

# SHAREHOLDER PROPOSALS REQUIRING DISCLOSURE

Annual General Meeting  
of Allianz SE  
on May 8, 2019

The English version of the following text is only a convenience translation of the German original. Consequently, in case of any deviations, only the German version shall be decisive. The German version of the text may be downloaded at [www.allianz.com/hv](http://www.allianz.com/hv).

Latest update: April 25, 2019

Listed below you will find all shareholder proposals requiring disclosure, including the corresponding comments by the Company.

As a shareholder you may assent to such shareholder proposals. In order to do so, at the Annual General Meeting or using the absentee vote, respectively, you would have to vote “no” on the relevant agenda item, i.e. against the management’s proposal. If you have authorized either the persons appointed by Allianz SE or someone else to vote on your behalf, please ensure that you provide such person with appropriate instructions or adjust your previous instructions accordingly.

Mr. Christoph Glöckner, Hemmingen, has submitted the following shareholder proposals:

**Shareholder proposal on agenda item 3 and agenda item 4:  
Resolution on the approval of the actions of the members of the Management Board and approval of the actions of the members of the Supervisory Board**

Dear Sir/Madam,

I request the publication of the following counter-motion in accordance with Section 126 German Stock Corporation Act (AktG):

At the AGM I will propose that the approval of the actions of the Management Board and the Supervisory Board members, as per agenda items 3 and 4, be declined.

Reasoning:

Since 2002, in the settlement of notionally calculated total losses sustained by private individuals, the liability and property insurance divisions of the Company have been cheating injured parties out of the standard value-added tax portion mathematically attributable to the residual value, by employing a stratagem developed by the insurance industry to illegally deduct this VAT portion from the compensation **twice**.

Anyone willing to undertake a mental challenge, will recognize this stratagem:

The replacement value of an article following a total loss constitutes one total amount comprising the two contrary components of loss and residual value. Contrary because the loss is determined by subtracting the residual value from the current value. If one offsets the current value of the article prior to the total loss, against the net value - meaning without the VAT element - the contradictory effect of the components of loss and residual value produce the following mathematical outcome:

**The amount remaining following the subtraction is the replacement value less the gross residual value, but is presented as merely the net loss!**

The insurance industry has devised an insidious stratagem by applying the replacement value before the damage/loss occurred at net value from the very outset.

If one takes the replacement value of an article before the damage/loss occurred as the net value, this would suggest – by way of a failure to take account of the mathematical outcome set out above - that through the following separation of residual value and loss, one arrives at an amount that likewise only factors in the residual value at its net amount.

**The contrary is undoubtedly correct!**

Because market conditions mean that the injured party is usually able to obtain the gross value of the residual parts by selling those residual parts, the industry's argument is that, in order to prevent any further gain, it is necessary to deduct the VAT portion of 19% from the net replacement value **in addition to** the net residual value, thereby wrongly denying that the net payment of the replacement value would already, in any case, have entailed the deduction of the VAT portion attributable to the residual value.

### **And that's the essence of the stratagem!**

The evidence is clear if one takes a simple example:

The replacement value of a car designated to be an economic total loss, was determined to be € 23,800 gross (€ 20,000 net). The residual value was estimated to be € 11,900 gross (€ 10,000 net). If one deducts the gross residual value of € 11,900 from the gross replacement value of € 23,800, a gross loss of € 11,900 remains. According to the law, to perform the notional calculation of damages, it is still necessary to subtract the VAT portion amounting to € 1,900 from the gross loss, leaving a total net loss of € 10,000. An injured party would be entitled to this amount.

However, by applying the stratagem described above, the Allianz companies within the comprehensive collision and third-party liability insurance only pay the injured party € 8,100, by subtracting the gross residual value of € 11,900 from the net replacement value of € 20,000. **I have clear proof of this.**

Due to the fault of a third party, I experienced a total write-off of the magnitude and type described above. For the sake of convenience, I wanted to make a claim under my fully comprehensive insurance arranged with Allianz. After intensive discussions at all levels, the alternatives were a legal action or waiver. I chose the latter alternative.

The stratagem functions surprisingly well in practice. Even lawyers and judges fail to notice that, according to the laws of mathematics, the private insurance industry's loss adjustment fabrication means that the VAT portion attributable to the residual value is unlawfully deducted twice from the compensation.

The situation has been downright odd since a judgement was issued by the German Federal Supreme Court (BGH) on 10 September 2014 (BGH IV ZR 379/13). While both, the comprehensively insured claimant and the judge of the BGH quite clearly completely failed to realize that the comprehensive insurer had already deducted the VAT portion attributable to the residual value by subtracting the net residual value from the net replacement value, the parties argued whether the value-added tax would have been receivable on the sales of the residual parts, and which, according to the opinion of the BGH - would then have been - again - deductible.

This worthless decision - upon which the insurance industry has relied since that time - represents an absolute low point.

Even especially intelligent loss adjusters are bound - against their better judgement - by the company to apply its loss adjustment fabrication.

As a retiree of Allianz, I am currently experiencing a very particular form of punishment. After almost 40 years working in the property insurance sector, Allianz has cancelled my motor vehicle contract to the next possible date, thereby cutting off my access to the discounted staff rate. The written grounds "**on behalf of the Management Board**" read:

"We have decided to cancel your insurance contract, because, in view of your repeated responses to our claims settlement process, we think there is unfortunately no longer any adequate basis for a contractual relationship established on trust."

I would like to see Allianz again become a role model for the insurance industry, rather than an advocate of sordid methods of settling claims.

Christoph Glöckner

## Statement of the Management to the shareholder proposals of Mr. Christoph Glöckner:

The Board of Management and the Supervisory Board ("Management") propose not to follow the shareholder proposals submitted by Mr. Christoph Glöckner.

Allianz disagrees with Mr. Glöckner's allegation of incorrect claims handling. The claims handling practice at Allianz is entirely consistent with applicable statutory provisions and in accordance with the established jurisdiction of German courts.

Mr. Manfred Dankl, Neufahrn, has submitted the following shareholder proposal:

**Shareholder proposal on agenda item 5:**  
**Resolution on the approval of the remuneration system for members of the Board of Management of Allianz SE**

In addition to the remuneration system for members of the Board of Management, an overall cap will be introduced for the remuneration of the members of the Board of Management.

This amounts to 30 times the weighted annual average salary of the employees of Allianz SE working under collectively agreed terms and conditions in Germany.

Gradations to be agreed within the Board of Management.

This system limits the remuneration made to members of the Board of Management in relation to employees of Allianz SE working under collectively agreed terms and conditions in Germany.

## Statement of the Management to the shareholder proposal of Mr. Manfred Dankl:

The Board of Management and the Supervisory Board ("Management") propose not to follow the shareholder proposal submitted by Mr. Manfred Dankl.

The remuneration system for the members of the Board of Management of Allianz SE as presented by the Board of Management and the Supervisory Board is appropriate and in line with market standards. In addition to respective limits for the individual components of the variable remuneration, the remuneration system also provides for an overall pay-out cap of ten million euros for the Chairman of the Board of Management and six million euros for a regular member of the Board of Management. This corresponds to a reduction of the overall pay-out cap by more than ten percent compared to the previous remuneration system.

The “Dachverband der Kritischen Aktionärinnen und Aktionäre e.V.”, Cologne, has submitted the following shareholder proposal:

**Shareholder proposal on agenda item 3:**  
**Resolution on the approval of the actions of the members of the Management Board**

The Dachverband der Kritischen Aktionärinnen und Aktionäre is moving for the actions of the members of the Board of Management not to be approved.

**Reasoning:**

The Board of Management of Allianz SE is not adequately fulfilling its responsibility to uphold human rights due diligence obligations, and to implement effective climate protection measures.

**Brumadinho dam failure in Brazil**

On 25 January 2019, an ore slurry retention basin dam collapsed at the Córrego do Feijão Mine in the Brazilian State of Minas Gerais. The wall of mud that poured into the valley completely destroyed at least one village. A company canteen in which employees were having lunch, as well as buses carrying employees were likewise engulfed. Approximately 300 people were killed, and others are still missing. The river into which the mud poured is unable to sustain life for hundreds of kilometers.

According to reports, Allianz is heading a consortium that re-insures the Brazilian mining company Vale against its liability claims - so Allianz is involved in the damage and loss that occurred at Brumadinho. Estimates of the amount of liability insurance range between 0.5 – 2 billion US dollars on the insurance market. Vale has also arranged cover for lost profit, damage to its own facilities and business interruptions. This was the same insurance model adopted by Samarco, whose dam failure at Mariana in 2015 caused several billions in damage to third parties and the environment. To date, most of this has neither been settled nor compensated. Samarco nevertheless received a sum of millions for lost profits, paid to it by Allianz, Münchener Rück and Hannover Rück among others. The response of the insurers back then: The selection of the type of insurance policy rests with the client.

As was the case at Mariana, the Brumadinho dam failure involved a so-called upstream dam. The majority of tailings dams for mining waste are built according to the upstream design. There are also “centerline” and downstream designs. With the upstream dam design, a retention basin dam can be raised up to 10 times over the course of decades, making it hundreds of meters high, provided the deposited mine tailings have dried out sufficiently. Upstream dams are significantly cheaper than centerline and downstream dams, which is

why they are so popular among mining companies – however, they also collapse much more frequently.

In the wake of the Mariana dam failure on 5 November 2015, at the 2016 Annual General Meeting, we already called on Allianz to stipulate that the upstream design of mining tailings dams would in future be regarded as a clear criterion for mandatory exclusion. This did not take place despite our clear warning. Allianz may not cover such upstream dams any longer. Allianz also bears a cross-company responsibility within the insurance industry, i.e., for ensuring that all insurers refuse to cover upstream dams so that this dam design - so prone to collapse - is phased out as quickly as possible.

### **Continued investments in the armaments sector**

Allianz, either directly or as a third-party asset manager, holds stocks and bonds in a large number of armaments companies around the world. Whereas the German wing of Allianz for the most part removed nuclear weapons manufacturers from its portfolio in 2011, Allianz SE has scarcely any exclusion criteria applicable to the armaments sector. The subject is hardly mentioned in the ESG criteria adopted in 2016. The result is that Allianz and its AGI investment company are still investing in practically all of the major armaments companies, such as Rheinmetall, BAE Systems, Boeing, Honeywell, Raytheon, Northrop Grumman and Lockheed Martin. Companies whose weapons exports contribute to arming conflict zones, inflaming wars and the transfer of technology to despots, some of whom produce nuclear weapons.

This practically unrestricted investment strategy in the armaments sector is irreconcilable with a sustainable business strategy, particularly in view of the threat levels that currently exist worldwide, and the large number of people who lose their homeland or even their lives for this reason.

### **Inadequate climate strategy**

Last year's exemplary Coal Statement only applies to Allianz's own investments - but not to Allianz investment funds. A study conducted by the British organization Influence Map detected that more than ten percent of Allianz funds still contained extremely dirty coal companies such as Coal India, NTPC, RWE, PGE, Peabody and Arch Coal - all companies already removed from Allianz's own investments. This shows the necessity of also applying the policy to third-party assets under management, wherever possible.

Allianz's portfolio also contains numerous fossil fuel companies, even some in sectors as dirty as deep-sea drilling, oil sands, Arctic oil drilling and liquid gas exports. In order to protect the environment, Allianz must develop a strategy to remove such companies from its portfolio.

## Statement of the Management to the shareholder proposal of the “Dachverband der Kritischen Aktionärinnen und Aktionäre e.V.”:

The Board of Management and the Supervisory Board (“Management”) propose not to follow the shareholder proposal submitted by the “Dachverband der Kritischen Aktionärinnen und Aktionäre e.V.”.

### **Allianz as responsible company:**

The Allianz companies apply the ESG-Guidelines of the Allianz Group worldwide. Within the scope of these guidelines, insurance transactions with companies in critical industries, such as mining and the defense sector, are under close scrutiny. ESG-principles also apply to capital investments, both for own funds and for the investment of funds from asset management clients.

Where ESG-risks are identified in the case of customers, invested companies and contractual partners (e.g. in the area of workers' rights, occupational health and safety, human rights violations, environmental risks, corporate governance), a dialogue is sought with the aim of reducing these risks and thus contributing to a real improvement.

### **Allianz as partner to energy transition:**

Allianz supports the objectives of the Paris Agreement and hence already in 2015 took the decision to no longer finance coal-based business models. In 2018, Allianz has decided to decarbonize its portfolio along scientifically proven paths in the long term. This includes both, the energy sector and other carbon-intensive industries.

Allianz as a natural business partner of the energy sector deems it as its task to assist companies on their way to low-carbon energy production on the basis of scientific findings and to point out the necessity of consistent climate protection.

In asset management, the number of sustainability funds and strategies was increased from 15 in 2017 to 29 in 2018.