

## **Allianz Malaysia Berhad's Group of Companies**

### **Policy on Audit and Non-Audit Services Provided by External Auditor**

**Purpose**

The purpose of the Policy on Audit and Non-Audit Services Provided by External Auditor (“Policy”) is to set forth the procedures with respect to the engagement of the external auditor (“Auditor”) to perform audit, audit-related and non-audit services for the Allianz Malaysia Berhad (“AMB” or “Company”) and its subsidiaries (hereinafter referred to as “AMB Group”).

**Application**

This document applies to all entities of AMB Group.

**Policy Owner**

Chief Financial Officer / Head of Finance

**Document Version History**

Version	Approved By	Date	Remarks
Version 1.0	Board of Directors	15 August 2012	New creation of documents
Version 2.0	Board of Directors	26 May 2015	Update
Version 2.1	Board of Directors	27 March 2019	Update

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## 1. Scope and Purpose

AMB Group, its Board of Directors (“BOD”) and Audit Committee (“AC”) are committed to ensuring the independence of the Auditor in appearance as well as in fact.

Accordingly, significant attention is directed toward the appropriateness of the Auditor to perform services other than statutory/financial audit. This Policy was set up to ensure that the independence and objectivity of the Auditor are not compromised.

## 2. Roles of the AC

### 2.1 Appointment of Auditor

(a) The AC is responsible for the appointment of the Auditor, having particular regard to the Auditor’s objectivity, performance and independence.

(b) The AC should:-

(i) review and assess various relationships between the Auditor and the AMB Group or any other entity that may impair or appear to impair the Auditor’s judgement or independence in respect of the Group. This may include affiliations resulting from the AMB Group’s employment of former employees of the Auditor in senior positions within the Group;

(ii) review and assess fees paid to the Auditor, considering:-

- the economic importance of the AMB Group (in terms of total fees paid) to the Auditor;
- fees paid for non-audit services as a proportion of total fees;
- whether an effective, comprehensive and complete audit could be reasonably conducted for the audit fees paid.

The fees paid should not impair or appear to impair the Auditor’s judgement or independence in respect to the AMB Group;

(iii) investigate reasons for any request made by Management to dismiss the Auditor, or any resignation by the Auditor. The results of the investigation should be disclosed to the full Board together with the AC’s recommendations on proposed actions to be taken. The decisions of the Board in relation to the recommendations made by the AC should be documented in the Board minutes, with a copy of the relevant minutes extended to JP3 within 2 weeks of the Board’s decision;

(iv) Review and report to the Board, any letter of resignation from the Auditor of the Group;

(v) Review and report to the Board, whether there is reason (supported by grounds) to believe that the Auditor of the Group is not suitable for re-appointment; and

(vi) Recommend the nomination of a person or persons as Auditor.

## 2.2 Provision of non-audit services by the Auditor

- (a) Any provision of non-audit services by the AMB Group's Auditor should be approved by the AC before the commencement of the service, or whenever there is a significant change in the level of services provided. In this context, the AC should consider:-
- (i) whether such engagement will impair or appear to impair, the Auditor's independence;
  - (ii) whether the skills and experience of the audit firm make it a suitable service provider for non- audit services;
  - (iii) whether there are any measures in place to eliminate or reduce to an acceptable level any threat to objectivity and independence in the conduct of the audit resulting from services provided by the Auditor; and
  - (iv) the nature of the non-audit services, the related fees levels and the fee levels individually and in aggregate relative to the audit fees.
- (b) In considering the provision of non-audit services by the Auditor, the AC should have taken into consideration the standards and guidance on outsourcing set out in Guideline on Outsourcing (BNM/RH/PD 028-93) dated 28 December 2018, issued by Bank Negara Malaysia ("BNM").
- (c) Company shall not outsource any activity that would result in the delegation of management oversight and responsibilities, changes the obligations of the Company towards its customers, creates undue risks, or impairs the effectiveness and robustness of the Company's internal controls.
- (d) The AC's decisions with respect to the provision of non-audit services should be documented in a statement which outlines whether or not it believes the level of provision of non-audit services by the Auditor is compatible with maintaining auditor independence (together with supporting reasons).

## 2.3 Audit plan, findings and recommendations

- (a) The AC should review with the Auditor, the:-
- (i) audit plan prior to the commencement of the annual audit;
  - (ii) financial statements (before the audited financial statements are presented to the Board), including:-
    - whether the auditor's report contained any qualifications which must be properly discussed and acted upon to remove the cause of the auditors' concerns;
    - significant changes and adjustment in the presentation of financial statements;
    - major changes in accounting policies and principles;
    - alternative accounting treatments discussed with Management and the ramifications of the alternatives;
    - compliance with relevant laws and accounting standards;
    - material fluctuations in the statements;
    - significant variations in audit scope;
    - significant commitments or contingent liabilities; and
    - the validity of going concern assumptions.
  - (iii) audit reports, including obligatory reports to the BNM on matters covered under Section 72 of the Financial Services Act 2013 ("FSA");

- (iv) Auditor's evaluation of the AMB Group's system of internal controls;
  - (v) any significant disagreements between the Auditor and Management irrespective of whether they have been resolved; and
  - (vi) any other findings, issues or reservations faced by the Auditor arising from interim and financial audits.
- (b) The AC should review and monitor Management's responsiveness to, and actions taken on, external audit findings and recommendations. In this regard, the AC should ensure that all findings and recommendations are resolved effectively and in a timely manner.
  - (c) In order to allow Auditor to express concerns, problems and reservations arising from financial audits effectively, the AC should meet at least twice a year with the Auditor without the presence of Management.

### 3. Definitions

**Audit Services:** All services, including accounting consultation and tax services necessary to perform an audit on the financial statements of AMB Group, services in connection with statutory and regulatory filings or engagements; comfort letters, statutory audits and assistance with and review of documents filed with regulators.

**Audit-Related Services:** Services including due diligence related to mergers and acquisitions, joint ventures and divestures, accounting consultations and audits in connection with mergers and acquisitions, joint ventures and divestures, internal control review, attest services that are not required by statute or regulations, consultation concerning financial accounting and reporting standards, consents and assistance with and review of documents filed with authorities, work in connection with listing particulars, review and agreed upon procedures in relation to interim financial statements, other assurance engagements other than audits or reviews of historical financial information covered by International Standards of Auditing or International Standards on Review Engagements.

**Tax Services:** Tax compliance services i.e. services intended to ensure the AMB Group complies with existing regulations (preparation of original and amended tax returns, claim for refund and tax payment-planning services), tax planning, other tax advice (assistance with tax audits and appeals, tax advice related to merger and acquisitions, employee benefit plans and requests for rulings or technical advice for tax authorities).

**Non-Audit Services:** Any other work that is not an Audit Service, Audit Related-Service or a Tax Service.

**Prohibited Non-Audit Services:** Services that, if provided by the Auditor to AMB Group/Company, would create a real or perceived threat to the independence of the Auditor, i.e. a reasonable and informed third party would conclude that such work would compromise the auditors' independence.

#### 4. Statement of Policy

The AMB Group may engage the Auditor for the statutory audit of AMB Group's financial statements and audit-related work as defined in this Policy. The Auditor may be engaged for other non-audit related work and tax services if those services enhance and support the attestation function of the audit, or are an extension to the audit or audit-related services.

##### Audit Services

- (a) The Auditor shall determine the scope of work necessary to render an opinion on the consolidated financial statements of AMB and financial statements for any entities within the AMB Group. This determination should include the scope of work and methodology applied.
- (b) The scope of work will be documented in an annual audit plan that the engagement partner will present to the AC for approval and recommendation to the respective Boards for approval.
- (c) AMB Group must also comply with Bank Negara Malaysia ("BNM")'s guidelines on the criteria for appointment of Auditor under Section 67(1) of the FSA and Para 7.3 of BNM Guideline on External Auditor (BNM/RH/GL 018-4) dated 29 August 2014. The insurance subsidiaries are also required to submit the appointment/re-appointment of Auditor to BNM for approval for each financial year, no later than two (2) months before its Annual General Meeting ("AGM") for the preceding year.
- (d) The appointment/re-appointment of Auditor will also be tabled for Shareholders' approval in the AGM of the respective company within the AMB Group.

##### Audit-Related Services

The Auditor shall be considered a service provider of Audit-Related Services if the services are consistent with the attest role of the Auditor and either:-

- (i) the services can only be provided by the Auditor, or
- (ii) the services are an extension of the work performed as part of the audit, or rely on work performed as part of the audit such that the quality and timeliness of the services can be more effectively provided by the Auditor; or
- (iii) the services enhance the effectiveness of the Auditor's examination of AMB Group's financial statements.

##### Tax Services

The Auditor shall be considered a service provider for tax services as long as:

- (i) the services are an extension of the work performed as part of the audit, or rely on work performed as part of the audit such that the quality and timeliness of the services can be more effectively provided by the Auditor; or
- (ii) the services are not inconsistent with the attest role of the Auditor; or
- (iii) the services enhance the effectiveness of the Auditor's examination of the AMB Group's financial statements.

### Other Non-Audit Services

Other Non-Audit Services are not an integral part of the examination of AMB Group's financial statements, and these services if provided may raise real or perceived questions as to the Auditor's independence.

As such, strong rationale must be presented to support the selection of the Auditor, and alternative service providers should be considered.

The Auditor shall be considered a service provider of Non-Audit Services if the services are consistent with the attest role of the Auditor and either:-

- (i) the services are an extension of the work performed as part of the audit, or rely on work performed as part of the audit such that the quality and timeliness of the services can be more effectively provided by the Auditor; or
- (ii) the services enhance the effectiveness of the Auditor's examination of AMB Group's financial statements; or
- (iii) the services are not inconsistent with the attest role of the Auditor.

### Other Non-Audit Services – Positive List

A summary of Audit and Non-Audit Services that may be undertaken by the Auditor issued by Allianz SE's AC is annexed as Appendix 1 ("Positive List").

The activities included in the Positive List except Internal Control Related Services have been pre-cleared by Allianz SE's Group Compliance acting on behalf of Allianz SE's AC. Internal Control Related Services require specific approval by the Allianz SE's AC even if such services are included in the Positive List.

### Other Non-Audit Services – Non-Admitted Services

The external auditor must not provide services that impair, or appear to impair, their independence as external auditor. Generally principle based prohibitions are as follow:

- Services that would create a mutual or conflicting interest between the accounting firm and the audit client;
- Services that would cause the accounting firm to be in the position of auditing its own work;
- Acting as management or an employee of the audit client; and
- Advocating for the audit client.

A summary of prohibited services by the Auditor issued by Allianz SE's AC is annexed as Appendix 2 ("Non-Admitted Services").

The Auditor shall not provide prohibited Non-Audit Services to AMB Group.

## 5. Approval Process

Any provision of Audit and Non-Audit Services by the Auditor should be tabled to the AC for approval and recommendation to the respective Boards for approval before the commencement of the service, or whenever there is a significant change in the level of services provided.

Any outsourcing of Non-Audit Services to the Auditor must be approved by the AC and respective Boards.



The following approval processes shall apply:-

No	Services	Approval Requirements	Responsibility
1	Audit Services	<p>An 'Evaluation of External Auditors' checklist (Appendix 3) must be completed to ensure all regulatory requirements are met.</p> <p>The completed checklist is to be tabled to AC for approval and recommendation to the respective Boards for approval.</p>	Finance & Accounts Division
2	Non-Audit Services <i>(services within Positive List)</i>	<p>A "Request for Approval – Non-Audit Services performed by External Auditor" form (Appendix 4), which sets out the nature of the services, the estimated fees to be incurred/fees arrangement and auditor independence must be completed.</p> <p>The completed form is to be tabled for AC's approval and recommendation to the respective Boards for approval.</p> <p><i>{Note: Business process evaluations or reviews that extend to the internal controls or financial systems are prohibited under BNM's outsourcing guidelines}.</i></p>	Project Owners
3	Non-Audit Services <i>(services not within Positive List)</i>	<p>A "Request for Approval – Non-Audit Services performed by External Auditor" form (Appendix 4), which sets out the nature of the services, the estimated fees to be incurred/fees arrangement and auditor independence must be completed</p> <p>The completed checklist is to be tabled for AC's approval and recommendation to respective Boards for approval.</p> <p>The proposed services must not be prohibited.</p> <p>Request for approval from Allianz SE is required. "Facts and Circumstances Test" form (Appendix 5) must be completed and sent through Legal and Compliance Department to coordinate for authorisation.</p>	Project Owners

Project owners may only proceed with the Audit and Non-Audit Services work when the service has been appropriately approved in accordance with this Policy.

**6. Requirements of Allianz SE Group**

The AMB Group is required to comply with both the Policy on Audit and Non-Audit Services Provided by Auditor and any approval requirements that may be imposed by Allianz SE Group. In the event of conflicts between the requirements imposed by the Allianz SE Group and the local regulatory requirements, the local regulatory requirements should prevail.

As a control, all requests for approval from Allianz SE must be sent through Legal and Compliance Department to coordinate for approval / authorisation from Allianz SE's Group Compliance before engagement letters are executed.

**7. Changes to legislation and/or BNM guidelines**

Any reference to legislations and/or BNM guidelines referred to in this Policy shall include its amendments or equivalents as shall be amended from time to time.

**POSITIVE LIST (Audit, Audit-Related, Tax and Other Non-Audit Services)**

<b>SIN</b>	<b>Service Description</b>	<b>Special cases and examples not exhaustive or conclusive</b>	<b>Restrictions</b>
<b>1.</b>	<b>Audit Services</b>		
<b>1.1</b>	<b>Year end audit and related services</b>		
1.1.1	Audit of the consolidated financial statements or audit of the financial statements of an OE	<ul style="list-style-type: none"> <li>• Package audits</li> <li>• Statutory audits</li> <li>• Quarterly reviews</li> </ul>	Annual audit engagement and pre-approval policy approval by audit committee
1.1.2	Comfort letters or reviews in connection with capital market transactions or securities issue		
1.1.3	Services associated with SEC registration statements, periodic reports and other SEC filings and assistance in responding to SEC comment letters		
1.1.4	Integrated audit	Audit on the effectiveness of internal control over financial reporting or on management's assertion of such effectiveness as required by Section 404 of the Sarbanes-Oxley Act.	Annual engagement approval by audit committee
1.1.5	Audits of unconsolidated non-statutory accounts of any Allianz entity		
<b>2.</b>	<b>Audit-related Services</b>		
<b>2.1</b>	<b>Advisory/Consultancy Services relating to accounting and reporting standards and procedures</b>		
2.1.1	Consulting regarding financial accounting and reporting standards	<ul style="list-style-type: none"> <li>• GAAP analysis</li> <li>• Expert advice regarding the development and introduction of new accounting standards such as local GAAP, IAS, IFRS, US-GAAP</li> <li>• Provide technical advice on the proper application of GAAP, including explaining how applicable accounting principles apply.</li> </ul>	<ul style="list-style-type: none"> <li>• Only GAAP analysis: Permissible to extent that general accepted standards or benchmarks are available</li> <li>• No management services should be provided</li> <li>• No advocacy</li> </ul>
2.1.2	Consultation with regard to the development of accounting and financial reporting guidelines and procedures related to transactions or events		Particular attention that no management services are provided

**POSITIVE LIST (Audit, Audit-Related, Tax and Other Non-Audit Services)**

SIN	Service Description	Special cases and examples not exhaustive or conclusive	Restrictions
<b>2.</b>	<b>Audit-related Services (continued)</b>		
<b>2.1</b>	<b>Advisory/Consultancy Services relating to accounting and reporting standards and procedures (continued)</b>		
2.1.3	Review of rapid-close projects		Permissible as “accounting consultation” to the extent no design and implementation of recommendations or programming of systems, no bookkeeping or management services are provided
2.1.4	Conduct general or industry training sessions or presentations with audit client personnel, audit committee and others based on auditors’ expertise and knowledge of leading practice.		
2.1.5	Provision of access authorization to information systems that enable access to financial reporting and auditing regulations		
<b>2.2</b>	<b>Assessment and/or Attestation Services</b>		
2.2.1	Analysis of financial data	Statistical analysis showing the development of data of a unit versus market data for certain performance measurements	No management functions or valuation services
2.2.2	Review procedures with reference to market or internal standards on quality, performance, financials or risk/asset liability standards	<ul style="list-style-type: none"> <li>• Global verification of compliance with the Global Investment Performance Standards (GIPS)</li> <li>• EVA- Assessment Scan: Assessment and reporting whether EVA is properly calculated</li> </ul>	Permissible if no outsourcing of the internal audit function, or performance of management functions or audit by the auditor of its own work
2.2.3	Attestation services relating to obligations arising from civil law arrangements, e.g. from bilateral or multilateral contracts, joint ventures, intellectual property rights, partnerships in corporations or memberships in organisations	<ul style="list-style-type: none"> <li>• Review of unit linked- segregated funds</li> <li>• Review of allocation of Head Office Charges for steering activities and contributions to the German Deposit Insurance System</li> <li>• Attestation with regard to licensing fee obligations</li> <li>• Assessment with regard to financials which are condition precedent for the calculation of the purchase price of an OE or business line</li> </ul>	Permissible if no outsourcing of the internal audit function, no impermissible actuarial or valuation services, no performance of management functions and no audit by the auditor of its own work

## POSITIVE LIST (Audit, Audit-Related, Tax and Other Non-Audit Services)

SIN	Service Description	Special cases and examples not exhaustive or conclusive	Restrictions
<b>2.</b>	<b>Audit-related Services (continued)</b>		
<b>2.2</b>	<b>Assessment and/or Attestation Services (continued)</b>		
2.2.4	IT-systems audit or review	Audits/reviews to support IT-projects relevant for financial statements in connection with the introduction of IT-systems by third providers based on audit criteria determined by Allianz	Permissible where system is implemented by the audit client or a third party based on audit criteria determined by the audit client and the review does not constitute information system design or implementation or management functions Approval in each single case by audit committee needed
<b>2.3</b>	<b>Assessment and/or audit services related to internal controls</b>		
2.3.1	Assessment and/or audit services and recommendations related to internal controls	Review of the OE's internal control objectives and procedures in accordance with Institute of Certified Public Accountant required report on internal controls of investment custodian	Approval in each single case by audit committee needed No design or implementation of internal controls and no services related to the internal audit function
2.3.2	Review and assessment of internal controls and related systems unrelated to financial reporting	Expert opinion regarding the effectiveness and efficiency of the internal control systems and the systems belonging to it with regard to systems unrelated to financial reporting	Permissible if the services do not constitute IT or internal accounting control system design, or management services
2.3.3	Risk management advisory services	Risk management systems: Supporting the analysis and advising on improvements to the risk management systems	Permissible, as far as related to systems that were developed and implemented by third parties and the services do not constitute IT or internal accounting control systems or risk management systems or no management services are provided
2.3.4	Assessment of control procedures in asset management and investment companies		Approval in each single case by audit committee needed No delegation of internal audit or management function
<b>2.4</b>	<b>Audit-related Regulatory Services</b>		
2.4.1	Assessment and/or audit services relating to specific financials in view of general regulatory requirements or specific information requests by regulators	<ul style="list-style-type: none"> <li>Audit of the solvency margin report for the purpose of submission to the local regulator to apply for approval to open a branch</li> <li>Semi-annual Security Report including securities registration statement to the local regulator</li> </ul>	

## POSITIVE LIST (Audit, Audit-Related, Tax and Other Non-Audit Services)

SIN	Service Description	Special cases and examples not exhaustive or conclusive	Restrictions
<b>2.</b>	<b>Audit-related Services (continued)</b>		
<b>2.4</b>	<b>Audit-related Regulatory Services (continued)</b>		
2.4.2	Audit of the certain prescribed procedures and/or standards on behalf or request of regulators	<ul style="list-style-type: none"> <li>• Audit of national securities trading law, custodian law or anti-money –laundering regulations;</li> <li>• Audit on insourcer's obligations;</li> <li>• MABV Review;</li> <li>• Review of portfolios held by OE with respect to the Guidelines for Insurance Companies on Asset Management</li> </ul>	
2.4.3	Reports or agreed-upon procedures required by law or regulation or requested by regulators that are produced regularly as a normal extension of the statutory audit	<ul style="list-style-type: none"> <li>• Standard reports to the UK FSA on client money and assets;</li> <li>• Long form report to the Swiss Federal Banking commission;</li> <li>• Audit report to national regulator as part of the license requirements;</li> </ul>	<p>If including assessment to internal control approval in each single case by audit committee needed</p> <p>No valuation services to be provided</p>
2.4.4	Audit of financial statements and statutory requirements for regulatory purposes	Audit of national guidelines for insurance asset management, bank companies	No delegation of internal audit or management function
2.4.5	Specific attestation service on request of regulators	Look-back review of transaction on request of regulator to identify cases where MLP-suspicious activity reports should have been filed.	
<b>2.5</b>	<b>Advice and/or assessment services with regard to structured products</b>		
2.5.1	Assessment of risk transfer and advice related to finite reinsurance	FAS 113 attestation	<p>Permissible to the extent that the services do not constitute actuarial, valuation or appraisal services or management services or result in audit by the auditor of its own work.</p> <p>Are not linked to the financing, capital structure and allocation, and investment strategy, except providing assurance services in relation to the financial statements, such as the issuing of comfort letters in connection with prospectuses issued by the audited entities</p>
2.5.2	Advice on accounting consequences of structured finance products	Educating or training of Allianz employees on accounting issues that may be encountered by customers of product sold by Allianz	For use for internal analysis of products, and not for marketing purposes

## POSITIVE LIST (Audit, Audit-Related, Tax and Other Non-Audit Services)

SIN	Service Description	Special cases and examples not exhaustive or conclusive	Restrictions
<b>2.</b>	<b>Audit-related Services (continued)</b>		
<b>2.6</b>	<b>Services relating to transactions related to M &amp; A, issue of securities or tradable instruments, or private equity transactions (continued)</b>		
2.6.1	Pre-deal analysis	<ul style="list-style-type: none"> <li>Analysis of publicly available data and market analysis of a target before the actual due diligence starts</li> <li>Preparation of an in-depth analysis of a company including a precise report</li> </ul>	Permissible so long as it does not constitute appraisal or valuation services or the audit by the auditor of its own work. Collection and collation of data only – no advice or recommendations
2.6.2	Buy-side/target due diligence	Business analysis of a target company, business or other target, especially of its financial situation, profitability, budgetary, accounting and of special issues such as pension scheme, environmental risks, tax risks, investment gaps, under-capitalization etc.	Permissible so long as it does not constitute appraisal or valuation services or the audit by the auditor of its own work
2.6.3	Vendor due diligence	Due diligence in the nature set forth in item 2.6.2 of a company, business or other economic object targeted for sale or transfer into partnership or joint ventures with the view to prepare a report to potential buyers, investors or business partners	Standards and report format identical to buy-side due diligence – permissible under the condition that there is no brokerage, no joint marketing and the report as well as the underlying due diligence are made in a neutral and objective manner, so that there is no potential risk, that the neutrality of the auditor might be, and so long as it does not constitute appraisal or valuation services or the audit by the auditor of its own work
2.6.4	Post-merger services	Review of integration plans	Permissible if a detailed integration plan, which is subject to review, is presented, no human resources services with respect to structuring the organization design or cost control and no services related to post-merger internal controls design and implementation
2.6.5	Review of acquired entity opening balance sheet for Allianz consolidation purposes and/or purchase accounting		
2.6.6	Audit or review of closing balance sheets of business to be sold		

## POSITIVE LIST (Audit, Audit-Related, Tax and Other Non-Audit Services)

SIN	Service Description	Special cases and examples not exhaustive or conclusive	Restrictions
<b>2.</b>	<b>Audit-related Services (continued)</b>		
<b>2.6</b>	<b>Services relating to transactions related to M &amp; A, issue of securities or tradable instruments, or private equity transactions (continued)</b>		
2.6.7	Data room administration additional to due diligence		Permissible if no management services, no marketing services, no services linked to the financing, capital structure and allocation, and investment strategy of the audited entity, except providing assurance services in relation to the financial statements, such as the issuing of comfort letters in connection with prospectuses issued by the audited entity; services are in annex to due-diligence services and are not stand-alone services
2.6.8	Review of specialists' valuation of intangibles and related purchase price allocation		Permissible if specialist valuation, which can be subject to review, exists and to the extent that the services do not constitute valuation, appraisal or management services
<b>2.7</b>	<b>Audits of employee benefit plans and similar services</b>		
2.7	Audits of employee benefit plans and similar services	<ul style="list-style-type: none"> <li>▪ Audit on pension funds and/or other funds, financial statements on behalf of OE and/or Trustee of funds, beneficiaries and/or investors</li> <li>▪ Audit of retirement schemes</li> <li>▪ Audits with regard to employee benefit plan and bonus systems for staff members</li> </ul>	
<b>3.</b>	<b>Tax services</b>		
<b>3.1</b>	<b>Tax Advice</b>		
3.1.1	Ongoing tax advice (on day-to-day basis)		
3.1.2	Tax advice on specific issues	<ul style="list-style-type: none"> <li>• Transfer pricing</li> <li>• Advice relating to indirect tax and customs duties</li> <li>• Advice relating to employees share plans and equity related incentive structures</li> </ul>	



## POSITIVE LIST (Audit, Audit-Related, Tax and Other Non-Audit Services)

SIN	Service Description	Special cases and examples not exhaustive or conclusive	Restrictions
<b>3.</b>	<b>Tax services (continued)</b>		
<b>3.1</b>	<b>Tax Advice (continued)</b>		
3.1.3	Tax advice on issues relating to the financials of or products for customers	<ul style="list-style-type: none"> <li>• Tax advice for OE internal purposes</li> <li>• Review of tax brochure prepared for investors in investment funds of Allianz Group</li> <li>• Tax advice on daily tax issues for customers paid by the OE</li> </ul>	<ul style="list-style-type: none"> <li>• Permissible provided that the conditions hereunder are respected and that there are no joint ventures or joint services to Allianz clients</li> <li>• Permissible on specific agreed upon procedures and where there is not a reasonably foreseeable risk that such activities are not supported by applicable laws, regulations or administrative practices of the fiscal authorities</li> <li>• Not for marketing purposes</li> </ul>
3.1.4	Consultation and assistance with regard to the development of tax related guidelines and procedures		
3.1.5	Tax opinions for internal advice		Not for marketing purposes or advocacy
3.1.6	Tax advice relating to returns of staff members and Managers	Tax consulting for expatriates	Permissible, as long as the involved or benefiting staff members (or their immediate family) are not in a financial reporting oversight role and no book-keeping or fund transfer or custody services are involved
3.1.7	Due diligence and tax advice in connection with actual or contemplated acquisitions		Permissible so long as it does not constitute appraisal or valuation services or the audit by the auditor of its own work
<b>3.2</b>	<b>Tax planning and consultancy on Group or OE issues</b>		
3.2	Tax planning and consultancy on Group or OE issues	<ul style="list-style-type: none"> <li>▪ Tax structures and planning;</li> <li>▪ Advice on transfer prices;</li> <li>▪ Consulting and advice relating to tax planning initiatives;</li> <li>▪ Assistance and advice regarding tax consequences of restructuring of Allianz or investments/disinvestments;</li> <li>▪ Assistance and advice on the tax aspects of restructuring reserves for fluctuating claims</li> </ul>	Admissible on specific agreed upon procedures and where there is no reasonably foreseeable risk that such activities are not supported by applicable laws, regulations or administrative practices of the fiscal authorities and provided that the specific agreed upon procedures do not constitute prohibited services related to potentially abusive tax transactions, and management makes the decision on and takes responsibility for the tax work, as well as the financial statements
<b>3.3</b>	<b>Assistance in Tax Assessment and Review</b>		
3.3	Assistance in Tax Assessment and Review	Assessment of VAT	To the extent that such services do not constitute impermissible valuation or management services

## POSITIVE LIST (Audit, Audit-Related, Tax and Other Non-Audit Services)

SIN	Service Description	Special cases and examples not exhaustive or conclusive	Restrictions
<b>3</b>	<b>Tax services (continued)</b>		
<b>3.4</b>	<b>Tax Compliance</b>		
3.4.1	Preparation and review of and assistance with original or amended tax filings.	<ul style="list-style-type: none"> <li>• Corporate Income Tax filings</li> <li>• VAT return filings</li> </ul>	
3.4.2	Acting as Tax intermediary or tax agent/representative		Permissible if support services only, no fund transfer or custody services, no management services and no joint liability for client's taxes, no cash handling
<b>3.5</b>	<b>Assistance and support related to administrative proceedings and requests on tax issue</b>		
3.5.1	Assistance in preparing and filing requests for tax rulings <sup>1</sup> .		No advocacy services
3.5.2	Assistance and preparation with regard to tax appeals		No advocacy services
3.5.3	Assistance in the claim of refunding excess taxes paid or withheld		Support services only – no advocacy services
3.5.4	Provision of IT systems supporting the filing of tax return documents		The functionality of such systems must be limited to the preparation of tax return documents, additional functionalities must be reviewed for specific pre-approval or may be impermissible bookkeeping, financial information systems design and implementation services or management functions, or audit by the auditor of its own work
3.5.5	Assistance with tax audits		Not advocacy services or representation before a tax court
<b>4.</b>	<b>Other Services</b>		
<b>4.1</b>	<b>General Consultancy services</b>		
4.1	General Consultancy services	Review of MLP procedures and program	No services related to internal audit or management function
4.1.1	Advisory and Consultancy Services General	<ul style="list-style-type: none"> <li>▪ Key data and best practice analysis: Preparation of key data and cost analyses and benchmarking as well as analyses on predominant approaches to certain subjects to identify the "best practice"</li> <li>▪ Analysis and support regarding business processes and organizational structures</li> <li>▪ Advice on the design of a methodology and process to support management's review of growth options including key data analysis</li> </ul>	Permissible if no management function or no human resources services with respect to structuring the organization design or cost control

**POSITIVE LIST (Audit, Audit-Related, Tax and Other Non-Audit Services)**

<b>SIN</b>	<b>Service Description</b>	<b>Special cases and examples not exhaustive or conclusive</b>	<b>Restrictions</b>
<b>4.</b>	<b>Other Services (continued)</b>		
<b>4.1</b>	<b>General Consultancy services (continued)</b>		
4.1.2	Advisory Actuarial	<ul style="list-style-type: none"> <li>▪ Strictly limited to assistance in understanding the methods, models, assumptions and inputs used in computing an amount.</li> </ul>	No valuation or actuarial services
4.1.3	Advice relating to IT-systems unrelated to the financial statements or accounting records	Consultation and support with regard to the design and implementation of systems which are not related to financial statements, such as principles regarding file access and verifiability of digital documents	Permissible, if no management functions are assumed by the auditor and (i) if the services do not constitute design or implementation of the financial information system or booking services or (ii) are part of the evaluation of the internal controls and making related recommendations thereto
4.1.4	Consultation drafting assistance with regard to the development of guidelines and procedures and their documentation	Non-recurring assistance in improvement and documentation of internal non-financial statement relevant procedures	No management functions
<b>4.2</b>	<b>Forensic Services</b>		
4.2.1	Fraud prevention	<ul style="list-style-type: none"> <li>▪ Assistance in developing policies and guidelines;</li> <li>▪ Development of measures to prevent or reveal external or internal fraud or other forms of financial crime or criminal offences</li> </ul>	No management functions
4.2.2	Forensic investigations		Permissible if: <ul style="list-style-type: none"> <li>• No advocacy services</li> <li>• Collection and collation of data only – no change in information</li> <li>• Services do not consist of any determination as to the value of the content of the digital evidence collected and processed relative to the subject matter of the investigation or litigation</li> <li>• The client provides key word search terms and dates to be applied for filtering</li> <li>• Services are not connected to audit</li> <li>• The report or other work product is not used as expert testimony or advocacy in an adversarial proceeding</li> <li>• No management function</li> <li>• No services</li> </ul>

## POSITIVE LIST (Audit, Audit-Related, Tax and Other Non-Audit Services)

SIN	Service Description	Special cases and examples not exhaustive or conclusive	Restrictions
<b>4.</b>	<b>Other Services (continued)</b>		
<b>4.2</b>	<b>Forensic Services (continued)</b>		
4.2.3	Forensic services relating to fact finding of internal group matters		If not connected to audit and the report or other work product is not used as expert testimony or advocacy in an adversarial proceeding or no management functions
<b>4.3</b>	<b>Administrative support services</b>		
4.3	Administrative support services	Assistance in non-litigation linked notification or applications to public authorities	No management functions or advocacy
4.3.1	Voluntary Liquidations		Permissible if no cash-handling and all balances are inter-company or no management function
4.3.2	Translation of financial statements and related documents		No management functions

**NON-ADMITTED SERVICES****Blacklist Services**

Prohibited non-audit services includes:

- 1. Tax services;**
  - i. preparation of tax forms;
  - ii. payroll tax;
  - iii. customs duties;
  - iv. identification of public subsidies and tax incentives unless support from the statutory auditor or the audit firm in respect of such services is required by law;
  - v. support regarding tax inspections by tax authorities unless support from the statutory auditor or the audit firm in respect of such inspections is required by law;
  - vi. calculation of direct and indirect tax and deferred tax;
  - vii. provision of tax advice.
- 2. Services that involve playing any part in the management or decision-making of the audited entity;**
- 3. Bookkeeping and preparing accounting records and financial statements;**
- 4. Payroll services;**
- 5. Designing and implementing:**
  - internal control or risk management procedures related to the preparation and/or control of financial information' or
  - designing and implementing financial information technology systems;
- 6. Valuation services, including valuations performed in connection with actuarial services or litigation support services;**
- 7. Legal services, with respect to:**
  - the provision of general counsel;
  - negotiating on behalf of the audited entity; and
  - acting in an advocacy role in the resolution of litigation;
- 8. Services related to the audited entity's internal audit function;**
- 9. Services linked to the financing, capital structure and allocation, and investment strategy of the audited entity, except providing assurance services in relation to the financial statements, such as the issuing of comfort letters in connection with prospectuses issued by the audited entity;**
- 10. Promoting, dealing in, or underwriting shares in the audited entity;**
- 11. Human resources services with respect to:**
  - a. management in a position to exert significant influence over the preparation of the accounting records or financial statements which are the subject of the statutory audit, where such services involve:
    - i. searching for or seeking out candidates for such position; or
    - ii. undertaking reference checks of candidates for such positions;
  - b. structuring the organisation design; and
  - c. cost control.

<b>ALLIANZ MALAYSIA BERHAD GROUP</b>	
<b>EVALUATION OF EXTERNAL AUDITORS FOR APPOINTMENT/RE-APPOINTMENT</b>	
(Strictly Confidential)	
Please tick (√) on the relevant boxes below:-	
Allianz Malaysia Berhad ("AMB")	<input type="checkbox"/>
Allianz Life Insurance Malaysia Berhad ("ALIM")	<input type="checkbox"/>
Allianz General Insurance Company (Malaysia) Berhad ("AGIC")	<input type="checkbox"/>
	<input type="checkbox"/>
Name of External Auditors	
Appointment/ Reappointment for financial year ending	
Proposed date of Annual General Meeting	
Period of Evaluation	
Engagement Partner	
Concurring Partner	
Non-Audit Services provided and the fees incurred during the financial year	

No.	Criteria	Please circle "Yes" or "No"	Remarks/Comments
<b>1.</b>	<b>Criteria for appointment as specific by relevant authorities</b>		
(a)	The external auditors are qualified for appointment as auditors under Section 8 and Section 9 of the Companies Act, 1965.	<input type="checkbox"/> Yes <input type="checkbox"/> No	
(b)	The external auditors are registered as auditors of a public interest entity with the Audit Oversight Board.	<input type="checkbox"/> Yes <input type="checkbox"/> No	
(c)	The external auditors must not have been convicted of any offence under the Financial Services Act 2013 ("FSA") or the Companies Act 1965, or of any offence under any other written law involving fraud or dishonesty?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
(d)	The external auditors have the necessary skills, knowledge and appropriate experience to perform the audit with professional competence and due care in accordance with approved auditing standards and applicable regulatory and legal requirements?	<input type="checkbox"/> Yes <input type="checkbox"/> No	Please state number of years of experience in auditing and audit areas.
(e)	The external auditors do not have relationships with, or interests in, including an interest in shares of, the Company or any or its related entities that are likely to impair their objectivity or independence, and which cannot be reduced to an acceptable level through the application of appropriate safeguards?	<input type="checkbox"/> Yes <input type="checkbox"/> No	

No.	Criteria	Please circle "Yes" or "No"	Remarks/Comments
(f)	The external auditors do not have any record of disciplinary actions taken against them for unprofessional conduct by the Malaysian Institute of Accountants ("MIA") which has not been reversed by the Disciplinary Board of MIA?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
(g)	The engagement partner has not served for a continuous period of more than five (5) years with the Company? Is there a lapse of five (5) years from the last audit engagement with the Company for the external auditor who has been rotated off the audit of the Company to resume the role as engagement partner?	<input type="checkbox"/> Yes <input type="checkbox"/> No	

No.	Criteria	Rating			Remarks/Comments
		Below average	Satisfactory	Good	
<b>2.</b>	<b>Calibre of external audit firm and Quality Processes</b>				
(a)	Has the Board taken into consideration of information available from public or independent sources which are relevant to the professional conduct of the external auditors?				
(b)	Has the Board consider the external auditors' conduct and performance in past assurance engagements with the Company?				
(c)	Is Board satisfied that appropriate measures have been taken by the external auditors to prevent the recurrence of past audit lapses that have been observed, including but not limited to, delays in the issuance of audit reports and inadequate audit procedures resulting in the failure to detect material errors or deficiencies?				
(d)	The external auditors and its network firm, engagement partner and audit team's independence, integrity and objectivity complied with relevant ethical requirements?				
(e)	The level of quality control procedures in the external audit firm, including the audit review procedures?				
<b>3.</b>	<b>Level of knowledge, capabilities, experience and quality of previous work</b>				
(a)	The staff assigned to the external audit team (including engagement partner and concurring partner) has the expertise, including industry knowledge to effectively audit the entities within the AMB Group?				Please state number of years of experience of the engagement partner in the audit of the Company.

No.	Criteria	Rating			Remarks/Comments
(b)	Adequacy of man-days spent by the engagement and concurring partners commensurate with the size of complexity of the Company?				
(c)	How effective was the concurring partner in conducting reviews and supporting the engagement partner's assessment?				
<b>4. Level of engagement with the Board and Audit Committee</b>					
(a)	Is the engagement partner able to provide independent views to the Board?				
(b)	The external audit firm advises the Audit Committee / the Management on significant issues, applicability of new and significant accounting standards and new development pertaining to risk management, corporate governance, financial reporting standards and internal controls on a timely basis.				
(c)	The external audit firm advises and updates accounting issues on a timely manner?				
(d)	The external auditors meet freely and regularly with the Audit Committee, in the absence of Management, to discuss issues arising from the audit or any other matters they may wish to raise?				
<b>5. Ability to provide constructive observations, implications and recommendation in areas which require improvement</b>					
(a)	The external auditors provide effective and practical recommendations in addressing weaknesses observed during previous audits, particularly with regards to the internal controls system over financial reporting process and unadjusted audit differences?				
<b>6. Appropriateness of audit approach, effectiveness of audit planning and fees</b>					
(a)	The external audit scope is adequate to cover the key financial and operational risks of the entities within the AMB Group?				
(b)	The external audit firm's plan towards ensuring their staff's continuity on the audit?				
(c)	The external audit fee is reasonable given the scope of the external audit and the regulatory requirements?				
<b>7. Ability to perform the audit work within the agreed duration given</b>					
(a)	The external audit firm is able to meet audit timeline and responds to audit issues in a timely manner?				



No.	Criteria	Rating			Remarks/Comments		
<b>8.</b>	<b>Non-audit services rendered by auditor does not impede independence</b>						
(a)	The Board has taken into consideration the level of knowledge, capabilities, experience, and potential conflict of interest of the external audit firm before the firm is appointed to provide the non-audit services?						
(b)	The Board has taken into consideration level of involvement by engagement and concurring partner in advisory services in the last two years?						
<b>9.</b>	<b>Auditor demonstrates unbiased stance when interpreting the standards/policy adopted by the Company</b>						
(a)	The extend of level of participation of, and professional skepticism exercised by, the engagement partner, in particular when there are differences in interpretation or views with the management of the Company?						
<b>10.</b>	<b>Recommend For Appointment/Reappointment</b>	<table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="padding: 2px 10px;">Yes</td> <td style="padding: 2px 10px;">No</td> </tr> </table>				Yes	No
Yes	No						
<b>11.</b>	<b>Additional Comments:-</b>						
<b>12.</b>	<b>Evaluated by:-</b> <hr style="width: 30%; margin-left: 0;"/> <b>[Chief Financial Officer /Head of Finance]</b> <b>Date:</b>						

<b>ALLIANZ MALAYSIA BERHAD GROUP</b> <b>Non-Audit Services performed by External Auditor</b> <b>Request for Approval</b> (Strictly Confidential)	
Please tick (√) on the relevant boxes below:-	
Allianz Malaysia Berhad ("AMB")	<input type="checkbox"/>
Allianz Life Insurance Malaysia Berhad ("ALIM")	<input type="checkbox"/>
Allianz General Insurance Company (Malaysia) Berhad ("AGIC")	<input type="checkbox"/>
	<input type="checkbox"/>
Name of External Auditors	
Proposed date of engagement	
Duration of service weeks/months/years	
Proposed/Estimated fee level (range)	RM _____ Recurring <input type="checkbox"/> Non-recurring <input type="checkbox"/>

		Please circle "Yes" or "No"	Remarks/Comments
<b>1.</b>	<b>Description of Service</b>		
1.1	<b>Type of service</b> Audit- related services Tax services Other non-audit services	<b>Please (√) tick the relevant box</b> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	[Please provide description of the service]
1.2	The service is not considered prohibited as annexed in Appendix 2 of the Policy.	<input type="checkbox"/> Yes <input type="checkbox"/> No	
<b>2.</b>	<b>Independence Check</b>		
2.1	Prior to appointing the external auditors for the provision of non-audit services, were their professionalism, expertise, knowledge in the area, relevancy and appropriateness in experience as well as conflict of interest taken into consideration?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
2.2	Does the mitigation control in place to avoid the threat against objectivity and independence of external auditor? If yes, please specify the measures taken; if no, please provide the reasons.	<input type="checkbox"/> Yes <input type="checkbox"/> No	
2.3	Was the engagement partner involved in any advisory services rendered in AMB Group in the last two years?	<input type="checkbox"/> Yes <input type="checkbox"/> No	

2.4	Does the audit firm appear not to be influenced by management and not reluctant/hesitant to raise any issues that would reflect negatively on management?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
2.5	(a) Were there justifications given by the auditors when there are differences in interpretation/views?  (b) If provided, were they sufficient?	<input type="checkbox"/> Yes <input type="checkbox"/> No  <input type="checkbox"/> Yes <input type="checkbox"/> No	
<b>3.</b>	<b>Engagement Letter Check</b>		
3.1	The engagement letter includes the Allianz standard pre-approval paragraph <sup>1</sup>	<input type="checkbox"/> Yes <input type="checkbox"/> No	
3.2	The engagement letter has a AFS <sup>2</sup>	<input type="checkbox"/> Yes <input type="checkbox"/> No	
3.3	The engagement letter describes the service in precise, appropriate language in English.	<input type="checkbox"/> Yes <input type="checkbox"/> No	
3.4	The engagement letter contains no contingent fee or commission fee arrangement.	<input type="checkbox"/> Yes <input type="checkbox"/> No	
3.5	The engagement letter contains no indemnities in favor of External Auditor or releases of liability of External Auditor.	<input type="checkbox"/> Yes <input type="checkbox"/> No	
<b>4.</b>	<b>Justification/Rationale:-</b> (please also provide 2 other quotations from others for the similar services for comparison purposes.)		
<b>5.</b>	<b>Requisition</b>		
5.1	<b>Requested by:-</b>  ----- <b>[Project Owner]</b> <b>Name and Designation</b> <b>Date :</b>	<b>Endorsed by :-</b>  ----- <b>Name and Designation</b> <b>Date :</b>	

Note: a) The proposal/engagement letter in relation to the above services together with the written assurance from the Auditor confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements must be enclosed together with this form to substantiate the information provided.

- b) Written assurance from Auditor not required for engagement letter with Authorisation for Services (“AFS”) Number<sup>1</sup> as Auditor’s Risk Management has approved the service.

<sup>1</sup> The Auditor obtained AFS Number from their Group who will centrally monitor and approve any non-audit services provided by other Auditor offices globally to Allianz SE OEs. They will monitor at a group level to ensure that from the Allianz SE Group perspective, the Auditor do not breach the non-audit service fee cap and independence requirements.

<b>THE FACTS AND CIRCUMSTANCES TEST</b>
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Please fill in the requested information into the **Confirmation Statement** below and send it together with the respective **Engagement Letter** to Group Compliance by Email or Fax:

- ➔ Group Compliance E-Mails: [tanja.weidling@allianz.de](mailto:tanja.weidling@allianz.de) or [reinhard.preusche@allianz.de](mailto:reinhard.preusche@allianz.de)
- ➔ Group Compliance Fax: +49 (0)89 3800 – 82184 or – 818828

<b>Authorisation For Service (“AFS”) Number</b>	
Allianz Entity/OE/Group	
Requestor Name (project owner name)	
Requestor Contact Details (project owner contact)	
<b>Service Identification Number</b> (as stated in the <b>Positive List</b> )	

<b>Tax Services</b>	
There is not a reasonably fore-seeable risk that the advice is not supported by applicable laws, regulations or administrative practice of the fiscal authorities	<input type="checkbox"/>
The External Auditor tax opinions will not be used vis a vis clients	<input type="checkbox"/>
<b>Fees Arrangement</b>	
There are no Contingency and/or Success Fees	<input type="checkbox"/>
<b>Project Award</b>	
<b>The project does not include fulfillment and implementation of</b>	
Actual system hard-/software design	
Implementation of procedures and/or hard-/software	<input type="checkbox"/>
<b>We have full and complete management authority over the project and exercise such authority in fact without the interference of the auditor. The responsible managers are (please provide names and titles):</b>	
Name :	
Title :	
Our staff will undertake the day to day duties and responsibilities involved in the fulfillment and implementation of the project	<input type="checkbox"/>
The numerical relation between the staff member employed by the auditor and our staff member included in the project. The approximate number of staff members is	<input type="checkbox"/>
The attached agreement gives a complete task description of the project listing the duties and responsibilities to be undertaken by the auditor as well as the activities to undertaken by the our employees	<input type="checkbox"/>

Data Collection	
<b>The auditor's services involve the gathering of primary and raw data</b>	
The respective data will not be subject to an audit review	<input type="checkbox"/> Yes <input type="checkbox"/> No
The data collection does not involve management functions	<input type="checkbox"/> Yes <input type="checkbox"/> No
The auditor staff's services are limited to raw data collection	<input type="checkbox"/> Yes <input type="checkbox"/> No
The auditor's staff is not involved in any type of data entry/data processing	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>The auditor's services relate to the making of assumptions on and defining data as a basis for risk, profit or value assessment purposes</b>	
The auditor's staff will give expert advice on appropriate benchmarks, acceptable models, appropriate methodology	<input type="checkbox"/> Yes <input type="checkbox"/> No
The auditor's staff will not de facto decide on and/or calculate the benchmarks, models, methodologies and figures that are to be applied (prohibited)	<input type="checkbox"/> Yes <input type="checkbox"/> No
The actual decision or calculation shall be reached by (please <b>list name of officers</b> involved and/or the procedure)	
Name :	
Name :	
<b>There are no joint services to clients either through:-</b>	
a) joint offers b) integrated engagement letters to clients c) a relationship that raises the appearance between and among the auditor and the company that one works for the other or jointly	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

**Date, place:-**

\_\_\_\_\_

**[Signature]**