSU
Vesting Period			4 years
Share Price (at Vesting Date)			€ 130
Payout (four years from Grant)	Cash Payout	RSU	1,100
		Gross Award (1,100 x 130)	€ 143,000
		Net payout (50% tax rate assumed)	€ 71,500
	Stock Settlement	RSU	1,100
		Gross Award (1,100 x 130)	€ 143,000
		Net Share Award (50% tax rate assumed)	550 Shares

SETTLEMENT

Allianz SE reserves the right to decide which settlement alternatives (cash or stock) shall apply for the AEI plan and will make the payout in the form of cash or stock at vesting.

Cash: At time of vesting, four years after grant date, the RSU will be converted to cash, which will be paid to the participant by the payroll department, usually with the salary/pension payment.

- The gross value of the payout will be based on the average Xetra trading closing price of the Allianz SE stock on the last day of the vesting period and the prior nine trading days
- The net payout will account for any applicable tax and social security withholding

Stock: At time of vesting, four years after grant date, the RSU will be converted to actual Allianz SE stock and placed in the participant's name.

- The gross value of the payout will be based on the number of RSU and the relevant price of the Allianz SE stock (as defined in the RSU Conditions)
- The net value of the payout will account for any applicable tax and social security withholding
- The amount of stock awarded reflects the net value and stock price

TAXATION

Tax regulations vary from country to country and may also change from time to time. In most instances there will be national/state income tax and social security levies arising from the variable compensation payouts.

In countries where tax and social security are collected by local payroll, the withholding will usually be calculated by the payroll department of the company that pays the salary. The deductions will be directly submitted by the company to the respective tax and social security authorities.

If the AEI is awarded in stock, the tax will need to be calculated and withheld. Only the net value of the award is converted into stock. Therefore, where withholding is required for the equity incentive, the amount of stock awarded at the end of the vesting period will be based on the net, after-tax value of the award.

Where there is no company withholding, or where it is required by the relevant regulations, it is the participant's responsibility to disclose the payouts and any other required and relevant information to the respective authorities via the income tax declaration and/or any other necessary filings.

If the executive has worked in more than one country during the relevant service/vesting periods, he/she may be liable for tax and/or social security levies in some or all of these countries. The amount may be apportioned to the time of employment in a particular country. It is the participant's responsibility to ensure compliance with the tax regulations for the variable compensation payouts received.

Allianz recommends consultation with a professional tax adviser (at participant cost) to fully understand the taxation implications surrounding variable compensation.

TRANSFERRING EMPLOYMENT AND LEAVING ALLIANZ GROUP

TRANSFERRING EMPLOYMENT WITHIN ALLIANZ GROUP COMPANIES

In case of a transfer to another Allianz Group company the annual bonus payout will take place during the annual Year-End Cycle and will be pro-rated to reflect the days of employment in each role. Any deferred compensation will continue to vest according to the plan rules.

For AEI participants the RSUs will transfer with the employee to the new company and will vest on schedule according to RSU Conditions.

LEAVING THE ALLIANZ GROUP

The following is a summary of how variable compensation opportunities will be treated in the event of a participant leaving employment of Allianz Group. A participant will be treated as “leaving employment” when the participant ceases to be an employee or member of the Board of Management of the company or any other member of the Allianz Group.

In general, when a participant leaves Allianz on his/her own initiative or the company terminates the employment relationship for cause during the relevant performance period, the participant will generally no longer be entitled to any Annual Bonus, subject to applicable local laws. Any RSU already granted will immediately lapse and no further RSU will be granted.

When a participant leaves employment for regular or early retirement, ill health, disability or death, or if the company has chosen to terminate the employment relationship due to business reasons (e.g. redundancy) the company will generally pay any outstanding variable compensation on a proportional basis for the time within the performance period and based on the Total Pay-Out Factor as well as the sustainability assessment for the respective program when that determination can take place or when practicable based on local regulation. For any RSU granted the company will make a payout in accordance with the RSU Conditions.

For specifics on treatment of various leaving employment situations (including retirement) please refer to the ASPP and RSU Conditions respectively.

GLOSSARY

ACTUAL VARIABLE COMPENSATION

The final variable compensation amount the employee receives for a given performance year once individual and company performance have been determined and applied against the target variable compensation amount. Actual variable compensation plus fixed compensation total the **Actual Total Direct Compensation (ATDC)** an employee receives.

ASPP – ALLIANZ SUSTAINED PERFORMANCE PLAN

The Allianz Group variable compensation plan available to executives invited to take part.

AEI – ALLIANZ EQUITY INCENTIVE

The equity component of variable compensation, which is comprised of Restricted Stock Units (RSU) of Allianz SE.

COMPANY

A member of the Allianz Group (Allianz SE, its subsidiaries and associate companies) which has an employment relationship with the relevant participant and has invited him or her to take part in the AZ Group variable compensation plans.

GRANT

An allocation of Restricted Stock Units under the Allianz Equity Incentive plan.

GRANT DATE

The formal date, chosen by Allianz SE, on which the grant is made. It is the tenth Xetra trading day after the Allianz SE Financial Press Conference in which the results of the previous fiscal year are presented to the public.

IPA – INDIVIDUAL PERFORMANCE ASSESSMENT

The result based on assessment of agreed priorities and People Attributes as per new performance management approach.

IPF – INDIVIDUAL PERFORMANCE FACTOR

Based on the Individual Performance Assessment (IPA) result a percentage within the company defined range will be determined for purposes of calculating the actual variable compensation.

PARTICIPANT

Any executive of Allianz Group companies invited to take part in the Allianz Group variable compensation plans.

RESTRICTED STOCK UNITS (RSU)

A virtual share award.

FAIR VALUE AT GRANT

Fair Value at grant refers to the arithmetic average of the closing price of the Allianz SE share at the grant date and the nine immediately preceding trading days less the present value of dividends expected to be paid on one Allianz SE share over the vesting period, less the fair value of the payout restrictions deriving from the vesting period and the payout cap.

TTDC – TARGET TOTAL DIRECT COMPENSATION

The combined total compensation including fixed and variable compensation set at a target value for a given performance year. The variable compensation component is subject to performance criteria that may result in actual total direct compensation above or below the target value as determined during the Year-End Cycle process at the end of the performance year. TTDC increases are subject to company discretion and are based on both internal and external factors that also consider individual performance and available budget.

TARGET VARIABLE COMPENSATION

The portion of TTDC allocated to variable compensation.

TPF – TOTAL PAY-OUT FACTOR

The amount used to determine the actual variable compensation for an employee calculated by combining the Individual Performance Factor and OE Component results with an equal 50:50 percent weighting.

TRADING DAY

A day on which the electronic cash market trading system Xetra (or any successor system) is open for business.

VESTING DATE

The last day of the vesting period on which the RSU are released by the Company uniformly for all participants.

VESTING PERIOD

The vesting period starts on the grant date and ends on the earlier of the (1) tenth trading day following the Allianz SE Financial Press Conference for the results of the fourth financial year after the grant date or (2) the last trading day in March of the year in which such Financial Press Conference has not taken place.

XETRA

The Frankfurt Stock Exchange electronic cash market trading system.

LEGAL NOTICE

The information in this brochure is a non-binding summary and provided for information purposes only. In the event of a conflict between the content of this brochure and the formal provisions of the individual plan(s), the formal plan conditions¹ will prevail. Additional local terms and conditions may apply.

Variable compensation plans are discretionary and Allianz reserves the right to determine participation in the plan(s) and the right to amend, modify, interpret or terminate the plan(s) at any time without notice. Such determinations will be final and binding. Further, there is no guarantee that the plan(s) will be operated in the future, or, if operated, that the employee will be selected again for participation.

This brochure does not create an express or implied contract of employment with any employee nor does it create any terms of contract for any particular benefit or reward plan. Payouts under the plan(s) are not pensionable nor do they otherwise serve as basis to calculate any other benefit (such as for example holiday pay) unless specifically required by local law or provided for in the relevant plan conditions.

Note for US executives: The information in this brochure regarding the Allianz Equity Incentive constitutes part of a prospectus covering securities that have been registered under the US Securities Act of 1933.

The participant consents to the collection, storage, processing, transfer and use of his/her personal data provided in the context of the variable compensation plan(s) for the purposes of the operation of the plan(s), including the transfer to other members of Allianz Group, trustees and third party service provider(s) as described below. This includes in particular for the purpose of the operation of the plan(s):

- Administering and maintaining participant records within the company, Allianz SE and/or other members of Allianz Group;
- Providing personal/compensation data to:
 - (i) Allianz SE and/or other members of Allianz Group
 - (ii) Trustees of any employee benefit trust
 - (iii) Third party administrator of the plan
- Assessment of any entitlements under the plan by the company, Allianz SE and/or other members of Allianz Group

¹ ASPP and RSU Conditions available on AZ Connect.

Allianz SE

Group Human Resources – Reward & Performance
Version 2019