

## Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the 44th Annual General Meeting ("AGM") of Allianz Malaysia Berhad will be held at Grand Ballroom, Level 2, Aloft Kuala Lumpur Sentral, 5, Jalan Stesen Sentral, Kuala Lumpur Sentral, 50470 Kuala Lumpur on Tuesday, 22 May 2018 at 10.00 a.m. for the following purposes:-

### AGENDA

#### ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2017 and the Directors' and Auditors' Reports thereon.
2. To approve the following payments to Non-Executive Directors of the Company and its insurance subsidiaries:-
  - (a) Directors' fees of RM2,542,091 for the financial year ended 31 December 2017. **Ordinary Resolution 1**
  - (b) Directors' remuneration (excluding Directors' fees) of up to an amount of RM1,108,090 from 23 May 2018 until the next AGM of the Company. **Ordinary Resolution 2**
3. To re-elect the following Directors:-
  - (a) Y. Bhg. Dato' Dr. Thillainathan A/L Ramasamy, who retires by rotation in accordance with Article 96 of the Articles of Association (Constitution) of the Company and being eligible, offer himself for re-election. **Ordinary Resolution 3**
  - (b) Y.A.M. Tunku Zain Al-'Abidin Ibni Tuanku Muhriz, who retires by rotation in accordance with Article 97 of the Articles of Association (Constitution) of the Company and being eligible, offer himself for re-election. **Ordinary Resolution 4**
4. To consider and if thought fit, to pass the following Ordinary Resolution:-

**Appointment of Auditors** **Ordinary Resolution 5**

"That Messrs. PricewaterhouseCoopers PLT be and are hereby appointed as Auditors of the Company in place of the retiring Auditors, Messrs. KPMG PLT and to hold office until the conclusion of the next Annual General Meeting at a remuneration to be fixed by the Directors."

#### SPECIAL BUSINESS

To consider and if thought fit, to pass the following Ordinary Resolutions:-

5. **Proposed Shareholders' Mandate for Recurrent Related Party Transactions with Allianz SE Group** **Ordinary Resolution 6**

"THAT pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiaries to enter into the recurrent related party transactions with Allianz SE Group as specified in Section 2.2 (A) of the Company's Circular to Shareholders dated 23 April 2018, provided that the transactions are in the ordinary course of business and are on terms not more favourable than those generally available to the public and not to the detriment of the minority shareholders.

AND THAT such authority shall take effect from the passing of this Ordinary Resolution and shall continue in force until:-

  - (a) the conclusion of the next Annual General Meeting of the Company, at which time it will lapse, unless by ordinary resolution passed at the said Annual General Meeting, the authority is renewed; or
  - (b) the expiration of the period within which next Annual General Meeting is required to be held pursuant to Section 340 (2) of the Companies Act 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340 (4) of the Companies Act 2016); or
  - (c) revoked or varied by resolution passed by the shareholders in a general meeting;

whichever is the earlier;

AND THAT the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things including executing all documents as may be required to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

6. **Proposed Shareholders' Mandate for Recurrent Related Party Transactions with Shook Lin & Bok** **Ordinary Resolution 7**

"THAT pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiaries to enter into the recurrent related party transaction with Shook Lin & Bok as specified in Section 2.2 (B) of the Company's Circular to Shareholders dated 23 April 2018, provided that the transactions are in the ordinary course of business and are on terms not more favourable than those generally available to the public and not to the detriment of the minority shareholders.

AND THAT such authority shall take effect from the passing of this Ordinary Resolution and shall continue in force until:-

- (a) the conclusion of the next Annual General Meeting of the Company, at which time it will lapse, unless by ordinary resolution passed at the said Annual General Meeting, the authority is renewed; or
  - (b) the expiration of the period within which next Annual General Meeting is required to be held pursuant to Section 340 (2) of the Companies Act 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340 (4) of the Companies Act 2016); or
  - (c) revoked or varied by resolution passed by the shareholders in a general meeting;
- whichever is the earlier;

AND THAT the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things including executing all documents as may be required to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

7. **Proposed Shareholders' Mandate for Recurrent Related Party Transactions with Rapidpro Consulting Sdn Bhd** **Ordinary Resolution 8**

"THAT pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiaries to enter into the recurrent related party transaction with Rapidpro Consulting Sdn Bhd as specified in Section 2.2 (C) of the Company's Circular to Shareholders dated 23 April 2018, provided that the transactions are in the ordinary course of business and are on terms not more favourable than those generally available to the public and not to the detriment of the minority shareholders.

AND THAT such authority shall take effect from the passing of this Ordinary Resolution and shall continue in force until:-

- (a) the conclusion of the next Annual General Meeting of the Company, at which time it will lapse, unless by ordinary resolution passed at the said Annual General Meeting, the authority is renewed; or
  - (b) the expiration of the period within which next Annual General Meeting is required to be held pursuant to Section 340 (2) of the Companies Act 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340 (4) of the Companies Act 2016); or
  - (c) revoked or varied by resolution passed by the shareholders in a general meeting;
- whichever is the earlier;

AND THAT the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things including executing all documents as may be required to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

8. To transact any other business for which due notice shall have been given.

**By Order of the Board**

**NG SIEW GEK**

Company Secretary

Kuala Lumpur  
23 April 2018

## NOTES TO MEMBERS AND PROXY

### A. APPOINTMENT OF PROXY/PROXIES

1. For the purposes of determining a member who shall be entitled to attend and vote at the forthcoming 44th AGM of the Company, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a Record of Depositors as at 14 May 2018. Only a depositor whose name appears in the Record of Depositors as at 14 May 2018 shall be entitled to attend and vote at the 44th AGM or appoint proxy/proxies to attend and vote on his/her behalf.
2. A member entitled to attend and vote at the 44th AGM is entitled to appoint not more than two (2) proxies to attend and vote in his/her stead. If two (2) proxies are appointed, the instrument of proxy must specify the proportion of his/her shareholdings to be represented by each proxy.
3. A proxy may but need not be a member of the Company.
4. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. The appointment of two (2) proxies in respect of any particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.
5. Where a member is an exempt authorised nominee ("EAN") as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the EAN may appoint in respect of each omnibus account it holds. The appointment of two (2) or more proxies in respect of any particular omnibus account shall be invalid unless the EAN specifies the proportion of its shareholding to be represented by each proxy.
6. The instrument of proxy must be in writing under the hand of the appointor or his attorney. If the appointor is a corporation, under its common seal or the hand of its attorney.
7. The instrument of proxy shall be deposited at the Registered Office of the Company at Level 29, Menara Allianz Sentral, 203, Jalan Tun Sambanthan, Kuala Lumpur Sentral, 50470 Kuala Lumpur not later than twenty-four (24) hours before the appointed time for holding the 44th AGM.

### B. EXPLANATORY NOTES ON ORDINARY BUSINESS

#### 1. Audited Financial Statements for the financial year ended 31 December 2017

The Audited Financial Statements for the financial year ended 31 December 2017 and the Directors' and Auditors' Reports thereon are laid before the shareholders pursuant to the provision of Section 340 (1)(a) of the Companies Act 2016 and are for discussion only. Hence, this item will not be put for voting.

#### 2. Directors' Remuneration for Non-Executive Directors

Pursuant to Section 230 (1)(b) of the Companies Act 2016 which requires fees and any benefits payable to the Directors of listed company and its subsidiaries to be approved at a general meeting, the proposed payment of Directors' fees and Directors' remuneration (excluding Directors' fees) to the Non-Executive Directors under Ordinary Resolutions 1 and 2 include remuneration payable to Non-Executive Directors by the Company's insurance subsidiaries, namely Allianz Life Insurance Malaysia Berhad ("ALIM") and Allianz General Insurance Company (Malaysia) Berhad ("AGIC").

##### (a) Directors' fees for the financial year ended 31 December 2017

The Directors' fees for the financial year ended 31 December 2017 are made up of the following components and are only payable to Non-Executive Directors:-

##### (i) Fees for acting as a Director

A fixed fee is allocated to each member of the Board, a fee premium is allocated to the Chairman of the Board in view of additional accountabilities and responsibilities assumed by the Chairman.

##### (ii) Fees for assuming additional responsibilities

Additional fees are allocated to Directors who assumed more responsibilities via their appointments in various Board Committees. A fee premium is allocated to the Chairman of the respective Board Committees in view of additional accountabilities and responsibilities assumed by them.

Following the issuance of the Directors' Remuneration Report 2015 by the Financial Institutions Directors' Education Forum ("FIDE Remuneration Report") on 7 December 2015, the Remuneration Committee had in 2016 reviewed the recommendations of the FIDE Remuneration Report and recommended a proposed 3-year step up plan (2016 – 2018) for Directors' remuneration, based on the following rationales:-

- (i) to ensure competitiveness of Board remuneration. The proposed increase will enable the Directors' remuneration to be in line with that recommended by the FIDE Remuneration Report and commensurate with the responsibilities and risks assumed by the Directors; and
- (ii) to retain Directors. The current Boards of the Company and its insurance subsidiaries are made up of creditable and highly professional Directors, with all of them having good reputation and extensive experience locally and globally in their areas of expertise.

The respective Boards of the Company and its insurance subsidiaries having reviewed the recommendations of the Nomination and Remuneration Committee, recommended the following Directors' fees payable to the Non-Executive Directors for the financial year ended 31 December 2017, for the shareholders' approval:-

	<b>Company</b>	<b>ALIM</b>	<b>AGIC</b>	<b>Grand Total</b>
Directors' Fees	RM720,671 (2016: RM628,407)	RM850,245 (2016: RM618,192)	RM971,175 (2016: RM720,165)	RM2,542,091 (2016: RM1,966,764)

All the Non-Executive Directors had abstained from the deliberation and voting on their respective proposed Directors' fees at the respective Nomination and Remuneration Committee Meeting and Board Meetings, where applicable.

The proposed Directors' fees for the financial year ended 31 December 2017 are detailed in the Corporate Governance Report.

(b) Directors' remuneration (excluding Directors' fees) for the period from 23 May 2018 to the next AGM of the Company

The Directors' remuneration (excluding Directors' fees) comprises allowances and benefits payable to the Chairman and members of the Board of the Company and its insurance subsidiaries as well as Board Committees. The Directors' remuneration (excluding Directors' fees) structure is as set out below:-

<b>Description</b>	<b>Year</b>	<b>Company</b>		<b>Insurance Subsidiaries</b>	
		<b>Chairman</b>	<b>Board Members</b>	<b>Chairman</b>	<b>Board Members</b>
Monthly Fixed Allowance	2018	RM12,000	Nil	RM12,000	Nil
	2019	RM12,000	Nil	RM12,000	Nil
Meeting Allowance – Board – Board Committees	2018	RM2,645 (per meeting)		RM2,645 (per meeting)	
	2019				
Benefits	2018	Insurance*, company car and driver	Insurance*	Insurance*	
	2019				

\* Medical, personal accident and Directors' and Officers' Liability.

The monthly fixed allowance is given to the Chairman in view of the Chairman's significant role in leadership and oversight as well as his/her wide range of responsibilities, amongst others, providing guidance on strategy and supporting Management in engaging with stakeholders.

Payment of the Directors' remuneration (excluding Directors' fees) will be made by the Company and its insurance subsidiaries on a monthly basis and/or as and when incurred if the proposed Ordinary Resolution 2 is passed at the 44th AGM. In determining the estimated total amount of remuneration (excluding Directors' fees) for the Directors including the Chairman of the Board for the period from 23 May 2018 to the next AGM of the Company, the Company took into consideration, amongst others, the number of scheduled meetings for the Board and Board Committees and the number of Non-Executive Directors involved in these meetings.

### **3. Re-election of Directors who retire in accordance with Articles 96 and 97 of the Company's Articles of Association (Constitution)**

Article 96 of the Company's Articles of Association (Constitution) provides that one-third (1/3) of the Directors of the Company for the time being, or if their number is not three (3) or a multiple of three (3), then the number nearest one-third (1/3), shall retire from office at the AGM of the Company. A retiring Director shall be eligible for re-election.

Article 97 of the Company's Articles of Association (Constitution) provides that the Directors to retire in every year shall be those who have been longest in office since their last election. All Directors shall retire from office once at least in each three (3) years, but shall be eligible for re-election.

Y. Bhg. Tan Sri Razali Bin Ismail and Y. Bhg. Dato' Dr. Thillainathan A/L Ramasamy will be retired at the 44th AGM pursuant to Article 96 of the Articles of Association (Constitution) of the Company.

Y. Bhg. Tan Sri Razali Bin Ismail has expressed his intention to retire at the conclusion of the 44th AGM and therefore he will not seek for re-election.

Y. Bhg. Dato' Dr. Thillainathan A/L Ramasamy has indicated his willingness to seek for re-election and abstained from the deliberation and voting of his re-election at the respective Nomination and Remuneration Committee Meeting and Board Meeting.

Y.A.M. Tunku Zain Al-'Abidin Ibni Tuanku Muhriz's last re-election was in 2015, accordingly, he is standing for re-election pursuant to Article 97 of the Company's Articles of Association (Constitution) at the 44th AGM. He has indicated his willingness to seek for re-election and abstained from the deliberation and voting of his re-election at the respective Nomination and Remuneration Committee Meeting and Board Meeting.

The Nomination and Remuneration Committee having assessed and satisfied with the performance of Y. Bhg. Dato' Dr. Thillainathan A/L Ramasamy and Y.A.M. Tunku Zain Al-'Abidin Ibni Tuanku Muhriz, recommended their re-election for the Board's approval.

The Board having reviewed the performance evaluations of Y. Bhg. Dato' Dr. Thillainathan A/L Ramasamy and Y.A.M. Tunku Zain Al-'Abidin Ibni Tuanku Muhriz and the recommendation of the Nomination and Remuneration Committee, recommended the re-election of the said two (2) retiring Directors for the shareholders' approval.

The profile of Y. Bhg. Dato' Dr. Thillainathan A/L Ramasamy and Y.A.M. Tunku Zain Al-'Abidin Ibni Tuanku Muhriz are set out in the Board of Directors' Profile in this Annual Report.

#### **4. Appointment of Auditors**

During the financial year 2017, the Company was notified by its holding company/major shareholder, Allianz SE, that there will be a change of the Auditors for the Allianz SE Group, in order to comply with the European Union Regulation's requirement on mandatory rotation of auditors in every 10 years. PricewaterhouseCoopers has been selected as the new Auditors for Allianz SE Group for the financial year 2018.

Allianz SE had issued to the Company, a Notice of Nomination of Messrs. PricewaterhouseCoopers PLT ("PwC PLT") as Auditors of the Company in place of Messrs. KPMG PLT who will be retiring at the 44th AGM. A copy of the Notice of Nomination is annexed and marked as "**Appendix A**" in this Annual Report.

In line with the global change in Auditors of Allianz SE Group, the Company and its insurance subsidiaries (collectively referred to as "Group") proposed to appoint PwC PLT as the Auditors of the Group for the financial year 2018.

The Audit Committee reviewed the proposed appointment of PwC PLT (including of engagement partners and concurring partner) as Auditors for the Group for the financial year 2018 and concluded that PwC PLT met all the evaluation criteria as prescribed by the relevant authorities. The Audit Committee recommended the proposed appointment of PwC PLT for the respective Boards of the Group for consideration.

The Board having satisfied that PwC PLT met the evaluation criteria as prescribed by the relevant authorities, recommended the proposed appointment of PwC PLT as Auditors of the Company for the financial year 2018 for the shareholders' approval.

PwC PLT had on 3 April 2018 given their consent to act as Auditors of the Company.

### **C. EXPLANATORY NOTE ON SPECIAL BUSINESS**

#### **Proposed Shareholders' Mandate for Recurrent Related Party Transactions**

The Company is principally engaged in investment holding whilst the principal activities of the subsidiaries are underwriting of all classes of general insurance business and underwriting of life insurance and investment-linked business.

It is anticipated that the Group will, in the ordinary course of business, enter into recurrent related party transactions with classes of related parties as set out in Section 2.2 of the Circular to Shareholders dated 23 April 2018 ("Shareholders' Mandate Circular").

In view of time sensitivity and the frequent nature of such related party transactions, the Directors of the Company are seeking shareholders' approval for the proposed Ordinary Resolutions 6, 7 and 8, to allow the Group in its ordinary course of business, to enter into recurrent related party transactions with the respective related parties as detailed in the Shareholders' Mandate Circular, provided that such transactions are made on arm's length basis and are on terms not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders.

Detailed information in relation to the proposed shareholders' mandate for recurrent related party transactions are set out in the Shareholders' Mandate Circular, despatched together with this Annual Report.

#### **D. ABSTENTION FROM VOTING**

Directors who are the shareholders of the Company will abstain from voting in respect of their direct and/or indirect shareholdings on the resolutions involving their interests and/or interests of persons connected to them.

The following Directors are interested or deemed to be interested in the below mentioned Ordinary Resolutions to be tabled at the 44th AGM:-

<b>Interested Directors</b>	<b>Ordinary Resolution No.</b>	<b>Direct Shareholding</b>
Y. Bhg. Tan Sri Razali Bin Ismail	1 and 8	Nil
Mr. Foo San Kan	1 and 2	Nil
Y. Bhg. Dato' Dr. Thillainathan A/L Ramasamy	1, 2, 3 and 7	Nil
Y. Bhg. Tan Sri Datuk (Dr.) Rafiah Binti Salim	1 and 2	Nil
Y.A.M. Tunku Zain Al-'Abidin Ibni Tuanku Muhriz	1, 2 and 4	Nil

The Directors will abstain from voting on the respective resolutions stated above and they have also undertaken that they will ensure the persons connected to them will abstain from voting on the relevant resolutions that involve their interests and/or interest of persons connected to them at the 44th AGM.

#### **E. NOTE TO HOLDERS OF IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES ("ICPS")**

The holders of the ICPS shall be entitled to attend the 44th AGM but have no right to vote at the 44th AGM. The voting rights of the ICPS holders are detailed in the Articles of Association (Constitution) published in the Company's website at [allianz.com.my](http://allianz.com.my).

Allianz SE



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Your ref.:

Our ref., Date

bt  
14.02.2018

Dear Sirs

Re : Notice of Nomination of Messrs PricewaterhouseCoopers PLT as Auditors

We, being a major shareholder of Allianz Malaysia Berhad ("AMB"), do hereby give notice of our nomination of Messrs PricewaterhouseCoopers PLT as Auditors of AMB in place of Messrs KPMG PLT, who will be retiring at the forthcoming Annual General Meeting of AMB in 2018 ("AMB 2018 AGM") and our intention to propose the following resolution as an ordinary resolution at the AMB 2018 AGM:

"That Messrs PricewaterhouseCoopers PLT be and are hereby appointed as Auditors of the Company in place of the retiring Auditors, Messrs KPMG PLT and to hold office until the conclusion of the next Annual General Meeting at a remuneration to be fixed by the Directors."

Yours faithfully

**ALLIANZ SE**

  
Dr. Roman Sauer  
Uwe Michel