

Allianz SE

Management Board Remuneration



Remuneration Report DE



Remuneration Report EN

Disclaimer

This is a summary of the remuneration system for the Management Board of Allianz SE. This summary is provided as an information to investors for convenience purposes only. For the complete Remuneration Report please refer to the [Annual Report 2022](#) (both for Allianz SE and Allianz Group) or the [invitation to the Annual General Meeting on May 4, 2023](#) under agenda item 6 (Approval of the Remuneration Report). Allianz SE reserves the right to make amendments. No warranty is made as to the accuracy of this summary and Allianz SE assumes no liability with respect thereto.

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Content

1 [Remuneration structure](#)

2 [Annual bonus \(STI\)](#)

3 [Long-term incentive \(LTI\)](#)

4 [Sustainability targets](#)

5 [Key requirements](#)

6 [Outlook 2023](#)

Abbreviations

- CEO = Chief Executive Officer
- BM = Board Member
- ICF = Individual Contribution Factor
- KPI = Key Performance Indicator
- LTI = Long-term Incentive
- STI = Short-term Incentive
- RSU = Restricted Stock Unit
- SXIP = STOXX Europe 600 Insurance
- TSR = Total Shareholder Return
- ESG = Environmental, Social, Governance

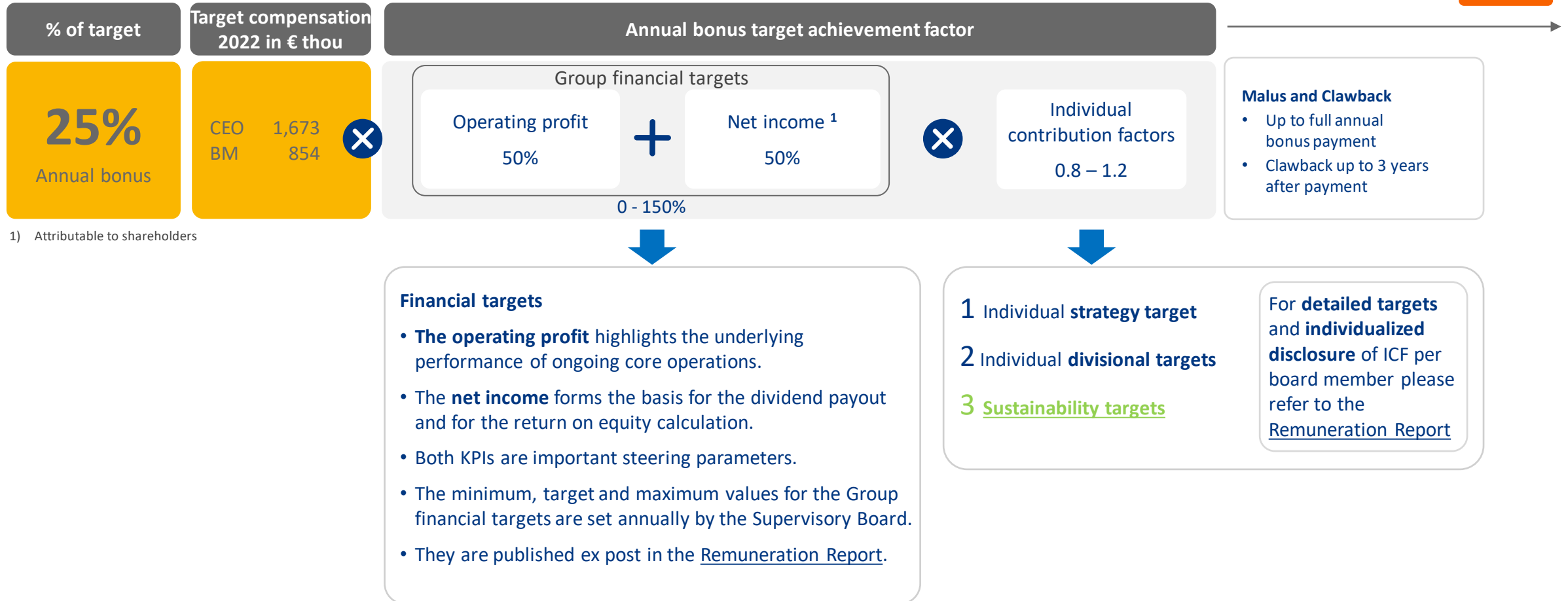
1. Remuneration structure

% of target compensation	Target compensation 2023 in € thou	Calculation of actual remuneration	Other elements
<p>30% Base salary</p>	<p>CEO 2,007 BM 1,024</p>	<ul style="list-style-type: none"> • Fix • Chair factor for CEO set at 1.96 x BM applies to all components of target remuneration and to the cap 	<p>Shareholding requirement</p> <ul style="list-style-type: none"> • CEO 2 x base salary • BM 1 x base salary
<p>25% Annual bonus (STI)</p>	<p>CEO 1,673 BM 854</p>	<p>Annual bonus target achievement factor</p> <p>Group result \times Individual contribution factor 0 - 150%</p>	<p>Malus up to 100%</p> <p>Clawback up to 3 years</p>
<p>45% Long-term incentive (LTI) equity-based, deferred</p>	<p>CEO 3,011 BM 1,536</p>	<p>Annual bonus target achievement factor \times 4-year share price performance \times Relative performance factor 0 - 272%¹</p> <p>\times Sustainability assessment: 100% down to 0</p>	<p>Total equity exposure²</p> <ul style="list-style-type: none"> • CEO 8 x base salary • BM 7 x base salary
<p>100%</p>	<p>CEO 6,691 BM 3,414</p>	<ul style="list-style-type: none"> • Severance payment \leq 2 x target compensation 	
<p>+ Pension contribution</p>	<p>CEO 1,003 BM 512</p>	<ul style="list-style-type: none"> • 15% of target compensation (50% of base salary) 	
<p>Total compensation</p>	<p>CEO 7,694 BM 3,925</p>	<ul style="list-style-type: none"> • Cap incl. pension contribution in € thou: CEO: 11,750, BM: 6,000 	

1) The overall remuneration cap of € 11,750 thou | € 6,000 thou including pension contributions limits the payout of the LTI at a maximum of 272%.

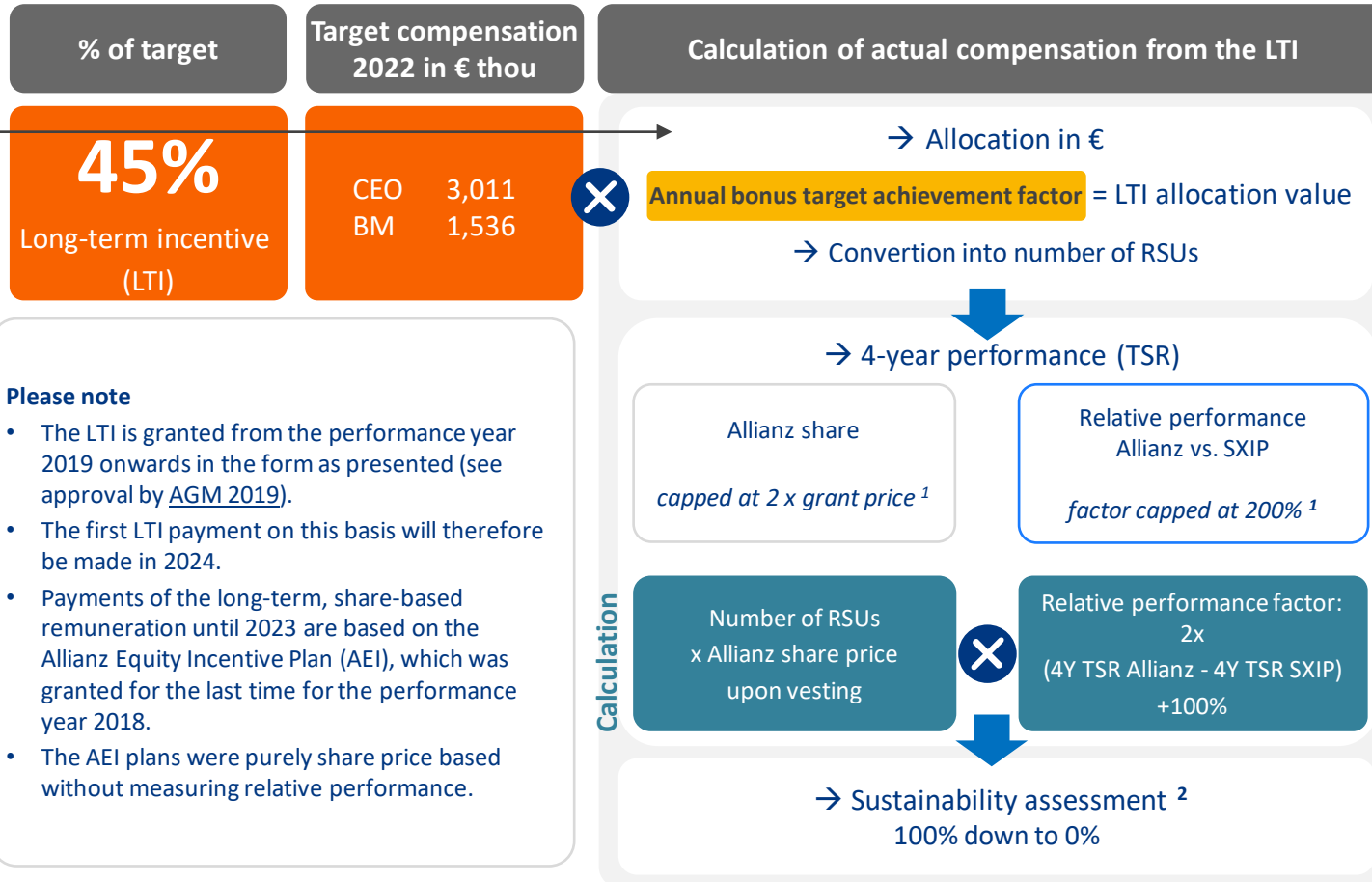
2) Shareholding requirement plus LTI at full run-rate

2. Annual bonus (STI)



1) Attributable to shareholders

3. Long-term incentive (LTI)



Please note

- The LTI is granted from the performance year 2019 onwards in the form as presented (see approval by AGM 2019).
- The first LTI payment on this basis will therefore be made in 2024.
- Payments of the long-term, share-based remuneration until 2023 are based on the Allianz Equity Incentive Plan (AEI), which was granted for the last time for the performance year 2018.
- The AEI plans were purely share price based without measuring relative performance.

Grant and vesting

- Granted in form of **virtual shares** (Restricted Stock Units; RSUs), settled in cash
- As allocation is based on the annual bonus target achievement factor, grant takes place in the year following the performance year
Example: Grant for performance year 2022 in March 2023
- Number of RSUs** determined by dividing LTI allocation value by allocation value per RSU (share price minus net present value of expected dividends during vesting period)
- Grant is followed by a **vesting period of 4 years**
Example: Vesting period for grant March 2023 ends in March **2027**

Relative performance factor

- Allianz TSR to be **benchmarked against** TSR of **STOXX Europe 600 Insurance** (SXIP)³
- The out/underperformance over 4 years (in %-p) is weighted **2-fold** in order to strengthen the relative dimension
- 1%-p outperformance leads to a relative performance factor of 102%
1%-p underperformance leads to a relative performance factor of 98%
- Zero payout** in case of 4Y underperformance of ≥ 50%-p (factor 0%)
Maximum payout in case of 4Y outperformance at +50%-p (factor 200%)
- Disclosure of parameters for calculation (**ex post**)

Malus und Clawback

- Up to full LTI
- Clawback up to 3 years after payment

1) The overall remuneration cap of € 11,750 thou | € 6,000 thou limits the payout of the LTI at a maximum of 272%.
 2) The term “sustainability assessment” is used in a broad sense and addresses the effectiveness of the work of the board at the end of the 4-year performance period. It includes both financial aspects – like balance sheet strength – and non-financial, i.e. sustainability targets in the concrete sense of ecological and social aspects, and those of corporate governance (ESG) - like decarbonization targets.
 3) Index members: 32, Allianz weight 12/31/2022: 16%.

4. Sustainability targets

Sustainability targets are part of both, the STI and LTI:

% of target compensation	Target compensation 2023 in € thou	Calculation of actual remuneration
30% Base salary	CEO 2,007 BM 1,024	<ul style="list-style-type: none"> Fix Chair factor for CEO set at 1.96 x BM applies to all components of target remuneration and to the cap
25% Annual bonus (STI)	CEO 1,673 BM 854	<p>Annual bonus target achievement factor</p> <p>Group result \times Individual contribution factor</p> <p>0 - 150%</p>
45% Long-term incentive (LTI) equity-based, deferred	CEO 3,011 BM 1,536	<p>Annual bonus target achievement factor \times 4-year share price performance \times Relative performance factor</p> <p>0 - 272%*</p> <p>\times Sustainability assessment: 100% down to 0</p>
100%	CEO 6,691 BM 3,414	<ul style="list-style-type: none"> Severance payment \leq 2 x target compensation
+ Pension contribution	CEO 1,003 BM 512	<ul style="list-style-type: none"> 15% of target compensation (50% of base salary)
Total compensation	CEO 7,694 BM 3,925	<ul style="list-style-type: none"> Cap incl. pension contribution in € thou: CEO: 11,750, BM: 6,000

Annual bonus (STI)

- Besides individual strategy and divisional targets the ICF includes a broad range of sustainability targets

LTI

- The annual bonus target achievement factor determines the LTI allocation
- Sustainability assessment before LTI payout with respect to financial and non-financial targets

Sustainability targets within the Individual contribution factor (ICF)

E nvironmental

- Decarbonize** the Allianz Group’s **business operations** and increase the share of renewable energy: Reduce carbon emissions by **50% by year-end 2025** (baseline year 2019)
- Decarbonize** the **investment portfolio** in line with the U.N.-Convened Net-Zero Asset Owner Alliance with the interim target: Reduce emissions in listed equities and corporate bond asset classes by **25% by year-end 2024** (baseline year 2019)

S ocial

- Customer** loyalty with “digital Net Promoter Score” as KPI
- Employee** satisfaction with “Inclusive Meritocracy Index” and “Work Well Index Plus” as KPIs

G overnance

- Management qualities** to be assessed along with defined behavioral aspects focusing on customer orientation, personnel management, entrepreneurial conduct and credibility

O verarching

- Develop **strategy for sustainability in asset management**, leading to a strong competitive positioning in sustainable product offering and ensuring strong sustainability reputation
- Define approach and KPIs **for sustainable claims management**
- Secure **strong sustainability position** in ESG ratings

5. Key requirements

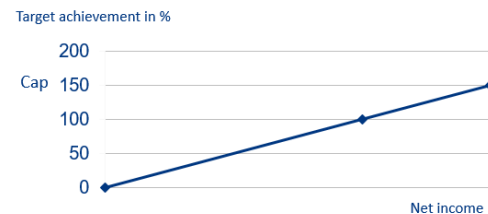
 Shareholder alignment	<ul style="list-style-type: none">• Nearly 50% of target compensation equity-based + additional share ownership requirements
 Pay for performance	<ul style="list-style-type: none">• Malus and clawback applicable to full variable remuneration
 ESG targets	<ul style="list-style-type: none">• Consideration of relative total shareholder return• Zero payout from LTI in case of poor relative total shareholder return
 Simplicity	<ul style="list-style-type: none">• Concrete and quantified social and environmental targets• Sustainability assessment before LTI payout with respect to financial and non-financial targets
 Adequacy	<ul style="list-style-type: none">• 3 core compensation components• Assessment against public and thus documented KPIs
 Transparency	<ul style="list-style-type: none">• Horizontal and vertical alignment assessed regularly• Explicit caps for total compensation• Disclosure of target metrics and achievement (ex post)• Disclosure of individual contribution factor for each board member and detailed explanations

6. Outlook 2023

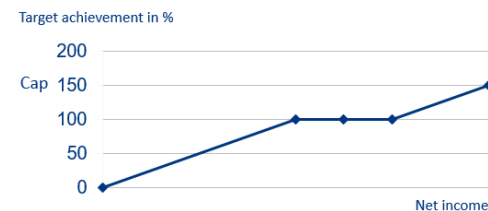
Remuneration-relevant impact of IFRS 9

- The transition to IFRS 9 as of January 1, 2023, will lead to a significant increase in the share of assets measured at fair value on the balance sheet in the Property-Casualty business segment and thus significantly **higher volatility** of the net income.
- With the aim of preventing the Board of Management from being advantaged or disadvantaged by these effects on net income resulting from market developments, the 100% target achievement for the 2023 financial year is not defined as a point, but rather as a plateau with an upward and downward fluctuation range of 500 mn euros. The **plateau** is symmetric in both directions.

Standard bonus curve



Plateau bonus curve



New target remuneration for Board of Management members

- The target remuneration for the members of the Board of Management was increased by 5% effective January 1, 2023. This takes into account in particular the **downsizing of the Board of Management** from 11 to 9 members and the associated redistribution of tasks for all Board Members.
- **In a vertical comparison**, the remuneration of Allianz employees working in Germany has increased by approximately 10% since the last increase in remuneration for regular members of the Board of Management in fiscal year 2019.
- In terms of **horizontal appropriateness**, remuneration is at the 75th percentile, while in terms of revenue, employees and market capitalization, Allianz ranks above the 85th percentile of the peer group (DAX and international competitors in the insurance sector) and thus continues to be disproportionately low in relation to the size of the group.
- With the compensation structure unchanged, the increase relates to all compensation components, but not to the remuneration cap, which remains unchanged. The obligation to hold own shares increases automatically as it is derived from the base remuneration.

Additional information at allianz.com

All information about the remuneration system of the Management Board

Remuneration Report as a stand-alone document
Website on remuneration

[Link](http://www.allianz.com/remuneration)
www.allianz.com/remuneration



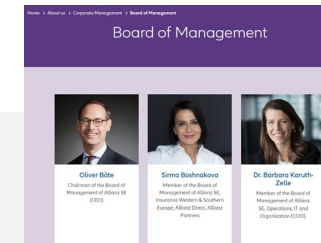
Remuneration of the Board of Management

The remuneration system of the Board of Management of Allianz SE is designed to be appropriate compared to peers, given the Allianz Group's range of business activities, operating environment, and business results achieved. It was last amended in 2021 taking into account the Act implementing the Second Shareholder Rights Directive (ARUG II) and the German Corporate Governance Code and was approved by the Annual General Meeting. The remuneration is published on an individualized basis in the Annual Report.

More about the Management Board

Overview of the Management Board

www.allianz.com/management-board



Allianz Group at a glance

Annual Report of Allianz Group
Allianz Fact Sheet

www.allianz.com/annualreport
www.allianz.com/fact-sheet

