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The German original of this document is exclusively authoritative and legally binding.

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**Joint Report**

**by the management board of Allianz SE, Munich**

**and**

**the management of Allianz Asset Management GmbH, Munich**

**concerning the First Amendment Agreement to the  
Profit and Loss Transfer Agreement dated February 10/21, 2011**

**and**

**concerning the First Amendment Agreement to the  
the Domination Agreement dated February 13, 2018**

**between Allianz SE and  
Allianz Asset Management GmbH**

## I. Introduction

A profit and loss transfer agreement dated February 10/21, 2011 ("**Profit and Loss Transfer Agreement**") and a Domination Agreement dated February 13, 2018 ("**Domination Agreement**", the two agreements together referred to as the "**Company Agreements**") exist between Allianz SE and Allianz Asset Management GmbH ("**AAM**").

A new regulatory framework for investment firm groups was established with the application of the Directive (EU) 2019/2034 on the prudential supervision of investment firms ("**IFD**") and the Directive (EU) 2019/2033 on the prudential requirements of investment firms ("**IFR**") and the coming into force of the German Securities Institutions Act (Wertpapierinstitutsgesetz - "**WpIG**") on June 26, 2021. Under this framework AAM is deemed to be a parent investment holding company of an investment firm group. This regulatory classification necessitates that changes be made to the Company Agreements. Therefore, on February 24, 2022, Allianz SE and AAM concluded the First Amendment Agreement to the Profit and Loss Transfer Agreement dated February 10/21, 2011, appended hereto as Annex 1 and, again on February 24, 2022, they concluded the First Amendment Agreement to the Domination Agreement dated February 13, 2018, appended hereto as Annex 2 (together referred to as the "**Amendment Agreements**").

The management board of Allianz SE and the management of AAM issue the following joint report on the legal and economic reasons and rationale concerning the conclusion of the Amendment Agreements and their contents pursuant to §§ 295 and 293a German Stock Corporation Act (Aktiengesetz - "**AktG**").

## II. Parties

### 1. Allianz Asset Management GmbH

AAM was formed by a change of legal form of Allianz Asset Management AG in the year 2017 and is registered with the commercial register of the Local Court of Munich under number HRB 232728. The share capital of the Company amounts to EUR 84,276. Shareholders of AAM are Allianz SE, which holds shares in the nominal amount of EUR 63,021 and Allianz Finanzbeteiligungs GmbH, which holds shares in the nominal amount of EUR 21,255. Allianz Finanzbeteiligungs GmbH in turn is a 100%-owned subsidiary of Allianz SE and a profit and loss transfer agreement has been concluded between both companies. AAM therefore has no external shareholders within the definition of § 304 AktG. Thus, the Company Agreements do not contain any provisions

concerning compensation payments or settlement payments (§§ 304, 305 AktG).

The statutory purpose of AAM is to manage a group of companies active in all areas of the financial sector domestically and abroad, and in particular in the area of capital investment, asset management, intermediary business and service provision. The company holds interests in domestic and foreign banks, financial services providers, investment companies and other companies. The management of AAM comprises Dr. Andreas Wimmer, Dr. Markus Deliano, Matthieu Lefebvre, Isaline Marcel and Dr. Sven Piegsa.

As the asset manager of Allianz, the AAM Group stands for one of Allianz Group's core business areas and managed assets worth around EUR 2.6 trillion at the end of 2021. This makes AAM Group one of the world's leading active asset managers. As management holding company for a number of asset management companies, AAM, together with its subsidiaries, provides support to a whole range of retail and institutional customers on all of the world's main markets. The business activities include the provision of products and services to third-party investors as well as to insurance companies within the Allianz Group. In this respect, the AAM Group offers a wide range of investment opportunities in the areas of fixed-income securities, equities and alternative investment forms.

Its institutional customers include the insurance companies belonging to the Allianz Group and third-party investors, e.g. insurance undertakings, pension funds, and other financial services providers, industrial companies, governments, foundations and financial advisors. The asset management business for retail customers is offered by globally active operating companies under the brands of PIMCO and Allianz Global Investors. The asset management business for institutional investors is also conducted under these brands. Allianz Global Investors and PIMCO have a global presence with investment and sales capacity in all major markets, with a particular focus on the US, Germany, France, Italy, the UK and the Asia-Pacific region.

Including its subsidiaries, AAM Group employed a workforce of approximately 6,400 at the end of 2021.

In the fiscal year 2021, AAM achieved earnings after tax in the amount of EUR 843.3 million (2020: EUR 512.7 million; 2019: EUR 601.7 million). Due to the existing Profit and Loss Transfer Agreement between AAM and Allianz SE, the respective annual net income was EUR 0.

In the fiscal year 2021, AAM Group was able to report significant net inflows. AAM Group is also expected to have moderate growth of the assets under management, and to further improve its operating results in the medium term.

## **2. Allianz SE**

Allianz SE is a listed European Company (Societas Europaea) registered with the commercial register of the Local Court of Munich under number HRB 164232. The Company is the ultimate holding company of the Allianz Group. The Allianz Group employs over 150,000 employees and, in fiscal year 2020, its IFRS consolidated financial statement indicated an annual net income attributable to shareholders of around EUR 6.8 bn. The annual net provisional income attributable to shareholders for the past fiscal year 2021 amounts to around EUR 6.6 bn.

According to its Articles of Association, the object of the Company is the management of an international group of companies operating in the areas of insurance, banking, asset management and other financial, consultancy and similar services. The Company holds interests in insurance companies, banks, industrial companies, investment companies and other enterprises. As a reinsurer, the Company primarily assumes insurance business from its Group companies and other companies in which the Company holds direct or indirect interests.

## **III. Conclusion and coming into effect of the Amendment Agreements**

The Amendment Agreements were each concluded on February 24, 2022 between Allianz SE and AAM. In order to become effective, the Amendment Agreements require the approval of the general meeting Allianz SE and the approval of the shareholders' meeting of AAM.

At the annual general meeting to be convened for May 4, 2022 the management board and supervisory board of Allianz SE will propose that the Amendment Agreements be approved. The shareholders' meeting of AAM will grant its approval of the Amendment Agreements on March 8, 2022.

Furthermore, to become effective the Amendment Agreements must each be registered with the commercial register of AAM.

## **IV. Legal reasons for concluding the Amendment Agreements**

As previously mentioned under No. I, according to the new regulatory framework (IFD, IFR and WpIG), AAM is deemed to be a parent investment holding company of an investment firm group. As the parent investment holding company, AAM is required to

fulfil regulatory requirements, in particular with respect to the calculation of regulatory own funds pursuant to the new rules. With the Amendment Agreements, it shall be ensured that AAM is able to fulfil these regulatory requirements at all times, especially the requirements on regulatory own funds.

**V. Explanation of the individual provisions of the Amendment Agreements**

The following remarks are made regarding the individual provisions of the Amendment Agreements:

**1. First Amendment Agreement to the Profit and Loss Transfer Agreement**

**1.1. Amendment of the Profit and Loss Transfer Agreement (Article 1)**

With this Article, the Profit and Loss Transfer Agreement is amended with a regulatory proviso (Section 4 of the Profit and Loss Transfer Agreement), according to which neither (i) any consent from Allianz SE is required for the transfer of sums from the annual net income to the revenue reserves, nor may Allianz SE (ii) demand any release of other revenue reserves built up during the term of the agreement, nor may it (iii) issue notice of termination for cause, insofar as the exercise of such a right would be contrary to the regulatory eligibility of the provision of capital as a component of the regulatory Tier 1 capital of AAM. According to the applicable regulatory provisions, capital instruments may only be regarded as Tier 1 capital if, inter alia, the regulated company is not under a distribution obligation to its shareholders. In principle, this would be contradicted by profit and loss transfer agreements or corresponding instructions for the distribution of profits or the release of reserves under domination agreements. However, the regulatory provisions do, by way of exception, deem that such company agreements do not contain a dividend distribution obligation, if these company agreements fulfil certain requirements. Among these requirements is the condition that, when preparing its annual financial statement, the controlled company has discretion to reduce the amount of its distributions in that it may transfer all or some of its profits to its own reserves or to the fund for general banking risks, before it makes any payment to the controlling company. The requirements also stipulate that the company agreement contains a termination period, such that the agreement may only be terminated at the end of the fiscal year, thereby changing nothing with regard to the obligation of the controlling company to fully compensate

the controlled company for all losses sustained by it during the fiscal year.

These requirements are satisfied by the regulatory proviso agreed in the First Amendment Agreement to the Profit and Loss Transfer Agreement, because it grants AAM discretion, when preparing its annual financial statement, to reduce the amount of its distributions in that it may transfer all or some of its profits to its own reserves or to the fund for general banking risks, before it makes any payment to Allianz SE, and because it limits the possibility for Allianz SE to extraordinarily terminate the agreement during the year.

**1.2. Continued validity; coming into effect (Article 2)**

Article 2 clarifies that the remaining content of the Profit and Loss Transfer Agreement shall remain unaffected, and that the First Amendment Agreement to the Profit and Loss Transfer Agreement was concluded subject to the approval of the general meeting of Allianz SE and the shareholders' meeting of AAM. In accordance with the stipulations of §§ 295, 294 (2) AktG, Article 2 determines that the First Amendment Agreement to the Profit and Loss Transfer Agreement shall become effective upon its registration with the commercial register of AAM. Moreover, the amendments to the Profit and Loss Transfer Agreement apply retroactively from January 1, 2022.

**2. First Amendment Agreement to the Domination Agreement**

**2.1. Amendment of the Domination Agreement (Article 1)**

This Article firstly inserts a new provision into Section 1 no. 3 of the Domination Agreement to the effect that the management of AAM decides independently on complying with the regulatory provisions, as well as the regulatory administrative principles. It also clearly states that instructions issued to the management of AAM would be invalid insofar as these would constitute an infringement of the regulatory norms of the WpIG, the IFR, regulatory provisions or regulatory administrative principles.

In addition, the Domination Agreement is likewise amended with a regulatory proviso (Section 4 of the Domination Agreement), according to which Allianz SE may not issue notice of termination for cause insofar as this would be contrary to the regulatory eligibility of the provision of capital as a component of the regulatory Tier 1 capital of AAM. The

reason for this amendment corresponds to the one for the amendment made to the Profit and Loss Transfer Agreement. In this regard, reference can be made to the explanations and remarks above under No. V.1.1.

**2.2. Continued validity; coming into effect (Article 2)**

Article 2 clarifies that the remaining contents of the Domination Agreement shall remain unaffected, and that the First Amendment Agreement to the Domination Agreement was concluded subject to the approval of the general meeting of Allianz SE and the shareholders' meeting of AAM. Corresponding to the stipulations of §§ 295, 294 (2) AktG, Article 2 determines, moreover, that the First Amendment Agreement to the Domination Agreement shall become effective upon its registration with the commercial register of AAM.

**VI. No entitlements to compensation payments or settlement payments**

In the absence of any external shareholders of AAM, the amendment of the Company Agreements does not establish any obligation of Allianz SE to pay compensations or settlements (§§ 304, 305 AktG).

Munich, February 24, 2022

**Allianz SE, Munich,**

[signature]

Renate Wagner

Member of the management board

[signature]

Dr. Keve Kovács

Authorized representative

**Allianz Asset Management GmbH, Munich**

[signature]

Dr. Markus Deliano

Managing director

[signature]

Dr. Sven Piegsa

Managing Director

**Annex 1:** First Amendment Agreement to the Profit and Loss Transfer Agreement

**Annex 2:** First Amendment Agreement to the Domination Agreement

**First Amendment Agreement  
to the  
Profit and Loss Transfer Agreement**

between

Allianz SE, Munich

hereinafter: "**AZSE**"

and

Allianz Asset Management GmbH, Munich

hereinafter: "**AllianzAM**"

**Preamble**

AZSE and AllianzAM (formerly: Allianz Global Investors AG) concluded a profit and loss transfer agreement which was signed on February 10/21 2011 ("**Profit and Loss Transfer Agreement**"). AZSE and AllianzAM have agreed the following supplement to the Profit and Loss Transfer Agreement, whereby the amendments according to Article 1 to adapt and clarify the existing Profit and Loss Transfer Agreement are made for regulatory reasons:

**Article 1**

**Amendment of the Profit and Loss Transfer Agreement**

After Section 3 of the Profit and Loss Transfer Agreement, a new Section 4 is inserted, which reads as follows:

**"Section 4**  
**Regulatory proviso**

The provisions concerning the approval and demands of AZSE pursuant to Section 1 no. 2 and the right to terminate without notice pursuant to Section 3 no. 3 shall not apply insofar as this would be contrary to the regulatory eligibility of the provision of capital as a component of the regulatory Tier 1 capital of AGI, especially in connection with the application of the group capital test pursuant to Article 8 para. 3 and para. 2 (a) in conjunction with Article 9 of Regulation (EU) 2019/2033 and Article 28 para. 3 sub-para. 2 (d) and (f) of Regulation (EU) 575/2013 as amended by Regulation (EU) 2019/876. Accordingly, when preparing its annual financial statement under Section 1 Nr. 2, AGI shall have discretion to reduce the amount of its distributions by transferring all or some of its profits to its own reserves or to the fund for general banking risks, before it makes any payment to AZSE."

**Article 2**  
**Continued validity; coming into effect**

The provisions of the Profit and Loss Transfer Agreement remain otherwise unaffected. This Amendment Agreement shall be effective upon approval by the general meeting of AZSE and the shareholders' meeting of AllianzAM as well as subsequent registration with the commercial register of AllianzAM, and it shall take effect as of January 1, 2022.

Munich, February 24, 2022

Allianz SE, Munich,

[signature]  
Renate Wagner  
Member of the management board

[signature]  
Dr. Keve Kovács  
Authorized representative

Allianz Asset Management GmbH, Munich

[signature]

Markus Deliano  
Managing director

[signature]

Dr. Sven Piegsa  
Managing director

**First Amendment Agreement  
to the  
Domination Agreement**

between

Allianz SE, Munich

hereinafter: "**AZSE**"

and

Allianz Asset Management GmbH, Munich

hereinafter: "**AllianzAM**"

**Preamble**

AZSE and AllianzAM concluded a domination agreement ("**Domination Agreement**") signed on February 13, 2018. AZSE and AllianzAM have agreed the following supplement to the Domination Agreement, whereby the amendments according to Article 1 to adapt and clarify the existing Domination Agreement are made for regulatory reasons:

**Article 1**

**Amendment of the Domination Agreement**

1. After Section 1 no. 2 of the Domination Agreement, a new no. 3 is inserted, which reads as follows:

"The management of AllianzAM decides independently on complying with legal and regulatory provisions, as well as the regulatory Administrative Principles. Instructions shall

be invalid, particularly insofar as these would constitute an infringement of the regulatory norms of the German Securities Institutions Act (Wertpapierinstitutsgesetz - "WpIG"), Directive (EU) 2019/2033, regulatory provisions or regulatory Administrative Principles."

2. After Section 3 of the Domination Agreement, a new Section 4 is inserted, which reads as follows:

**"Section 4**

**Regulatory proviso**

The provisions concerning the right to terminate without notice in accordance with Section 3 (3) shall not apply insofar as this would be contrary to the regulatory eligibility of the provision of capital as a component of the regulatory Tier 1 capital of AllianzAM, especially in connection with the application of the group capital test pursuant to Article 8 para. 3 and para. 2 (a) in conjunction with Article 9 of Regulation (EU) 2019/2033 and Article 28 para. 3 sub-para. 2 (d) and (f) of Regulation (EU) 575/2013 as amended by Regulation (EU) 2019/876."

**Article 2**

**Continued validity; coming into effect**

The provisions of the Domination Agreement remain otherwise unaffected. This Amendment Agreement shall be effective upon approval by the general meeting of AZSE and the shareholders' meeting of AllianzAM as well as the subsequent registration with the commercial register of AllianzAM.

Munich, February 24, 2022

Allianz SE

[signature]

Renate Wagner  
Member of the management board

[signature]

Dr. Keve Kovács  
Authorized representative

Allianz Asset Management GmbH

[signature]

Markus Deliano  
Managing director

[signature]

Dr. Sven Piegsa  
Managing director