Notice

This translation is provided to shareholders for convenience purposes only.

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

***

Joint Report

of the Board of Management of Allianz SE, Munich

and the Board of Directors
of Allianz Asset Management GmbH, Munich

pursuant to Section 293a German Stock Corporation Act (Aktiengesetz, "AktG")
concerning the

Control Agreement

of 13 February 2018

between

Allianz SE, Munich,

and

Allianz Asset Management GmbH, Munich

I. Introduction

On 13 February 2018, Allianz SE and Allianz Asset Management GmbH (hereinafter "**AllianzAM**"), concluded the following Control Agreement. AllianzAM has delegated the control of its company to Allianz SE. Allianz SE has undertaken to assume any and all losses sustained by AllianzAM. The effectiveness of this agreement is subject to the approval of the Annual General Meeting of Allianz SE and the shareholders' meeting of AllianzAM.

Pursuant to Section 293 AktG, the Control Agreement will be presented for approval to the shareholders' meeting of AllianzAM in March 2018 and to the Annual General Meeting of Allianz SE on 9 May 2018 for approval. In accordance with Section 293a AktG, the Management Board of Allianz SE and the Board of Directors of AllianzAM issue the following joint report on the legal and economic reasons and rationale concerning the conclusion of the Agreement and its content.

II Contractual partners

The contractual partners are Allianz SE and AllianzAM.

1. Allianz SE

Allianz SE is the parent company of the Allianz Group with its registered seat in Munich. It is registered in the company register of the “Amtsgericht” of Munich under no. HRB 164232. The fiscal year corresponds to the calendar year. The share capital of Allianz SE amounts to EUR 1,169,920,000 and is divided into 440,249,646 transfer-restricted, registered no-par value shares. Each share entitles the holder to one vote.

The corporate purpose of the Company is the direction of an international group of companies, which is active in the areas of insurance, banking, asset management, and other financial, consulting, 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.

The Management Board of the Company currently comprises nine members:

- Oliver Bäte, CEO
- Sergio Balbinot

- Jacqueline Hunt
- Dr. Helga Jung
- Dr. Christof Mascher
- Niran Peiris
- Giulio Terzariol
- Dr. Günther Thallinger
- Dr. Axel Theis.

The Supervisory Board consists of twelve members and is to be composed of six shareholder representatives and six employee representatives. The shareholder representatives in the Supervisory Board are appointed by the General Meeting. The appointment of the employee representatives is carried out in accordance with the provisions of the Agreement Concerning the Participation of Employees in Allianz SE as amended from time to time, which is agreed upon in accordance with the SE-Participation Act (SE-Beteiligungsgesetz, "SEBG").

The current members of the Supervisory Board are:

- Michael Diekmann, Chairman
- Sophie Boissard
- Christine Bosse
- Gabriele Burkhardt-Berg
- Jean-Jacques Cette
- Dr. Friedrich Eichiner
- Martina Grundler
- Herbert Hainer
- Godfrey Robert Hayward
- Jim Hagemann Snabe
- Rolf Zimmermann.

2. Allianz Asset Management GmbH

1. Company Structure; business activities; shareholdings

   a) AllianzAM was formed by a change of legal form of Allianz Asset Management AG in the year 2017 and is registered in the commercial register of the local court of Munich under the number HRB 232728. The company's capital stock totals EUR 83,276.00. Shareholders of AllianzAM are Allianz SE, which holds registered no-par value shares in the amount

of EUR 62,021 and Allianz Finanzbeteiligungs GmbH, which holds non-par value shares in the amount of EUR 21,255.

Between AllianzAM and Allianz SE, a profit transfer agreement dated 10./21.02.2011 is in place.

AllianzAM currently has the following managing directors:

- Jacqueline Hunt,
- Alexandra Beate Auer,
- Erick R. Holt.

The purpose of AllianzAM, pursuant to its statutes, 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, providers of financial services, investment companies and other companies.

b) As the asset manager of Allianz, the AllianzAM Group stands for one of Allianz Group's core business areas and managed assets worth around EUR 2,0 trillion at the end of 2017. This makes AllianzAM Group one of the world's leading active asset managers. As management holding company for a number of asset management companies, AllianzAM, together with its subsidiaries, provides support to a whole range of private and institutional customers on all of the world's main markets. Its business activities include the provision of products and services to third-party investors and insurance companies within the Allianz Group. In this respect, AllianzAM offers various investment styles and forms in the area 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. pension funds, insurance companies and other financial services providers, governments, foundations and financial advisors. The asset management business for private 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 on all major markets, with a particular

focus on the US, Germany, France, Italy, the UK and the Asia-Pacific region.

Competitors of AllianzAM in the private and institutional investor segments include all major, internationally active financial services providers that also offer a broad range of products covering all aspects of asset management.

c) AllianzAM conducts its business via regional holding companies in Europe, Asia and the US. In this respect, AllianzAM holds indirect interests in the following major asset management and sales companies via intermediate holding companies:

Europe:

- Allianz Global Investors GmbH
- Allianz Capital Partners GmbH (since 1 January 2018)
- PIMCO Deutschland GmbH

Asia:

- Allianz Global Investors Asia Pacific Ltd.
- Allianz Global Investors Taiwan Ltd.

USA:

In addition, AllianzAM controls, via indirectly held „managing interest" of 0.1% in Allianz Asset Management of America LLC, the asset management and sales companies held by the latter in the US, in particular Pacific Investment Management Company LLC ("**PIMCO**") and Allianz Global Investors U.S. Holdings LLC. A 99.9% stake in Allianz Asset Management of America LLC is held by Allianz SE via intermediate holding companies.

Including its subsidiaries, AllianzAM Group employed a workforce of approximately 5,000 at the end of 2017.

2. Business and earnings development

In the fiscal year 2017, AllianzAM achieved earnings after tax in the amount of EUR 487.0 million (2016: EUR 497.6 million.; 2015: EUR 484.4 million). Due to the already existing profit transfer agreement

between AllianzAM and Allianz SE the respective annual profit was EUR 0.

The vast majority of the earnings of the US subsidiaries is not contained in the earnings for the respective year of AllianzAM, but is transferred directly to Allianz SE due to the group structure via intermediate holding companies.

In the fiscal year 2017, AllianzAM Group was able to report significant net fund inflows. AllianzAM Group is also expected to further improve its operating results in the medium term.

III. Statement of legal and commercial reasons

Through the conclusion of the Control Agreement, Allianz SE will be put in a position from which it can effectively influence the Board of Directors of AllianzAM. This is deemed important given the significance of AllianzAM's activities for the Allianz Group. It is for this reason that AllianzAM will delegate its direction to Allianz SE by way of this Control Agreement, thereby binding it to the latter's instructions issued in the specific instance.

The contractually granted power to issue instructions is beneficial in that the Board of Directors of the controlled company does not have to examine every measure implemented by the controlling company to ascertain if it is detrimental to the controlled company. Executive management measures can be aligned with the common interests of the Group. The Control Agreement is a demonstrably suitable legal means for integrating AllianzAM into the Group.

Furthermore, the Control Agreement also ensures the fiscal unity of AllianzAM with the Allianz Group (“umsatzsteuerliche Organschaft”), meaning that the services delivered by AllianzAM to companies forming part of the same fiscal unity as Allianz SE, and vice versa, will not be subject to value-added tax.

Apart from the benefits that come with corporate integration, other positive effects for AllianzAM particularly include the financial security derived from the fact that Allianz SE is obliged to make up for any losses incurred.

Aside from the assumption of losses by Allianz SE, this Agreement does not present any particular consequences for the shareholders of Allianz SE, especially since there

is no obligation of consideration and compensation in relation to external shareholders.

IV. Legal and tax explanations regarding the Control and Profit Transfer Agreement

1. Legal explanations

1.1 General

This Control Agreement is an enterprise agreement within the definition of Section 291 et seqq. AktG. An agreement of this type may be made by way of a simple private agreement. It requires the approval of the Annual General Meeting of Allianz SE and the shareholders' meeting of AllianzAM.

1.2 Explanation of individual provisions

The following remarks are made regarding the individual provisions of the agreement:

1.2.1 Control exercised by Allianz SE (Section 1)

In accordance with Section 1 (1), AllianzAM submits the direction of the company to Allianz SE, which is authorized to issue instructions to the management of AllianzAM. The directors of AllianzAM remain responsible for the executive management and representation of the company. Allianz SE will exercise its right to issue instructions through its Management Board (Section 1 (2)).

1.2.2 Loss assumption (Section 2)

In accordance with the provisions of Art. 9 (1) c) ii) SE Regulation (SE-Verordnung, "SE-VO") in conjunction with Section 302 (1) AktG, as amended, Allianz SE is obliged to compensate any annual deficit sustained during the term of the Agreement, unless such deficit is balanced through withdrawing amounts from the other retained earnings pursuant to Section 272 (3) HGB, which were allocated to the retained earnings during the term of the Agreement. The cause of the deficit is irrelevant, meaning that AllianzAM, as a rule, cannot

incur any accumulated loss during the term of this enterprise agreement. However, if other retained earnings are formed during the term of the Agreement, these may be dissolved in subsequent years in order to equalise losses, instead of Allianz SE making compensation payments for this purpose.

1.2.3 Coming-into-effect (Section 3 (1))

Allianz SE and AllianzAM have concluded the Control Agreement subject to the approval of the Annual General Meeting of Allianz SE and the shareholders' meeting of AllianzAM.

Corresponding to the stipulations of Section 294 (2) AktG, Section 3 (1) determines that the Control Agreement will become effective upon its registration in the commercial register of AllianzAM.

1.2.4 Duration of the agreement (Section 3 (2) and (3))

Pursuant to Section 3 (2), the Agreement is concluded for an indefinite period and may be terminated by a contractual partner in writing with a notice period of 6 months with effect to the end of the calendar year.

Furthermore, the Agreement may be terminated for good cause without observing a notice period. Termination for cause shall particularly be available if Allianz SE completely or partly disposes of its participation in AllianzAM or it no longer directly holds the majority of the voting rights resulting from its participation.

1.2.5 No provision concerning consideration or compensation payments

Allianz SE is the sole shareholder of Allianz Finanzbeteiligungs GmbH and is affiliated with the latter via a Profit Transfer Agreement. Consequently, Allianz Finanzbeteiligungs GmbH is not an "outside shareholder" within the meaning of § 304 AktG. As a result, there is no need for any provisions on

compensation payments within the meaning of § 304 AktG or consideration offers within the meaning of § 305 AktG. Nor does the agreement have any impact on the interest held by the shareholders of Allianz SE within the meaning of § 293 a (1) sentence 2 AktG.

2. Fiscal Explanations

The conclusion of the Control Agreement secures AllianzAM's already existing VAT-based tax group with Allianz SE. As a result of the fiscal unity, supplies and services (in particular services) of AllianzAM to companies of the fiscal unity of Allianz SE or vice versa are not subject to value added tax (VAT). The unity results in a consolidation on the level of the controlling entity; the controlling entity becomes the tax debtor for VAT-tax purposes of the controlled entity.

A VAT taxable entity exists, if a legal entity is integrated financially, economically and organizationally into the controlling entity under consideration of the overall picture and all actual circumstances.

In addition to the financial integration (direct or indirect participation of the controlling entity in the controlled entity of more than 50%) and the economic integration (sufficiently close economic integration) the fiscal unity also requires the organizational integration of the controlled entity (here: AllianzAM) into the controlling entity (here: Allianz SE). According to rulings of the highest finance court, it is necessary for the controlling entity to be able to control the affiliate in the sense of a relationship of priority and subordination, i.e. the controlling company must be in a position to enforce, at all times, its objectives as against the management of the controlled entity. This has already been ensured by partial personal identity of the Management Board of Allianz SE and the management of AllianzAM and shall now be further underscored by the conclusion of the Control Agreement.

Munich, 13 February 2018

Allianz SE

Signatures

Allianz Asset Management GmbH

Signatures