

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other independent adviser immediately.

Bursa Malaysia Securities Berhad (“Bursa Securities”) has not perused the contents of Part B of this Circular pertaining to the Proposed Adoption (as defined herein) as it is prescribed as an exempt circular pursuant to Practice Note 18 of the Main Market Listing Requirements of Bursa Securities.

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**ALLIANZ MALAYSIA BERHAD (12428-W)**  
(Incorporated in Malaysia)

**CIRCULAR TO SHAREHOLDERS**

**IN RELATION TO THE**

**PART A : PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE AND PROPOSED NEW SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

**PART B : PROPOSED ADOPTION OF THE NEW CONSTITUTION OF THE COMPANY**

The resolutions in respect of the above proposals will be tabled as Special Business at the forthcoming 45th Annual General Meeting of the Company. The Notice of the 45th Annual General Meeting and the Form of Proxy are despatched together with the Annual Report 2018 of the Company and this Circular.

A member of the Company entitled to attend and vote at the meeting is entitled to appoint proxy/proxies to attend, speak and vote on his/her behalf. The Form of Proxy shall be lodged 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 24 hours before the appointed time for holding the 45th Annual General Meeting. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

Date and time of the 45th Annual General Meeting : Thursday, 30 May 2019 at 11.00 a.m.

Venue of the 45th Annual General Meeting : Grand Ballroom, Level 2  
Aloft Kuala Lumpur Sentral  
5 Jalan Stesen Sentral, Kuala Lumpur Sentral  
50470 Kuala Lumpur

Last day and time for lodging the Form of Proxy : Wednesday, 29 May 2019 at 11.00 a.m.

This Circular is dated 30 April 2019

## **PART A**

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## **PART B**

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## DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:-

Act	:	Companies Act 2016, as amended from time to time and any re-enactment thereof
AGIC	:	Allianz General Insurance Company (Malaysia) Berhad, a wholly-owned subsidiary of Allianz Malaysia Berhad
AGM	:	Annual General Meeting
ALIM	:	Allianz Life Insurance Malaysia Berhad, a wholly-owned subsidiary of Allianz Malaysia Berhad
AMB or Company	:	Allianz Malaysia Berhad
AMB Group	:	AMB and its subsidiary companies
Allianz SE	:	A major shareholder and holding company of AMB
Allianz SE Group	:	Allianz SE and its subsidiary and associated companies
AMB Share	:	Ordinary share in AMB
Bursa Securities	:	Bursa Malaysia Securities Berhad
Director	:	Shall have the meaning given in Section 2 (1) of the Capital Markets and Services Act 2007 and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a director of AMB, its subsidiary or holding company, or a chief executive officer of AMB, its subsidiary or holding company
EUR	:	The official currency of the European Union
ICPS	:	Iredeemable Convertible Preference Share in the Company
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
major shareholder	:	A person who has an interest or interests in one or more voting shares in the Company and the number or aggregate number of those shares, is:- (a) 10% or more of the total number of voting shares in the Company; or (b) 5% or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company.

For the purpose of this definition, "interest in shares" shall have the meaning given in Section 8 of the Act. A major shareholder includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a major shareholder of AMB or any other corporation which is its subsidiary or holding company

M&A : The Memorandum and Articles of Association of the Company

person connected : In relation to a Director or major shareholder, means such person who falls under any one of the following categories:-

- (a) a family member of the Director or major shareholder;
- (b) a trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which the Director or major shareholder or a family member of the Director or major shareholder, is the sole beneficiary;
- (c) a partner of the Director or major shareholder;
- (d) a person, or where the person is a body corporate or its directors, who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the Director or major shareholder;
- (e) a person, or where the person is a body corporate or its directors, in accordance with whose directions, instructions or wishes the Director or major shareholder is accustomed or is under an obligation, whether formal or informal, to act;
- (f) a body corporate in which the Director or major shareholder or persons connected with him are entitled to exercise, or control the exercise of, not less than 20% of the votes attached to voting shares in the body corporate; or
- (g) a body corporate which is a related corporation of the Director or major shareholder.

For the purpose of this definition in relation to a person, "family" means such person who falls within any one of the following categories:-

- (i) spouse;
- (ii) parent;
- (iii) child including an adopted child and step-child;
- (iv) brother or sister; and
- (v) spouse of the person referred to in items (iii) and (iv) above

- Proposed Adoption : Proposed adoption of the new Constitution of the Company as detailed in Appendix III of Part B of this Circular, in place of the existing M&A
- Proposed Shareholders' Mandate : Proposed renewal of shareholders' mandate for AMB Group to enter into existing and new Recurrent Related Party Transactions
- Related Party : A "Director", "major shareholder" or "person connected" with such Director or major shareholder
- Related Party Transaction : A transaction entered into by the Company or its subsidiaries which involves the interest, direct or indirect, of a Related Party
- Recurrent Related Party Transaction : A Related Party Transaction which is recurrent, of a revenue or trading nature and which is necessary for the AMB Group's day-to-day operations
- SGD : The official currency of Singapore
- USD : The official currency of United States

*Words importing the singular shall, where applicable, include the plural and vice versa, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders.*

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**PART A**

**PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE AND PROPOSED NEW  
SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A  
REVENUE OR TRADING NATURE**



**ALLIANZ MALAYSIA BERHAD (12428-W)**  
(Incorporated in Malaysia)

**Registered Office:-**

Level 29, Menara Allianz Sentral  
203, Jalan Tun Sambanthan  
Kuala Lumpur Sentral  
50470 Kuala Lumpur

30 April 2019

Board of Directors:-

Tan Sri Datuk (Dr.) Rafiah Binti Salim (Chairman – Independent Non-Executive Director)  
Foo San Kan (Non-Independent Non-Executive Director)  
Dato' Dr. Thillainathan A/L Ramasamy (Independent Non-Executive Director)  
Tunku Zain Al-'Abidin Ibni Tuanku Muhriz (Independent Non-Executive Director)  
Marzida Binti Mohd Noor (Independent Non-Executive Director)  
Solmaz Altin (Non-Independent Non-Executive Director)  
Renate Wagner (Non-Independent Non-Executive Director)

To: **The Shareholders of AMB**

Dear Shareholders

**PROPOSED SHAREHOLDERS' MANDATE**

**1. INTRODUCTION**

At the 44th AGM of the Company held on 22 May 2018, the Company obtained a renewal of the mandate from its shareholders for the AMB Group to enter into recurrent related party transactions of a revenue or trading nature which are necessary for its day-to-day operations with the Related Parties.

The said mandate shall lapse at the conclusion of the forthcoming 45th AGM unless authority for its renewal is obtained from the shareholders of the Company.



On 21 February 2019, AMB announced that it proposes to seek shareholders' approval to renew the shareholders' mandate in order for AMB and its subsidiaries to continue enter into the Recurrent Related Party Transactions provided that such transactions are made at arm's length, in the ordinary course of business, on terms which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

The purpose of this Circular is to provide you with information on the Proposed Shareholders' Mandate and to seek your approval on the ordinary resolutions in respect of the Proposed Shareholders' Mandate to be tabled at the forthcoming 45th AGM of the Company scheduled to be held at Grand Ballroom, Level 2, Aloft Kuala Lumpur Sentral, 5, Jalan Stesen Sentral, Kuala Lumpur Sentral, 50470 Kuala Lumpur on Thursday, 30 May 2019 at 11.00 a.m.

## **2. DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATE**

### **2.1 Background**

Pursuant to Paragraph 10.09 (2) of the Listing Requirements, the Company may seek mandate from its shareholders for the Recurrent Related Party Transactions subject to, inter alia, the following:-

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;
- (b) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where:-
  - (i) the consideration, value of the assets, capital outlay or costs of the Recurrent Related Party Transactions is RM1 million or more; or
  - (ii) any one of the percentage ratios as prescribed in Paragraph 10.02 (g) of the Listing Requirements of such Recurrent Related Party Transaction is 1% or more,whichever is the higher;
- (c) in a meeting to obtain shareholders' mandate:-
  - (i) a related party with any interest, direct or indirect ("interested related party"), must not vote on the resolution in respect of the related party transaction;
  - (ii) an interested related party, must ensure that persons connected with him/her abstain from voting on the resolution in respect of the related party transaction; and
  - (iii) where the interested related party is a person connected with, a Director or major shareholder, such person, as the case may be, must not vote on the resolution in respect of the related party transaction.

- (d) the Company immediately announces to Bursa Securities when the actual value of a Recurrent Related Party Transaction entered into by the Company, exceeds the estimated value of the Recurrent Related Party Transaction disclosed in this Circular by 10% or more and must include the information as prescribed under Practice Note 12 on Recurrent Related Party Transactions.

The Proposed Shareholders' Mandate once approved by the shareholders at the forthcoming 45th AGM will take effect from the passing of the ordinary resolutions proposed at the 45th AGM and will continue to be in force until:-

- (a) the conclusion of the next AGM of the Company following the forthcoming 45th AGM at which the Proposed Shareholders' Mandate is passed, at which time it will lapse, unless by an ordinary resolution passed at the said AGM, the authority is renewed; or
- (b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340 (2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340 (4) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders in a general meeting;

whichever is the earlier.

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 AMB 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 this 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 Shareholders' Mandate which allow the AMB Group, in its ordinary course of business, to enter into categories of Recurrent Related Party Transactions with the Related Parties referred to in section 2.2 of this 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.

## 2.2 Nature of the Recurrent Related Party Transactions and Related Parties

The Proposed Shareholders' Mandate will apply to the Recurrent Related Party Transactions by the AMB Group with the following Related Parties:-

### (A) Allianz SE Group

Principal Activities of Related Party	Relationship	Nature of Recurrent Related Party Transactions	Mandate	Existing Mandate <sup>N1</sup>				Estimated value of income to the AMB Group <sup>N4</sup>	Estimated value of expenses to the AMB Group <sup>N4</sup>
				Income to the AMB Group		Expenses to the AMB Group			
				Estimated value <sup>N2</sup>	Actual value <sup>N3</sup>	Estimated value <sup>N2</sup>	Actual value <sup>N3</sup>		
Insurance operations and financial services	Allianz SE Group are deemed to be Related Parties via Allianz SE's direct interest as a major shareholder and holding company of AMB	<sup>(a)</sup> Reinsurance arrangement between AGIC and Allianz SE Group for general insurance business, where the risk and premium are shared between the parties in accordance with the reinsurance arrangements entered or to be entered into between the parties	Existing	RM40,000,000	RM12,383,542	RM210,000,000	RM85,857,797	RM30,000,000	RM200,000,000
		<sup>(a)</sup> Reinsurance arrangement between ALIM and Allianz SE Group for life insurance business, where the risk and premium are shared between the parties in accordance with reinsurance arrangements entered or to be entered into between the parties	Existing	RM10,000,000	RM213,150	RM150,000,000	RM61,378,770	RM10,000,000	RM150,000,000

Principal Activities of Related Party	Relationship	Nature of Recurrent Related Party Transactions	Mandate	Existing Mandate <sup>N1</sup>				Estimated value of income to the AMB Group <sup>N4</sup>	Estimated value of expenses to the AMB Group <sup>N4</sup>
				Income to the AMB Group		Expenses to the AMB Group			
				Estimated value <sup>N2</sup>	Actual value <sup>N3</sup>	Estimated value <sup>N2</sup>	Actual value <sup>N3</sup>		
		<sup>(b)</sup> Payment of fees by AGIC to Allianz SE Group for risk management services provided by Allianz SE Group pursuant to the reinsurance arrangements entered into between the parties	Existing	-	-	RM213,000/ USD 55,000	RM14,664/ USD 3,101	RM226,000/ USD 55,000	
		<sup>(c)</sup> Payment of annual maintenance and support fees by ALIM and AGIC to Allianz Technology SE ("Allianz Technology") for the software system provided by Allianz Technology	Existing	-	-	RM2,676,000/ EUR 563,000	RM533,244/ EUR 112,772	RM1,020,000/ EUR 220,000	
		<sup>(d)</sup> Payment of fees by AMB Group to Allianz Technology for sharing of Allianz Worldwide Intranet Network ("AWIN")	Existing	-	-	RM630,000/ EUR 132,200	RM474,248/ EUR 100,296	RM586,500/ EUR 126,400	
		<sup>(e)</sup> Payment of fees by AMB Group to Allianz Technology for sharing of Human Resource ("HR") database platform	Existing	-	-	RM200,000/ EUR 42,000	-	RM116,000/ EUR 25,000	

Principal Activities of Related Party	Relationship	Nature of Recurrent Related Party Transactions	Mandate	Existing Mandate <sup>N1</sup>				Estimated value of income to the AMB Group <sup>N4</sup>	Estimated value of expenses to the AMB Group <sup>N4</sup>
				Income to the AMB Group		Expenses to the AMB Group			
				Estimated value <sup>N2</sup>	Actual value <sup>N3</sup>	Estimated value <sup>N2</sup>	Actual value <sup>N3</sup>		
		<sup>(1)</sup> Payment of fees by AGIC and ALIM to Allianz Technology for purchasing of various software licenses	Existing	-	-	RM1,865,000/ EUR 387,000	RM1,116,869/ EUR 236,199	RM816,000/ EUR 176,000	
		<sup>(2)</sup> Payment of fees by AMB Group to Allianz Technology for the usage of TeamMate Solution	Existing	-	-	RM64,000/ EUR 13,500	-	RM85,000/ EUR 18,300	
		<sup>(2)</sup> Engagement of Allianz Technology, Munich branch Wallisellen for the support and maintenance support service on Expert Underwriting System	Existing	-	-	RM291,000/ EUR 62,000	-	RM312,000/ EUR 67,300	
		<sup>(1)</sup> Payment of fees by ALIM and AGIC to Allianz Technology for the leasing of license service of Thunderhead solution for the implementation of e-Policy	Existing	-	-	RM191,000/ EUR 41,000	RM69,546/ EUR 14,708	RM222,000/ EUR 48,000	
		<sup>(1)</sup> Payment of fees by ALIM to IDS GmbH ("IDS") for conducting performance attribution analysis	Existing	-	-	RM14,000/ EUR 2,900	-	RM14,000/ EUR 3,000	

Principal Activities of Related Party	Relationship	Nature of Recurrent Related Party Transactions	Mandate	Existing Mandate <sup>N1</sup>				Estimated value of income to the AMB Group <sup>N4</sup>	Estimated value of expenses to the AMB Group <sup>N4</sup>
				Income to the AMB Group		Expenses to the AMB Group			
				Estimated value <sup>N2</sup>	Actual value <sup>N3</sup>	Estimated value <sup>N2</sup>	Actual value <sup>N3</sup>		
		<sup>(k)</sup> Investment and redemption of funds (including fund management fees) distributed by Allianz Global Investors Singapore Limited ("AGI"), by ALIM	Existing	RM80,000,000	RM1,189,333	RM40,000,000	RM613,866	RM80,000,000	RM40,000,000
		<sup>(l)</sup> Payment of fees by AMB Group to Allianz Investment Management Singapore Pte Ltd ("AIM Singapore") for investment advisory services provided by AIM Singapore	Existing	-	-	RM3,800,000	RM2,973,846	-	RM3,800,000
		<sup>(m)</sup> Payment of fees by AGIC and ALIM to Allianz Global Investors Asia Pacific Limited ("AGI AP") for sharing of AGI Global Bloomberg Asset & Investment Manager database, IT support, maintenance and execution of equity transactions provided by AGI AP to AGIC and ALIM	Existing	-	-	RM692,000/ USD 179,200	RM370,999/ USD 90,402	-	RM734,000/ USD 179,200

Principal Activities of Related Party	Relationship	Nature of Recurrent Related Party Transactions	Mandate	Existing Mandate <sup>N1</sup>				Estimated value of income to the AMB Group <sup>N4</sup>	Estimated value of expenses to the AMB Group <sup>N4</sup>
				Income to the AMB Group		Expenses to the AMB Group			
				Estimated value <sup>N2</sup>	Actual value <sup>N3</sup>	Estimated value <sup>N2</sup>	Actual value <sup>N3</sup>		
		<sup>(n)</sup> Payment of fees by AGIC and ALIM to Allianz Investment Management SE ("AIM SE") and IDS for IT infrastructure and operational investment controlling and support services	Existing	-	-	RM174,432/ EUR 36,889	RM463,000/ EUR 97,500	RM174,432/ EUR 36,889	RM469,000/ EUR 101,120
		<sup>(o)</sup> Payment of fees by AGIC and ALIM to AIM SE for supporting advisory services in areas of investment processes	Existing	-	-	RM153,913/ EUR 32,550	RM330,000/ EUR 70,000	RM153,913/ EUR 32,550	RM361,000/ EUR 78,000
		<sup>(p)</sup> Payment of fees by AMB Group to Allianz SE for sharing of marketing measures undertaken by Allianz SE	Existing	-	-	RM1,892,894/ EUR 400,316	RM2,400,000/ EUR 496,000	RM1,892,894/ EUR 400,316	RM2,442,000/ EUR 527,200
		<sup>(q)</sup> Payment of fees by AGIC and ALIM to Allianz SE for sharing of Global Procurement (excluding IT) services and support rendered by Allianz SE	Existing	-	-	RM341,104/ EUR 72,138	RM355,000/ EUR 75,000	RM341,104/ EUR 72,138	RM282,000/ EUR 60,800

Principal Activities of Related Party	Relationship	Nature of Recurrent Related Party Transactions	Mandate	Existing Mandate <sup>N1</sup>				Estimated value of income to the AMB Group <sup>M4</sup>	Estimated value of expenses to the AMB Group <sup>M4</sup>
				Income to the AMB Group		Expenses to the AMB Group			
				Estimated value <sup>N2</sup>	Actual value <sup>N3</sup>	Estimated value <sup>N2</sup>	Actual value <sup>N3</sup>		
		<sup>(i)</sup> Payment of fees by AGIC and ALIM to Allianz SE Singapore Branch ("AZAP") for the business building advisory services and regional investment provided by AZAP	Existing	-	-	RM43,000,000/ EUR 9,100,000	RM17,283,410/ EUR 3,655,157	RM30,283,000/ EUR 6,600,000	-
		<sup>(i)</sup> Payment of fees by AGIC and ALIM to Allianz SE on the support of design and development for Global Digital Factory	Existing	-	-	RM110,000/ EUR 23,100	RM227,258/ EUR 48,061	RM94,000/ EUR 20,000	-
		<sup>(i)</sup> Payment of fees by ALIM and AGIC to Allianz SE for IT security services	Existing	-	-	RM680,000/ EUR 143,000	RM641,670/ EUR 135,703	RM685,000/ EUR 148,000	-
		<sup>(i)</sup> Payment of fees by AGIC to Allianz Worldwide Partners Services Sdn Bhd ("AWP") for road assistance services provided by AWP to AGIC's policyholders	Existing	-	-	RM4,753,000	RM579,425	RM4,200,000	-



Principal Activities of Related Party	Relationship	Nature of Recurrent Related Party Transactions	Mandate	Existing Mandate <sup>N1</sup>				Estimated value of income to the AMB Group <sup>N4</sup>	Estimated value of expenses to the AMB Group <sup>N4</sup>
				Income to the AMB Group		Expenses to the AMB Group			
				Estimated value <sup>N2</sup>	Actual value <sup>N3</sup>	Estimated value <sup>N2</sup>	Actual value <sup>N3</sup>		
		<sup>(2)</sup> Payment of fees by AGIC to Allianz SE to support the development and improvement of technical excellence	Existing	-	-	RM69,000/ EUR 14,300	RM66,203/ EUR 14,001	-	RM67,000/ EUR 14,300
		<sup>(2)</sup> Payment of fees by AGIC to Allianz SE for the usage of software licenses purchased by Allianz SE from Willis Towers Watson	Existing/ New	-	-	RM65,000/ EUR 13,600	RM33,889/ EUR 7,167	-	RM328,100/ EUR 71,000
		<sup>(2)</sup> Payment of fees by ALIM and AGIC to Allianz SE for the development of Allianz One Finance Programme	Existing/ New	-	-	RM89,000/ EUR 19,000	RM82,893/ EUR 17,531	-	RM149,000/ EUR 32,100
		<sup>(2)</sup> Operational fees received by AGIC for the services rendered by AGIC to Euler Hermes Singapore Services Pte Ltd ("EHS")	Existing	RM122,000	RM91,990	-	-	RM121,500	-
		<sup>(2)</sup> Fees received by ALIM for the provision of regional underwriting services by ALIM to AZAP	Existing	RM366,000/ SGD 125,000	RM298,032/ SGD 98,961	-	-	RM392,000/ SGD 130,000	-

Principal Activities of Related Party	Relationship	Nature of Recurrent Related Party Transactions	Mandate	Existing Mandate <sup>N1</sup>				Estimated value of income to the AMB Group <sup>N4</sup>	Estimated value of expenses to the AMB Group <sup>N4</sup>
				Income to the AMB Group		Expenses to the AMB Group			
				Estimated value <sup>N2</sup>	Actual value <sup>N3</sup>	Estimated value <sup>N2</sup>	Actual value <sup>N3</sup>		
		<sup>(6a)</sup> Fees received by AMB for providing life actuarial modeling services to Allianz SE Group under the Regional Actuarial Center of Competence	Existing	RM2,400,000	RM1,435,106	-	-	RM2,400,000	-
		<sup>(6b)</sup> Payment of fees by AMB Group to Allianz Technology for the implementation of Allianz Global Network	Existing	-	-	RM2,860,000/ EUR 595,000	RM245,982/ EUR 52,021	-	RM1,979,000/ EUR 427,200
		<sup>(6c)</sup> Payment of annual maintenance fees by AMB Group to Allianz Technology for SAP Central Accounting Platform/Investment Management Accounting	Existing	-	-	RM3,820,000/ EUR 803,000	RM2,079,438/ EUR 439,767	-	RM3,720,000/ EUR 803,000
		<sup>(6d)</sup> Payment of fees by AMB to Allianz Technology to support the implementation and maintenance of infrastructure for actuarial modeling and recharge of cost incurred to Allianz SE Group	Existing	RM2,100,000/ EUR 436,000	-	RM2,600,000/ EUR 545,000	RM393,881/ EUR 83,299	RM2,100,000/ EUR 436,000	RM2,600,000/ EUR 545,000

Principal Activities of Related Party	Relationship	Nature of Recurrent Related Party Transactions	Mandate	Existing Mandate <sup>N1</sup>				Estimated value of income to the AMB Group <sup>N4</sup>	Estimated value of expenses to the AMB Group <sup>N4</sup>
				Income to the AMB Group		Expenses to the AMB Group			
				Estimated value <sup>N2</sup>	Actual value <sup>N3</sup>	Estimated value <sup>N2</sup>	Actual value <sup>N3</sup>		
		<sup>(e)</sup> Payment of fees by AMB Group to Allianz SE for the implementation of global cyber insurance solution	Existing	-	-	RM14,000/ EUR 2,900	RM6,253/ EUR 1,322	-	RM14,000/ EUR 2,900
		<sup>(f)</sup> Payment of fees by AGIC to AZAP for subscription of the regional application license interface ("API") platform	Existing	-	-	RM686,000/ USD 160,000	RM576,677/ USD 140,519	-	RM721,000/ USD 176,000
		<sup>(g)</sup> Payment of fees by AGIC and ALIM to AZAP for subscription of ABACUS, an enterprise architect software	New	-	-	-	-	-	RM24,000/ USD 5,900
		<sup>(h)</sup> Payment of fees by ALIM to Milvik Malaysia Sdn Bhd for providing insurance services*	New	-	-	-	-	-	RM1,176,000
		<sup>(i)</sup> Fees received by AMB for providing audit services to Allianz SE Group under the Regional Audit Hub	New	-	-	-	-	RM44,000/ EUR 9,500	-

(1) The exchange rate used for the above transactions are based on the following:-

(a) Average exchange rates for the past 11 months, from 1 May 2018 to 31 March 2019, for the actual value of expenses and income to the AMB Group, subject to fluctuations:-

- (i) SGD 1 : RM3.0116
- (ii) EUR 1 : RM4.7285
- (iii) USD 1 : RM4.1039

(b) As at 31 March 2019, for the estimated value of expenses and income to the AMB Group, subject to fluctuations:-

- (i) SGD 1 : RM3.0237
- (ii) EUR 1 : RM4.6322
- (iii) USD 1 : RM4.0958

(2) The Proposed Shareholders' Mandate to be sought shall be based on the foreign currency as stated above for the respective Recurrent Related Party Transactions.

**(B) Rapidpro Consulting Sdn Bhd ("Rapidpro")**

Principal Activities of Related Party	Relationship	Nature of Recurrent Related Party Transactions	Mandate	Existing Mandate <sup>N1</sup>				Estimated value of income to the AMB Group <sup>N4</sup>	Estimated value of expenses to the AMB Group <sup>N4</sup>
				Income to the AMB Group	Expenses to the AMB Group	Actual value <sup>N3</sup>	Actual value <sup>N3</sup>		
				Estimated value <sup>N2</sup>	Estimated value <sup>N2</sup>	Actual value <sup>N3</sup>	Actual value <sup>N3</sup>		
Consultancy and training services	The sister and brother in-law of Zakri Bin Mohd Khir, Non-Independent Executive Director of AGIC and Chief Executive Officer of AMB and AGIC, namely Norah Mariam Binti Mohd Khir and Mohammed Farooq are Directors and major shareholders of Rapidpro	<sup>(i)</sup> Payment of fees by ALIM and AGIC to Rapidpro for consulting and training services rendered by Rapidpro	Existing	-	RM847,000	-	RM400,150	-	RM1,410,000

**Notes:**

- <sup>N1</sup> Refers to existing mandate obtained from the 44th AGM held on 22 May 2018 up to the 45th AGM to be held on 30 May 2019.
- <sup>N2</sup> Estimated value as disclosed in the preceding year's circular to shareholders dated 23 April 2018.
- <sup>N3</sup> Actual value incurred since the 44th AGM held on 22 May 2018 to 31 March 2019, being the latest practicable date prior to printing of this Circular.
- <sup>N4</sup> The estimated value of the transactions set out above are based on values transacted for the period of 12 months from 1 January 2018 to 31 December 2018 or the estimated amount to be transacted for the period from 1 January 2018 to 31 December 2018.
- <sup>N5</sup> As the AMB Group is in the insurance business, the figures (actual or contingent) do not include payments obligations arising from claims duly made pursuant to any insurance policies issued.
- \* This transaction is subject to regulatory approval.
- (a) Reinsurance is an arrangement for the transfer or sharing of business risk, to another or between insurance and reinsurance companies. For the purposes of the Proposed Shareholders' Mandate, where AGIC/ALIM enters into reinsurance arrangements with a related party, and vice versa, AGIC/ALIM incurs expenses or earned revenues from premiums or commissions payable or receivable pursuant to reinsurance arrangements entered into between the relevant parties.
- (b) This is in relation to the risk management surveys to be conducted by Allianz SE Group to evaluate the risks to be underwritten under the reinsurance arrangements to be entered into between AGIC, Allianz SE Group and other insurers/reinsurers. The cost for conducting the risk management survey will be shared equally among all the co-insurers and reinsurers based on their respective percentage of participation in the reinsurance arrangement to be entered by all parties.
- (c) This is pertaining to a software system provided by Allianz Technology, a wholly-owned subsidiary of Allianz SE, to ALIM and AGIC. The said system is used as a core administrative system to support the business processes and critical customer services, which in turn will help in supporting the business growth of both ALIM and AGIC.
- (d) This is pertaining to AMB Group's sharing of cost for the use of AWIN, an international secured network platform made available by Allianz SE Group to all companies within the Allianz SE Group. Via AWIN, the AMB Group will be able to access to the expertise, technical know-how and best practices of the Allianz SE Group.

- (e) *This is pertaining to the standard tools and applications to provide a common HR database that will lead to uniformity in HR practices and procedures globally. Via a common HR platform, AMB Group will be able to access to the expertise and best practices of the Allianz SE Group. AMB Group will also be benefited from economies of scale for not having to procure its own tools for similar application. The data is managed locally by HR of AMB Group.*
- (f) *This is in relation to the purchase of software licenses (new licenses and renewal) from Allianz Technology. The objective of Allianz Technology is to deliver IT and Non-IT services to all companies of Allianz SE Group at competitive prices. Under this arrangement, AGIC and ALIM will obtain higher level of discounts from the global software vendors sourced by Allianz Technology.*
- (g) *This is in relation to engagement of Allianz Technology, who will provide the infrastructure and support service to Internal Audit Department such as maintaining/upgrading of server, database solution as well as application maintenance support and other supports service. With this centralised setup installation, Internal Audit Department's working papers and other documents related to audit (for example, audit references and supporting documents) will be stored centrally, thus able to be viewed by all internal auditors. It also serves as a resource information platform where standard audit working programme uploaded by operating entities within the Allianz SE Group in Asia Pacific region can be shared with other operating entities within the same region.*
- (h) *This is pertaining to Expert Underwriting System from Allianz Technology, Munich branch Wallisellen, a wholly-owned subsidiary of Allianz SE, to ALIM. The Expert Underwriting System is an automated underwriting system and new business applications that enable more interactive front end health data collection and evaluation for faster and uniform decision through self-maintained rule-set expert underwriting engine.*
- (i) *This is pertaining to the leasing of license service of Thunderhead solution from Allianz Technology, a wholly-owned subsidiary of Allianz SE, to ALIM and AGIC for the implementation of e-Policy. The implementation of e-Policy is aim to introduce a digital platform to deliver policy contracts, statements and letters via email to policyholders in order to reduce the turnaround time in delivery as well as moving into a more environmental friendly way of communication by reducing paper usage. Besides aligning with the Allianz SE Group Digital Transformation road map, the implementation of e-Policy also aims to enhance customer experience by enabling customers to view, download and print the policy contracts, statements and letters in customer portal as and when needed.*
- (j) *This is in relation to the engagement of IDS, a wholly-owned subsidiary of Allianz SE, by ALIM to conduct performance attribution analysis on ALIM's investment-linked funds in order for ALIM to identify and understand the factors contributing to the performance of the said funds.*
- (k) *This is in relation to the investment and redemption of funds (including fund management fees) distributed by AGI, an open-ended investment company wholly-owned by Allianz SE, by ALIM's investment-linked funds and life fund.*

- (l) *This is in relation to the engagement of AIM Singapore, a wholly-owned subsidiary of Allianz SE, for a range of investment advisory services including but not limited to enhancing the risk management procedures, improving long term investment returns and strengthening the capital base of the AMB Group.*
- (m) *This is in relation to the implementation of front end system ("FES") with the use of AGI Global Bloomberg Asset & Investment Manager ("BAIM") via the sharing of AGI Global BAIM database. As a result of the implementation of FES, ALIM and AGIC will outsource the central dealer role and responsibility in regard to equity trading to RCM Central Trading Desk ("RCM CTD"), an Asset Manager arm of Allianz SE in Hong Kong. RCM CTD offers higher standard of trade execution as its performance is continually assessed using Trade Cost Analysis to ensure trade orders given by fund managers are executed efficiently.*
- (n) *This is in relation to the engagement of AIM SE, a wholly-owned subsidiary of Allianz SE and IDS to provide investment management services, which are related to the functions, processes and reporting for investment, risk management and Allianz SE Group financial reporting for AGIC and ALIM.*
- (o) *This is in relation to engagement of AIM SE to provide advisory services for ALIM and AGIC in areas of investment processes including but not limited to asset liability management, investment strategy, financial control and investment operations on a global top down approach basis.*
- (p) *This is pertaining to AMB Group's sharing of cost for global marketing measures of common benefits undertaken by Allianz SE for all operating entities within the Allianz SE Group. The marketing measures undertaken by Allianz SE would further enhance the public awareness of the brand name of Allianz as well as the wide range of financial services and solutions provided by Allianz SE Group. In addition, with the centralisation of the marketing approach at the ultimate holding company level, AMB Group will be benefited from the cost-efficiency arising from the centralised approach with regard to the organisation and the evaluation of the marketing measures and hence, strengthen the AMB Group's customer bases as well as the revenues and profit in the core fields of the business of the AMB Group.*
- (q) *This is pertaining to AGIC and ALIM's sharing of cost for Global Procurement (excluding IT) from Allianz SE for all operating entities within Allianz SE Group. By participating in the Global Procurement (excluding IT), AGIC and ALIM are able to benefit from the services and support rendered by Allianz SE in the areas of negotiation and management of global deals, assist in initiating cross operating entities sourcing events, identify and ensure operating entities best practice sharing within the Allianz SE Group, as well as driving of joint procurement activities in the area of methods, tools and processes which would lead to cost savings and provision of specialised services which are not available locally.*

- (r) *This is in relation to the advisory services provided by AZAP to AGIC and ALIM as well as the investment for joint business development activities with the operating entities in Asia Pacific to strengthen the operational platform and to accelerate growth to be fit in the future.*
- (s) *This is pertaining to sharing of cost by AGIC and ALIM to support operating entities within Allianz SE Group in implementing Global Digital Factory by investing in people, process and technology. The Global Digital Factory is part of the Allianz SE Group Digital Transformation, which transforms existing customer journeys, designing and developing solutions to increase customer satisfaction, efficiency and effectiveness during these journeys. The said solutions aim to exploit the potential of digital technology capabilities in their design. The agile and collaborative approach within the Global Digital Factory allows a faster, customer-centric design and development of solutions with the aim of ensuring high customer satisfaction.*
- (t) *This is pertaining to sharing of cost by AGIC and ALIM to support the operating entities within Allianz SE Group in implementing of IT security services and controls with investment in people, process and technology. This initiative comprises of multiple measures to protect Allianz business, assets and prevent cyber-attacks.*
- (u) *This is in relation to the engagement of AWP, a wholly-owned subsidiary of Allianz SE, by AGIC to provide road assistance services for AGIC's policyholders who have purchased such services from AGIC. These services are also extended to Honda Malaysia Sdn Bhd's customers who have purchased motor insurance from AGIC under the Honda Insurance Package Programme.*
- (v) *This is pertaining to AGIC's sharing of cost arising from developing and improving of Property & Casualty ("P&C") technical excellence for all P&C operating entities within Allianz SE Group, through Global P&C. AGIC has been reaping benefits since the set up of Global P&C to be the centre of competence to support in identifying, defining and implementing best practices in technical excellence and to drive outstanding P&C excellence in underwriting. Global P&C, together with operating entities experts, conducts research and development, develops new technical tools and solutions, and provides support to AGIC in implementing and improving technical excellence. Through Global P&C, AGIC has access to a pool of group resources, of which Allianz's global technical insights can be incorporated into local endeavours. AGIC would benefit from this support and therefore ensuring its continuous underwriting profitability and sustainability.*
- (w) *This is pertaining to AGIC's sharing of cost for the use of software licenses developed by Willis Tower Watson ("WTW") paid by Allianz SE on behalf of all operating entities within Allianz SE Group. Through this arrangement, AGIC will achieve significant discount. The purpose of the software licenses developed by WTW is for the general insurance pricing.*



- (x) *This is pertaining to sharing of cost for developing Allianz One Finance programme for all operating entities within Allianz SE Group to fulfil statutory and new reporting requirements under the International Financial Reporting Standards (“IFRS”) 9 and IFRS 17. By participating in the Allianz One Finance programme, ALIM and AGIC will benefit by leveraging on Allianz SE’s know how and technical expertise on interpretation and application of accounting standards through the development of standardise platform solutions, system tools that enable faster and quicker turnaround time in reporting and implementation of new accounting standards.*
- (y) *This is in relation to the cooperation between AGIC and Euler Hermes Deutschland AG, Singapore Branch, a subsidiary of Allianz SE, to develop and distribute trade credit insurance product in Malaysia. Under this cooperation, personnel from EHS (part of the Euler Hermes Group), shall be based at AGIC’s premises and AGIC will charge EHS on the office space occupied by the EHS personnel and other services relating to, amongst others, administration, HR, finance provided by AGIC to EHS.*
- (z) *This is in relation to regional underwriting services rendered by ALIM to AZAP. With the provision of underwriting services to the Asia Pacific region, ALIM will be able to tap into regional underwriting best practices. This move augurs well for local talent and career development, without the need for relocation.*
- (aa) *This is in relation to life actuarial modeling services rendered by AMB to specific operating entities in the Asia Pacific region. By setting up the Regional Actuarial Center of Competence (“CoC”) to develop the actuarial modeling in Malaysia, AMB Group will be benefited from economic of scale for not having to develop such model individually, strengthen in-house technical knowledge on stochastic modeling and IFRS 17 reporting requirement and improve accuracy and efficiency of actuarial modeling as risk agility platform to provides better audit trail as well as enhanced control and governance. In addition, the Regional Actuarial CoC also provides a platform to leverage on actuarial talent and increase retention of actuarial modeling talents in AMB Group.*
- (bb) *This is pertaining to AMB Group’s sharing of cost for the use of Allianz Global Network made available by Allianz SE to all operating entities within Allianz SE Group. The Allianz Global Network connectivity would enable the AMB Group to implement and lead the SAP Central Accounting Platform (“CAP”)/Investment Management Accounting (“IMA”) shared platform solution as well as implementing the Regional Actuarial CoC for specific operating entities in Asia Pacific region.*
- (cc) *This is in relation to the engagement of Allianz Technology to provide infrastructure and application platforms. The implementation of SAP CAP/IMA for AGIC and ALIM is to ensure compliance with the upcoming accounting changes under two new international financial reporting standard namely IFRS 9, Financial Instruments and IFRS 17, Insurance Contracts by utilising standard tools and methodology developed by Allianz SE Group.*

- (dd) *AMB has set up a Regional Actuarial CoC to provide actuarial modeling services to specific operating entities in the Asia Pacific region. The actuarial model chosen by the Regional Actuarial CoC is RiskAgility MoSes, a global platform provided by Allianz Technology to run actuarial model to generate valuation/projection results. Allianz Technology will support, maintain and provide infrastructure to run RiskAgility MoSes models, which is IFRS 17 compliance, as well as serving other Allianz SE Group/regional/local statutory reporting in an auditable manner.*
- (ee) *This is in relation to the engagement of Global Insurance Management (“GIM”) to manage the cyber insurance on behalf of all operating entities within the Allianz SE Group. GIM will act as a single point of contact for brokers coordination on matters relating to cyber breaches, responsible in determining the limit and extend of coverage, selection of the risk carriers, analysing the requirements for the operating entities to provide insurance cover from losses and additional expenses from cyber incidents. Through this arrangement, AMB Group will be able to secure better premium for the global cyber insurance solution as compared to the standalone cyber insurance policy.*
- (ff) *This is pertaining to the subscription of the regional shared API platform, set up by AZAP. AGIC would be able to have access to the regional APIGEE licence capacity pool of 125 million API calls and in addition, be able to ride on the functionalities that are available in the regional shared platform. AGIC also can reuse all the API of the products that have been built on the regional shared API platform with minimal customisation for similar product in the future, thus resulting in cost saving for AGIC. With API being the current business trend in the industry, AGIC would be able to ride on the shared API platform, hence, reducing duplication and cost.*
- (gg) *This is pertaining to the subscription of enterprise architect software namely ABACUS from AZAP. ABACUS served as a standardised tool for data collection of IT infrastructure, application modules and business functions to align business objectives, IT planning and execution purposes, ultimately increase business interoperability and business agility to support dynamic change.*
- (hh) *This is in relation to the engagement of Milvik Malaysia Sdn Bhd (“BIMA”) for telemarketing, customer servicing and claims administration services for an ALIM’s micro-insurance product. Partnering with BIMA provides an edge for ALIM to reach out to the underserved communities, who are in need of micro-insurance coverage.*
- (ii) *This is in relation to IT and Actuarial audit services rendered by AMB to operating entities in the Asia Pacific region. By setting up the Regional Audit Hub to provide specialty audit services, AMB Group will benefit in strengthening its in-house technical knowledge, audit capabilities and ensure adequate levels of assurance especially in actuarial related processes and controls.*

- (ii) *This is in relation to the engagement of Rapidpro to provide consulting and training services to the employees and business partners of ALIM and AGIC. Rapidpro provides customised soft skills programmes and training specifically designed and developed together with the senior management team, marketing managers, business development managers and branch managers to ensure that the training programme added value to the operation areas including sales, services, leadership and technical.*

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## 2.3 The Outstanding Amount Owing by Related Parties Pursuant to Recurrent Related Party Transactions

The net principal outstanding balances due from the Related Parties under the Recurrent Related Party Transactions as at 31 December 2018, which exceeded the credit term for the periods as specified under the Practice Note 12, are detailed below:-

Company	Related Parties	less than 1 year	more than 1 year to 3 years	more than 3 years to 5 years	more than 5 years
		RM	RM	RM	RM
AMB	Allianz SE Group	335,739*	-	-	-
AGIC	Allianz SE Group	2,277,532**	-	-	-
ALIM	Allianz SE Group	2,383,398***	-	-	-
Total		4,996,669#	-	-	-

Notes:-

\* The total outstanding amount of RM335,739 were due from the following Related Parties pertaining to Regional Actuarial CoC and regional audit services rendered by AMB:-

- (i) AZAP;
- (ii) Allianz China Life Insurance Co Ltd;
- (iii) PT Asuransi Allianz Life Indonesia;
- (iv) Allianz Taiwan Life Insurance Co Ltd; and
- (v) Allianz Ayudhya Assurance Public Company Limited.

\*\* The total outstanding amount of RM2,277,532 were due from the following Related Parties:-

- (a) RM2,259,143 were pertaining to the reinsurance arrangements entered into between AGIC and the following Related Parties:-
  - (i) PT Asuransi Allianz Utama Indonesia;
  - (ii) Allianz Global Risk US;
  - (iii) Allianz Global Corporate & Specialty ("AGCS") SE;
  - (iv) Allianz General Laos; and
  - (v) AGCS German Branch.
- (b) RM18,389 was due from EHS pertaining to fees on services rendered by AGIC.

\*\*\* The total outstanding amount of RM2,383,398 were due from the following Related Parties:-

- (a) RM2,364,148 was pertaining to the reinsurance arrangements entered into between ALIM and Allianz SE Life Reinsurance.
- (b) RM19,250 was due from AZAP pertaining to the regional underwriting services rendered by ALIM.

- # RM2,548,305 of the total outstanding amount of RM4,996,669 has not exceeded the internal allowable credit period of 120 days.

As at 31 March 2019, AMB Group has collected RM3,290,946 out of RM4,996,669 from the Related Parties.

No late payment charges were imposed on the above outstanding balances as there is no late payment clause stipulated in the agreements entered into by the parties concerned.

The Management of AMB Group will continue monitoring the outstanding status and have undertaken collection efforts to recover the outstanding amount due from the Allianz SE Group:-

- (a) engaging with the relevant personnel in the Related Parties to deal with the individual items that made up to the outstanding balances; and
- (b) the senior management of the Related Parties have been notified.

The Board of Directors of AMB is of the opinion that it does not anticipate the overdue balances are irrecoverable in view that Allianz SE Group is the long term business partner of the AMB Group and has sound global credit rating and the outstanding amounts are pending the verification of documents and reconciliation with the Related Parties.

#### **2.4 Review Procedures for Related Party Transactions/Recurrent Related Party Transactions**

The AMB Group has established the necessary controls and procedures to ensure that Related Party Transactions/Recurrent Related Party Transactions undertaken are in compliance with the relevant regulatory requirements, among others, the transaction prices and terms are not more favourable to the Related Parties than those generally available to the third parties/public and are not to the detriment of the minority shareholders.

The procedures established by the AMB Group are as follows:-

- (a) A list of Related Parties (based on information furnished to AMB by the Directors, major shareholders and/or persons connected to such Directors or major shareholders) is circulated within the AMB Group and all operating entities within the AMB Group are required to report to the designated department on related party transactions entered into by the AMB Group. At the same time, the Related Parties will be notified that all Related Party Transactions/Recurrent Related Party Transactions are required to be undertaken on arm's length basis and are on transaction prices and terms not more favourable to the Related Parties than those extended to third parties/public and not to the detriment of the minority shareholders.

- (b) A procedural workflow documented the processes to monitor, track and identify Related Party Transactions/Recurrent Related Party Transactions as well as to seek the required approval for the Related Party Transactions/Recurrent Related Party Transactions has been established and implemented.
- (c) Save for exempted related party transactions by the authorities, all new Related Party Transactions/Recurrent Related Party Transactions will be reviewed by the Shareholders' Mandate Due Diligence Working Group and the Audit Committee before they are submitted to the Board of Directors for approval. All existing Recurrent Related Party Transactions will be reviewed annually by the Shareholders' Mandate Due Diligence Working Group and the Audit Committee and their findings will be submitted to the Board of Directors for deliberation.
- (d) Records will be maintained by the Company to capture Recurrent Related Party Transactions which are entered into pursuant to the Shareholders' Mandate.
- (e) Internal Auditors shall periodically review the procedures in respect of Related Party Transactions/Recurrent Related Party Transactions and report their observations to the Audit Committee.
- (f) The Audit Committee shall have overall responsibility for the determination of the review procedures with authority to sub-delegate to individuals or committees within the Company as they deem appropriate. If a member of the Audit Committee has an interest, as the case may be, he will abstain from any deliberation and decision making by the Audit Committee in respect of the said transaction. Such review methods and procedures may be modified, supplemented or replaced from time to time by the Audit Committee.
- (g) The Audit Committee shall annually review the procedures and processes for the Related Party Transactions/Recurrent Related Party Transactions. If during the reviews, the Audit Committee is of the view that the procedures and/or processes are not adhered to or are not sufficient to ensure that the transaction prices and terms are not more favourable to the Related Parties than those extended to third parties/public and/or the transaction is detrimental to the minority shareholders, the Audit Committee will:-
  - (i) First, discuss the relevant guideline or procedure concerned with the Chief Executive Officer to ascertain whether it is the guideline or procedure which is at fault or whether it is the fault of the person(s) delegated with the task of ensuring compliance or otherwise;
  - (ii) Second, if the fault is of the person rather than the guideline or procedure, the Audit Committee will discuss and recommend appropriate action to be taken against the person concerned for the Board of Directors' decision. If the defect lies with the guideline or procedure, then the Audit Committee will modify,

supplement or replace as may be required the relevant guideline or procedure and report such modification, supplement or replacement to the Board of Directors.

- (h) Factors that should be considered when reviewing the Related Party Transactions/Recurrent Related Party Transactions, include but are not limited to the following:-
- (i) transaction prices or contract rates;
  - (ii) terms and conditions of the contract;
  - (iii) efficiency, quality, level of service and/or expertise and/or technical support provided;
  - (iv) benefits arising from the services/products;
  - (v) satisfactory past year experience and working relationship; and
  - (vi) in respect of the insurance activities, pursuant to reinsurance, underwriting and treaty arrangements entered into between relevant parties.
- (i) Where practicable and/or feasible, at least two other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison for determining price and terms offered by/to the Related Parties are fair and reasonable as compared with those offered by/to unrelated third parties. In the event that quotation or comparative pricing from unrelated third parties cannot be obtained due to no availability of such product/service in the local market, the transaction price will be determined based on those offered by/to other unrelated third parties for the substantially similar type of transaction.

In the event a substantially similar type of transaction is not available, the transaction price shall be determined based on the quality, the level of support, the benefits arising from such product/service and any other factors that may be determined by the AMB Group to ensure that the Related Party Transaction/Recurrent Related Party Transaction is not detrimental to the AMB Group.

## **2.5 Threshold for Recurrent Related Party Transactions**

All Recurrent Related Party Transactions are subject to the approval of the appropriate levels of authority as determined by the Board of Directors of AMB from time to time, subject to the provisions of the Listing Requirements, the Act, and the guidelines issued by Bank Negara Malaysia.

## **2.6 Deviation**

There is no deviation where the actual value transacted of each Recurrent Related Party Transaction, from the date on which the existing mandate was obtained up to 31 March 2019 being the latest practicable date before the printing of this Circular, exceeds the estimated value of each Recurrent Related Party Transaction as disclosed in the preceding year's circular to shareholders by 10% or more.

## **2.7 Rationale for the Proposed Shareholders' Mandate and Benefit to the AMB Group**

The Proposed Shareholders' Mandate is intended to facilitate transactions in the normal course of business of the AMB Group which are transacted from time to time with the Related Parties, provided that they are carried out at arm's length and on terms not more favourable to the Related Parties than those generally available to the public and not to the detriment of the minority shareholders of the Company.

Investment holding and insurance underwriting are the principal businesses of the AMB Group. The Related Parties listed in section 2.2 of this Circular are also involved substantially, if not principally, in the insurance and reinsurance businesses as well as in activities which will complement the business of the AMB Group. It is anticipated that the Recurrent Related Party Transactions will occur on a frequent and recurrent basis in view of the complementary nature of the activities of the AMB Group and the Related Parties.

The Proposed Shareholders' Mandate will eliminate the need to make announcements to Bursa Securities or to convene separate general meetings or from time to time to seek shareholders' approval as and when potential Recurrent Related Party Transactions with the Related Parties arise, thereby reducing substantially the administrative time and expenses in convening general meetings, without compromising the corporate objectives or adversely affecting the business opportunities available to the AMB Group.

Given the complementary nature of the activities of the AMB Group and the activities of the Related Parties in section 2.2 of this Circular, it is in the interest of the AMB Group to transact with such Related Parties (in addition to their transactions with third parties in the ordinary course of business) so that the AMB Group can enjoy synergistic benefits. In addition, the AMB Group will also be able to enjoy the operational and business supports arising from the Recurrent Related Party Transactions.

## **2.8 Audit Committee Statement**

The Audit Committee of the Company has seen and reviewed the procedures mentioned in section 2.4 of this Circular and is of the view that the said procedures are sufficient to ensure that the Recurrent Related Party Transactions are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

The Audit Committee of the Company is also of the view that the AMB Group has in place adequate procedures and processes to monitor, track and identify Recurrent Related Party Transactions in a timely and orderly manner.



### 3. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

#### (A) Recurrent Related Party Transactions with Allianz SE Group

Allianz SE ("Interested Major Shareholder") is deemed interested in the Recurrent Related Party Transactions entered between the AMB Group and Allianz SE Group as it is a major shareholder of AMB.

Solmaz Altin, the Non-Independent Non-Executive Director of AMB, being the nominee of Allianz SE on the Board of AMB, is deemed interested in the Recurrent Related Party Transactions entered between the AMB Group and Allianz SE Group. Solmaz Altin has abstained and will continue to abstain from deliberation and voting (where applicable) on the Recurrent Related Party Transactions relating to Allianz SE Group at the Board meetings of AMB.

Renate Wagner, the Non-Independent Non-Executive Director of AMB, being the nominee of Allianz SE on the Board of AMB, is deemed interested in the Recurrent Related Party Transactions entered between the AMB Group and Allianz SE Group. Renate Wagner has abstained and will continue to abstain from deliberation and voting (where applicable) on the Recurrent Related Party Transactions relating to Allianz SE Group at the Board meetings of AMB.

Zakri Bin Mohd Khir, the Non-Independent Executive Director of AGIC and Chief Executive Officer of AMB and AGIC, being a nominee of Allianz SE, is deemed interested in the Recurrent Related Party Transactions entered between the AMB Group and Allianz SE Group. Zakri Bin Mohd Khir has abstained and will continue to abstain from deliberation and voting (where applicable) on the Recurrent Related Party Transactions relating to Allianz SE Group at the respective Board meetings of AGIC and AMB.

#### (B) Recurrent Related Party Transaction with Rapidpro

Zakri Bin Mohd Khir, the Non-Independent Executive Director of AGIC and Chief Executive Officer of AMB and AGIC, is deemed interested in the Recurrent Related Party Transaction entered between AGIC and Rapidpro, of which his sister and brother in-law are Directors and major shareholders of Rapidpro. Zakri Bin Mohd Khir has abstained and will continue to abstain from deliberation and voting (where applicable) on the Recurrent Related Party Transaction relating to Rapidpro at the Board meeting of AGIC.

Save as disclosed below, Solmaz Altin, Renate Wagner and Zakri Bin Mohd Khir (collectively referred to as "Interested Persons") and Interested Major Shareholder and/or persons connected to them have no direct or indirect interest in the shareholding of the Company as at 31 March 2019.

<b>Name</b>	<b>No. of Ordinary Shares Direct</b>	<b>%</b>	<b>No. of Ordinary Shares Indirect</b>	<b>%</b>
<b>Interested Persons</b>				
Zakri Bin Mohd Khir	100	^	-	-
Solmaz Altin	-	-	-	-
Renate Wagner	-	-	-	-
<b>Interested Major Shareholder</b>				
Allianz SE	115,362,295	65.26	-	-

Note:-

^ Negligible

The Interested Persons and the Interested Major Shareholder will abstain from voting in respect of their direct and/or indirect shareholdings on the relevant resolutions for the Proposed Shareholders' Mandate involving their interests and/or interests of persons connected to them at the forthcoming 45th AGM. The Interested Persons and the Interested Major Shareholder have undertaken that they will ensure that the persons connected with them will abstain from voting on the relevant resolutions to approve Recurrent Related Party Transactions involving their interests and/or interest of persons connected to them at the forthcoming 45th AGM.

#### **4. CONDITION OF THE PROPOSED SHAREHOLDERS' MANDATE**

The Proposed Shareholders' Mandate is subject to the approval of the shareholders of AMB at the forthcoming 45th AGM.

#### **5. DIRECTORS' RECOMMENDATION**

##### **(A) Recurrent Related Party Transactions with Allianz SE Group**

The Board of Directors (save for Solmaz Altin and Renate Wagner) having considered all aspects of the Proposed Shareholders' Mandate in relation to the Recurrent Related Party Transactions that involve the interest of Allianz SE Group ("Allianz SE Group RRPT"), are of the opinion that the Proposed Shareholders' Mandate in relation to Allianz SE Group RRPT is in the best interest of the AMB Group and recommended that shareholders vote in favour of the ordinary resolution in respect of the Proposed Shareholders' Mandate in relation to Allianz SE Group RRPT to be tabled at the forthcoming 45th AGM.

##### **(B) Recurrent Related Party Transaction with Rapidpro**

The Board of Directors having considered all aspects of the Proposed Shareholders' Mandate in relation to the Recurrent Related Party Transaction that involve the interest of Rapidpro ("Rapidpro RRPT"), are of the opinion that the Proposed Shareholders' Mandate in relation to Rapidpro RRPT is in the best interest of the AMB Group and recommended that shareholders vote in favour of the ordinary resolution in respect of the Proposed Shareholders' Mandate in relation to Rapidpro RRPT to be tabled at the forthcoming 45th AGM.

## **6. AGM**

The forthcoming 45th AGM, the notice of which is set out in the Annual Report 2018 of AMB and an extract of which in relation to the Proposed Shareholders' Mandate is enclosed in this Circular as Appendix IV, will be held at Grand Ballroom, Level 2, Aloft Kuala Lumpur Sentral, 5 Jalan Stesen Sentral, Kuala Lumpur Sentral, 50470 Kuala Lumpur on Thursday, 30 May 2019 at 11.00 a.m. or at any adjournment thereof, for the purpose of, inter alia, considering and, if thought fit, passing the ordinary resolutions on the Proposed Shareholders' Mandate to give effect to the Proposed Shareholders' Mandate.

A Form of Proxy for the 45th AGM is enclosed together with the Annual Report 2018. If you are unable to attend and vote in person at the 45th AGM, you may appoint a proxy or proxies to attend on your behalf by completing and returning the Form of Proxy in accordance with the instructions printed thereon to the Company's Registered Office at Level 29, Menara Allianz Sentral, 203, Jalan Tun Sambanthan, Kuala Lumpur Sentral, 50470 Kuala Lumpur not later than 24 hours before the appointed time for holding the 45th AGM. The lodging of the Form of Proxy will not preclude you from attending the 45th AGM and voting in person at the 45th AGM should you subsequently wish to do so.

## **7. FURTHER INFORMATION**

Shareholders are requested to refer to the Appendix I contained in this Circular for further information.

Yours faithfully  
For and on behalf of the Board of Directors  
**ALLIANZ MALAYSIA BERHAD**

**TAN SRI DATUK (DR.) RAFIAH BINTI SALIM**  
Chairman

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**PART B**

**PROPOSED ADOPTION OF THE NEW CONSTITUTION OF THE COMPANY**



**ALLIANZ MALAYSIA BERHAD (12428-W)**  
(Incorporated in Malaysia)

**Registered Office:-**

Level 29, Menara Allianz Sentral  
203, Jalan Tun Sambanthan  
Kuala Lumpur Sentral  
50470 Kuala Lumpur

30 April 2019

Board of Directors:-

Tan Sri Datuk (Dr.) Rafiah Binti Salim (Chairman – Independent Non-Executive Director)  
Foo San Kan (Non-Independent Non-Executive Director)  
Dato' Dr. Thillainathan A/L Ramasamy (Independent Non-Executive Director)  
Tunku Zain Al-'Abidin Ibni Tuanku Muhriz (Independent Non-Executive Director)  
Marzida Binti Mohd Noor (Independent Non-Executive Director)  
Solmaz Altin (Non-Independent Non-Executive Director)  
Renate Wagner (Non-Independent Non-Executive Director)

To: **The Shareholders of AMB**

Dear Shareholders

**PROPOSED ADOPTION OF THE NEW CONSTITUTION OF THE COMPANY**

**1. INTRODUCTION**

On 29 March 2019, the Board of Directors of AMB announced that the Company proposes to seek shareholders' approval for the proposed adoption of the new Constitution of the Company in place of the existing M&A at the forthcoming 45th AGM of the Company.

The purpose of this Circular is to provide you with information on the Proposed Adoption and to seek your approval for the Special Resolution 1 pertaining to the Proposed Adoption to be tabled at the forthcoming 45th AGM of the Company. The Notice of the 45th AGM together with the Form of Proxy are despatched together with the Annual Report 2018 of the Company and this Circular.

**YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR BEFORE VOTING ON THE SPECIAL RESOLUTION 1 PERTAINING TO THE PROPOSED ADOPTION AT THE FORTHCOMING 45TH AGM.**

## **2. DETAILS OF THE PROPOSED ADOPTION**

The Board of Directors of AMB proposes that the Company revokes the existing M&A in its entirety and in place thereof, with the new Constitution as set out in Appendix III of this Circular.

## **3. RATIONALE FOR THE PROPOSED ADOPTION**

The Proposed Adoption is primarily for the purpose of streamlining the existing M&A to be in line with the amendments made to the Listing Requirements as well as the prevailing statutory and regulatory requirements applicable to the Company, including the implementation of no par value regime under the Act which came into effect on 31 January 2017 ("No Par Value Regime").

Arising from the No Par Value Regime, amendments are also proposed to the rights attached to ICPS and adjustment to the conversion price of ICPS. The Proposed Adoption is therefore undertaken to ensure that the interests of the ICPS holders will not be prejudiced pursuant to the implementation of No Par Value Regime.

The Proposed Adoption will also enable the Company to comply with Bursa Securities' directive for listed issuers to amend their constitutions to reflect the amendments made to the Listing Requirements arising from the implementation of the Act, by 31 December 2019.

In view that substantial amount of changes are required to be made to the existing M&A, the Board of Directors of AMB proposes the adoption of a new Constitution which incorporated all the proposed amendments.

Please refer to Appendix II of this Circular for detailed amendments made to Articles 5A and 5B of the existing M&A with regard to the rights of ICPS and adjustment to the conversion price of ICPS, which have been incorporated in the new Constitution as detailed in Appendix III of this Circular.

## **4. EFFECTS OF THE PROPOSED ADOPTION**

The Proposed Adoption will not have any effect on the share capital, substantial shareholders' shareholdings, net assets per share, gearing or earnings per share of the Company.

## **5. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS**

None of the Directors and/or major shareholders and/or persons connected with them have any interest, direct or indirect, in the Proposed Adoption.

## **6. APPROVAL REQUIRED**

The Proposed Adoption is subject to the following approvals being obtained:

- (a) the ICPS holders at the forthcoming ICPS holders' meeting scheduled to be held at 10.00 a.m. on the same day and same venue of the 45th AGM of the Company; and
- (b) the shareholders at the forthcoming 45th AGM of the Company.

## **7. DIRECTORS' RECOMMENDATION**

The Board of Directors of AMB having considered all aspects of the Proposed Adoption, is of the opinion that the Proposed Adoption is in the best interest of the Company and it will not prejudice to the interests of the ICPS holders.

The Board of Directors of AMB recommends that shareholders vote in favour of the Special Resolution 1 in respect of the Proposed Adoption to be tabled at the forthcoming 45th AGM.

## **8. AGM**

The Notice of 45th AGM is set out in the Annual Report 2018 of AMB and an extract of which in relation to the Proposed Adoption is enclosed in this Circular as Appendix IV. The 45th AGM will be held at Grand Ballroom, Level 2, Aloft Kuala Lumpur Sentral, 5 Jalan Stesen Sentral, Kuala Lumpur Sentral, 50470 Kuala Lumpur on Thursday, 30 May 2019 at 11.00 a.m. or at any adjournment thereof, for the purpose of, inter alia, considering and, if thought fit, passing the Special Resolution 1 as set out in the Notice of 45th AGM, to give effect to the Proposed Adoption.

A Form of Proxy for the 45th AGM is enclosed together with the Annual Report 2018 of AMB. If you are unable to attend and vote in person at the 45th AGM, you may appoint a proxy or proxies to attend on your behalf by completing and returning the Form of Proxy in accordance with the instructions printed therein to the Company's Registered Office at Level 29, Menara Allianz Sentral, 203, Jalan Tun Sambanthan, Kuala Lumpur Sentral, 50470 Kuala Lumpur not later than 24 hours before the appointed time for holding the 45th AGM. The lodging of the Form of Proxy will not preclude you from attending the 45th AGM and voting in person at the 45th AGM should you subsequently wish to do so.

## **9. FURTHER INFORMATION**

Shareholders are requested to refer to the Appendices contained in this Circular for further information.

Yours faithfully

For and on behalf of the Board of Directors

**ALLIANZ MALAYSIA BERHAD**

**TAN SRI DATUK (DR.) RAFIAH BINTI SALIM**



**FURTHER INFORMATION****1. DIRECTORS' RESPONSIBILITY STATEMENT**

This Circular has been seen and approved by the Board of Directors of AMB who collectively and individually accept full responsibility for the accuracy of the information given herein and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement in this Circular misleading.

**2. MATERIAL CONTRACTS**

AMB Group has not entered into any material contracts (not being contracts entered into in the ordinary course of business) during the two (2) years up till 31 March 2019, being the latest practicable date before the printing of this Circular.

**3. MATERIAL ARBITRATION**

Save as disclosed below, as at 31 March 2019, being the latest practicable date before the printing of this Circular, AMB Group is not engaged in any material litigation, claim or arbitration, either as plaintiff or defendant, and Directors have no knowledge of any proceedings, pending or threatened against AMB Group or of any facts likely to give rise to any proceeding, which may materially and adversely affect the financial position or business of AMB Group:-

**In the Matter of Arbitration between AGIC and Virginia Surety Company Labuan Branch ("VSC")**

VSC had provided reinsurance support to Bright Mission Berhad\* (when it was known as Commerce Assurance Berhad ("CAB")) previously in respect of CAB's Extended Warranty Programme ("EWP").

AGIC took over the general insurance business of CAB on 1 January 2009 and this included the reinsurance business relating to the EWP.

The reinsurance transactions were initially on a facultative basis. However, as the business volume increased, the facultative arrangements became too expensive to administer. AGIC and VSC (collectively the "Parties") therefore negotiated and entered into a treaty reinsurance agreement upon terms, inter alia, that the reinsurance coverage was to be continuous subject to termination as provided for in the reinsurance agreement.

A dispute arose between the Parties on the continuing subsistence of the reinsurance agreement from 1 October 2011 onwards. AGIC's legal position is that the reinsurance continued to remain in force from 1 October 2011 and determined only on 30 September 2013. This is disputed by VSC who claim that the treaty reinsurance lapsed on 30 September 2011.

On 11 December 2013, AGIC commenced arbitration proceedings against VSC seeking, inter alia:-

- (i) A declaration that the reinsurance subsisted until 30 September 2013;
- (ii) A declaration that VSC will pay and/or indemnify AGIC for its claims and losses arising from the reinsurance for the period from 1 October 2011 to 30 September 2013; and
- (iii) Damages to be assessed including for loss of profits and breach of contract.

The hearing of the arbitration was bifurcated with the Arbitral Tribunal deciding on liability first and thereafter on quantum of damages if liability is established.

The hearing on liability has since concluded and an arbitration award has been made. The arbitration award dated 8 February 2018 made by 2 arbitrators of the Panel of 3 arbitrators, was in favour of VSC ("Award") whilst the Dissenting Arbitrator found in favour of AGIC.

The Award ordered AGIC to pay the following:-

- (i) RM30,593.64 as reimbursement of payment in respect of the Kuala Lumpur Regional Centre for Arbitration's administrative expenses;
- (ii) RM425,324.32 as reimbursement of payment in respect of fees and expenses of the arbitral tribunal;
- (iii) RM668,160.69 for costs and expenses incurred by VSC; and
- (iv) USD10,969.31 as reimbursement for costs incurred in respect of VSC's ex-employee.

AGIC's solicitors are of the view that there are reasonable grounds to seek a review of the majority decision, including to set aside the Award.

On this basis, an Originating Summons has been filed in the Kuala Lumpur High Court on 29 March 2018 to set aside the Award under section 37(2)(b)(ii) of the Arbitration Act 2005 ("Arbitration Act") and for a Reference of Questions of law under section 42 of the Arbitration Act. AGIC's solicitors presented their Oral Submissions (partially) at the hearing on 18 February 2019. Two further dates were fixed for continued hearing, namely 13 March 2019 and 18 April 2019. The hearing continued on 13 March 2019 during which VSC's solicitors presented its Oral Submissions and Further Written Submissions. The Court then directed that AGIC files its response to VSC's Further Written Submissions by 5 April 2019 and VSC to file any Reply Submissions by 15 April 2019. The hearing would continue on 18 April 2019.

\* Bright Mission Berhad was voluntarily wound up in 2017.

#### **4. DOCUMENTS AVAILABLE FOR INSPECTION**

The following documents are available for inspection at the Registered Office of the Company during normal business hours from the date of this Circular up to and including the date of the 45th AGM:-

- (a) The existing M&A;
- (b) Audited financial statements of AMB Group for the financial years ended 31 December 2017 and 31 December 2018 respectively; and
- (c) The relevant documents in respect of the material arbitration as referred to in section 3 above.

## Appendix II

The details of the proposed amendments to Article 5A and Article 5B of the existing M&A are set out below:-

<b>Existing M&amp;A</b>		<b>Proposed Amendments reflected in the New Constitution as set out in Appendix III of this Circular</b>	
Article 5A	<p>For the purpose of Articles 5A, 5B and 5C, "AMB Share(s)" refers to "Ordinary share(s) of RM1.00 each (or such other adjusted par value, as the case may be) in AMB".</p> <p>The irredeemable convertible preference shares of RM1.00 each ("New ICPS") shall confer on their holders the following rights:</p> <p style="margin-left: 40px;">Tenure : Perpetual</p> <p style="margin-left: 40px;">Conversion Price : Fixed at 1 new AMB Share and shall be satisfied by surrendering 1 New ICPS for each new AMB Share, subject to Adjustment to the Conversion Price as set out below. No cash is payable by the holder of the New ICPS upon conversion of the New ICPS to AMB Shares</p> <p style="margin-left: 40px;">Conversion Period : The New ICPS may be converted at any time on a date falling 12 months after the quotation date of the New ICPS</p> <p style="margin-left: 40px;">Conversion Rights : Each New ICPS entitles the registered holder, during the Conversion Period, to subscribe for new AMB Share(s) at the Conversion Price</p> <p style="margin-left: 40px;">Board Lot : For the purpose of trading on Bursa Securities, a board lot of New ICPS will be 100 New ICPS carrying the right to subscribe for 100 new AMB Shares or in such other denomination permitted by Bursa Securities from time to time</p> <p style="margin-left: 40px;">Dividend Rate : AMB shall have the discretion to decide whether to declare any dividend as well as the quantum of</p>	Clause 4.10 (A)	<p><del>For the purpose of Articles 5A, 5B and 5C, "AMB Share(s)" refers to "Ordinary share(s) of RM1.00 each (or such other adjusted par value, as the case may be) in AMB".</del></p> <p><del>The irredeemable convertible preference shares of RM1.00 each ("New ICPS") shall confer on their holders the following rights:</del></p> <p style="margin-left: 40px;"><del>Tenure : Perpetual</del></p> <p style="margin-left: 40px;"><del>Conversion Price : Fixed at 1 new AMB Share and shall be satisfied by surrendering 1 New ICPS for each new AMB Share, subject to Adjustment to the Conversion Price as set out below. No cash is payable by the holder of the New ICPS upon conversion of the New ICPS to AMB Shares.</del></p> <p style="margin-left: 40px;"><del>Conversion Period : The New ICPS may be converted at any time on a date falling 12 months after the quotation date of the New ICPS.</del></p> <p style="margin-left: 40px;"><del>Conversion Rights : Each New ICPS entitles the registered holder, during the Conversion Period, to subscribe for new AMB Share(s) at the Conversion Price.</del></p> <p style="margin-left: 40px;"><del>Board Lot : For the purpose of trading on Bursa Securities, a board lot of New ICPS will be 100 New ICPS carrying the right to subscribe for 100 new AMB Shares or in such other denomination permitted by Bursa Securities from time to time.</del></p> <p style="margin-left: 40px;"><del>Dividend Rate : AMB shall have the discretion to decide whether to declare any dividend as well as the quantum of</del></p>

Existing M&A	Proposed Amendments reflected in the New Constitution as set out in Appendix III of this Circular
<p>such dividend. No dividend shall be payable to the New ICPS holders if no dividend is declared for the AMB Share holders for the same financial year/period. Dividend, if declared, shall be a non-cumulative preferential dividend, in priority over all ordinary shares of the Company, where the dividend rate is equivalent to 1.2 times of the dividend rate of the AMB Shares declared for the same financial year/period and calculated based on the nominal value of the New ICPS. The right to receive the non-cumulative preferential dividend referred to in this Article shall cease once the New ICPS are converted into AMB Shares.</p> <p>Dividend Date : Dividends on the New ICPS shall be payable on the date dividends are paid on the AMB Shares</p> <p>Redemption : Not redeemable for cash</p> <p>Voting Rights : The New ICPS holders shall be entitled to vote in each of the following circumstances:</p> <ul style="list-style-type: none"> <li>• when the dividend or part of the dividend on the New ICPS is in arrears for more than 6 months;</li> <li>• on a proposal to wind-up AMB;</li> <li>• during the winding-up of AMB;</li> <li>• on a proposal that affect the rights attached to the New ICPS;</li> <li>• on a proposal to reduce the AMB's share capital; or</li> <li>• on a proposal for the disposal of the whole of the AMB's property, business and undertaking</li> </ul> <p>In any such case, the New ICPS holders shall be entitled to vote together with the holders of AMB Shares and exercise 1 vote for each New ICPS</p>	<p>such dividend. No dividend shall be payable to the New ICPS holders if no dividend is declared for the AMB Share holders for the same financial year/period. Dividend, if declared, shall be a non-cumulative preferential dividend, in priority over all ordinary shares of the Company, where the dividend rate is equivalent to 1.2 times of the dividend rate of the AMB Shares declared for the same financial year/period and calculated based on the <del>nominal</del> <del>value</del> number of the New ICPS. The right to receive the non-cumulative preferential dividend referred to in this Clause shall cease once the New-ICPS are converted into AMB Shares.</p> <p>Dividend Date : Dividends on the New ICPS shall be payable on the date dividends are paid on the AMB Shares.</p> <p>Redemption : Not redeemable for cash.</p> <p>Voting Rights : The New-ICPS holders shall be entitled to vote in each of the following circumstances:-</p> <ul style="list-style-type: none"> <li>• when the dividend or part of the dividend on the New ICPS is in arrears for more than 6 months;</li> <li>• on a proposal to wind-up AMB;</li> <li>• during the winding-up of AMB;</li> <li>• on a proposal that affect the rights attached to the New ICPS;</li> <li>• on a proposal to reduce the AMB's share capital; or</li> <li>• on a proposal for the disposal of the whole of the AMB's property, business and undertaking.</li> </ul> <p>In any such case, the New ICPS holders shall be entitled to vote together with the holders of AMB Shares and exercise 1 vote for each New ICPS held</p>

Existing M&A	Proposed Amendments reflected in the New Constitution as set out in Appendix III of this Circular
<p>held</p> <p>Save for the above, the New ICPS shall carry no right to vote at any general meeting of AMB</p> <p>Ranking of New ICPS : The New ICPS shall rank <i>pari passu</i> amongst all New ICPS in all respects. The New ICPS holders are also entitled to receive notices, reports and audited financial statements and attend any general meetings of AMB</p> <p>Ranking of new AMB Shares to be issued pursuant to the conversion of the New ICPS : All new AMB Shares to be issued upon the conversion of the New ICPS shall, upon allotment and issuance, rank <i>pari passu</i> in all respects with the then existing AMB Shares except that they shall not be entitled to any dividends, rights, allotments and/or other distributions where the entitlement date is prior to the allotment date of the new AMB Shares</p> <p>Adjustment to the Conversion Price : The Conversion Price will be adjusted at the determination of the Board of Directors ("Board") in the event there is an alteration of the par value of the AMB Shares by reason of consolidation or subdivision of the AMB Shares or under any other circumstances that are deemed necessary by the Board</p> <p>No adjustment to the Conversion Price shall be made unless it has been certified by a professional adviser or the external auditors of AMB. The formula for the Adjustment to the Conversion Price is set out in Article 5B</p> <p>Status : In the event of a winding up/liquidation of AMB, unless previously converted, all New ICPS will be converted by AMB into new AMB Shares at the</p>	<p>Save for the above, the New ICPS shall carry no right to vote at any general meeting of AMB.</p> <p>Ranking of New ICPS : The New ICPS shall rank <i>pari passu</i> amongst all New ICPS in all respects. The New ICPS holders are also entitled to receive notices, reports and audited financial statements and attend any general meetings of AMB.</p> <p>Ranking of new AMB Shares to be issued pursuant to the conversion of the New ICPS : All new AMB Shares to be issued upon the conversion of the New ICPS shall, upon allotment and issuance, rank <i>pari passu</i> in all respects with the then existing AMB Shares except that they shall not be entitled to any dividends, rights, allotments and/or other distributions where the entitlement date is prior to the allotment date of the new AMB Shares.</p> <p>Adjustment to the Conversion Price : The Conversion Price will be adjusted at the determination of the Board of Directors ("Board") in the event there is an alteration of the par value share capital of the Company AMB Shares by reason of consolidation or subdivision of the AMB Shares or under any other circumstances that are deemed necessary by the Board</p> <p>No adjustment to the Conversion Price shall be made unless it has been certified by a professional adviser or the external auditors of AMB. The formula for the Adjustment to the Conversion Price is set out in Clause Article 4.10 (B).</p> <p>Status : In the event of a winding up/liquidation of AMB, unless previously converted, all New ICPS will be converted by AMB into new AMB Shares at the</p>

Existing M&A		Proposed Amendments reflected in the New Constitution as set out in Appendix III of this Circular	
	<p>Conversion Price</p> <p>In the event of a bonus issue or a rights issue of AMB Shares or any other securities by AMB to the holders of AMB Shares, the New ICPS holders shall be entitled to a bonus issue or a rights issue of New ICPS or any other securities as may be determined by the Board</p> <p>In the event of repayment of capital by AMB (including any cancellation of capital which is lost or unrepresented by assets), each New ICPS holder will be entitled to participate in such repayment and shall rank <i>pari passu</i> with the then existing AMB Shares holders</p> <p>Listing : The New ICPS and the new AMB Shares to be issued arising from the conversion of the New ICPS shall be listed and quoted on the official list of Bursa Securities</p>		<p>Conversion Price.</p> <p>In the event of a bonus issue or a rights issue of AMB Shares or any other securities by AMB to the holders of AMB Shares, the <del>New</del> ICPS holders shall be entitled to a bonus issue or a rights issue of <del>New</del> ICPS or any other securities as may be determined by the Board.</p> <p>In the event of repayment of capital by AMB (including any cancellation of capital which is lost or unrepresented by assets), each <del>New</del> ICPS holder will be entitled to participate in such repayment and shall rank <i>pari passu</i> with the then existing AMB Shares holders.</p> <p>Listing : The <del>New</del> ICPS and the <del>new</del> AMB Shares to be issued arising from the conversion of the <del>New</del> ICPS shall be listed and quoted on the official list of Bursa Securities.</p>
Article 5B	<p>Subject to the provisions of Article 5A, the Conversion Price of the New ICPS, may from time to time be adjusted, calculated or determined by the Board in consultation with a professional adviser and certified by the professional adviser or external auditors (from time to time) of the Company in accordance with the following provisions:</p> <p>If and whenever an AMB Share by reason of any consolidation or subdivision has a different par value, then:</p> <p>(1) the Conversion Price shall be adjusted as follows:</p> <p>Such number of new AMB Share(s) that the holder of each New ICPS is entitled to receive from the conversion of one New ICPS prior to the adjustment shall be multiplied with the following formula:</p> <p><math>\frac{ONV}{RVN}</math> (The original nominal value for each AMB Share)  <math>\frac{RVN}{RVN}</math> (The revised nominal value for each AMB Share)</p>	Clause 4.10 (B)	<p>Subject to the provisions of <del>Article</del>-Clause 4.10 (A), the Conversion Price of the <del>New</del> ICPS, may from time to time be adjusted, calculated or determined by the Board <del>consultation with a professional adviser and certified by the professional adviser or external auditors (from time to time) of the Company</del> in accordance with the following provisions:-</p> <p><del>If and whenever an AMB Share by reason of</del> In the event of any alteration to the Company's share capital whether by way of consolidation of shares or subdivision of shares howsoever being effected <del>has a different par value</del>; then:-</p> <p>(a) the Conversion Price shall be adjusted as follows:-</p> <p>Such number of new AMB Share(s) that the holder of each <del>New</del>-ICPS is entitled to receive from the conversion of one <del>New</del> ICPS prior to the adjustment shall be multiplied with the following formula:-</p>

Existing M&A	Proposed Amendments reflected in the New Constitution as set out in Appendix III of this Circular
<p>(2) the par value of the new AMB Share(s) shall be adjusted to reflect the revised par value.</p> <p>Such adjustment shall be effective from the close of the market day (or such date as may be prescribed by Bursa Securities) immediately preceding the date when the AMB Shares are traded on Bursa Securities at the new par value subsequent to the consolidation or subdivision of the AMB Shares.</p>	<p><del>QAVV (The original nominal value for each AMB Share)</del>  <del>RNVV (The revised nominal value for each AMB Share)</del>  Revised number of AMB Share issued by AMB  Original number of AMB Share issued by AMB</p> <p>(2) <del>the par value of the new AMB Share(s) shall be adjusted to reflect the revised par value.</del></p> <p>(b) Notwithstanding of the above provision, no adjustment to the Conversion Price shall be made unless it has been certified by a professional adviser or Auditors.</p> <p><del>Such adjustment shall be effective from the close of the market day (or such date as may be prescribed by Bursa Securities) immediately preceding the date when the AMB Shares are traded on Bursa Securities at the new par value subsequent to the consolidation or subdivision of the AMB Shares.</del></p>

**Illustration on Adjustment to the Conversion Price**

**Assumption**

- Existing ICPS held by ICPS holder A : 20 ICPS
- Existing share capital of AMB : RM10.00 comprises of 10 AMB Shares (the shares were allotted at RM1.00 each)
- Conversion Price : 1 ICPS to 1 AMB Share, subject to adjustment to the Conversion Price
- Entitlement of ICPS holder A at conversion : 20 ICPS to 20 AMB Shares multiply with adjustment to the Conversion Price

**(a) Illustration 1**

Scenario for consolidation of ordinary shares

10 AMB Shares are consolidated into 5 AMB Shares prior to the conversion

Existing formula for the Conversion Price as per existing M&A:

AMB Share after consolidation	Nominal value per share after consolidation	Entitlement for AMB Shares at conversion	Total share capital
5 AMB Shares	RM2.00	20 AMB Shares x $\frac{RM1.00}{RM2.00} = 10$ AMB Shares	RM20.00

Proposed formula for the Conversion Price:

AMB Share after consolidation	Price per share after consolidation	Entitlement for AMB Shares at conversion	Total share capital
5 AMB Shares	RM2.00	20 AMB Shares x $\frac{5 \text{ AMB Shares}}{10 \text{ AMB Shares}} = 10$ AMB Shares	RM20.00



**(b) Illustration 2**

Scenario for subdivision of ordinary shares

10 AMB Shares are subdivided into 20 AMB Shares prior to the conversion

Existing formula for the Conversion Price as per existing M&A:

AMB Share after subdivision	Nominal value per share after subdivision	Entitlement for AMB Shares at conversion	Total share capital
20 AMB Shares	RM0.50	$20 \text{ AMB Shares} \times \frac{\text{RM}1.00}{\text{RM}0.50} = 40 \text{ AMB Shares}$	RM20.00

Proposed formula for the Conversion Price:

AMB Share after consolidation	Price per share after consolidation	Entitlement for AMB Shares at conversion	Total share capital
20 AMB Shares	RM0.50	$20 \text{ AMB Shares} \times \frac{20 \text{ AMB Shares}}{10 \text{ AMB Shares}} = 40 \text{ AMB Shares}$	RM20.00

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THE COMPANIES ACT 2016

MALAYSIA

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PUBLIC COMPANY LIMITED BY SHARES

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**CONSTITUTION**

**OF**

**ALLIANZ MALAYSIA BERHAD**

**(Company No. 12428-W)**

Incorporated on the 10th day of July 1972

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## 1. INTRODUCTION

### 1.1 Company's name

The name of the Company is Allianz Malaysia Berhad.

### 1.2 Registered office

The registered office of the Company will be situated in Malaysia.

### 1.3 Member's liabilities

The liability of the Member is limited.

### 1.4 Third Schedule

The Third Schedule of the Act shall not apply to the Company, except in so far as the same are repeated or contained in this Constitution.

## 2. DEFINITION

### 2.1 Definition

In this Constitution, unless there be something in the subject or context inconsistent therewith:-

#### **Words**

#### **Act**

#### **Meanings**

the Companies Act 2016 and any statutory modification, amendment or re-enactment thereof and any other legislation for the time being in force made thereunder and any written law for the time being in force concerning companies and affecting the Company;

#### **AMB Share**

refers to Ordinary share of the Company;

#### **Applicable Laws**

all laws, by-laws, regulations, rules, orders and/or official directions for the time being in force affecting the Company and its subsidiaries, including but not limited to the Act, the Listing Requirements and every other law for the time being in force concerning companies and affecting the Company and any other directives or requirements imposed on the Company by the Securities Commission and/or other relevant regulatory bodies and/or authorities;

#### **Auditors**

the auditors for the time being of the Company;

<b>Board</b>	the board of Directors of the Company and where the context permits or requires, shall mean the Directors whose number is not less than the required quorum acting as a board of Directors;
<b>Central Depositories Act</b>	the Securities Industry (Central Depositories) Act 1991;
<b>Clause</b>	any provisions in this Constitution as originally framed or as altered from time to time by Special Resolution in accordance with the Applicable Laws;
<b>Company or AMB</b>	means Allianz Malaysia Berhad, or the abovenamed Company by whatever name from time to time called;
<b>Constitution</b>	this Constitution as originally framed or as altered from time to time by Special Resolution;
<b>Depository</b>	means Bursa Malaysia Depository Sdn Bhd and/or its successors in title;
<b>Directors</b>	the directors for the time being of the Company;
<b>Exempt Nominee</b>	<b>Authorised</b> means an authorised nominee, as defined under the Central Depositories Act, which is exempted from compliance with the provisions of Section 25A (1) of the Central Depositories Act;
<b>ICPS</b>	the irredeemable convertible preference share(s) of the Company;
<b>Insurance</b>	includes indemnity of any kind;
<b>Listing Requirements</b>	means Main Market Listing Requirements of Bursa Malaysia Securities Berhad including any amendments to the Main Market Listing Requirements that may be made from time to time;
<b>market days</b>	means a day on which the stock market of Bursa Malaysia Securities Berhad is open for trading in securities;
<b>Member</b>	means any person/persons for the time being holding shares in the Company and whose names appear in the Register (except the Bursa Malaysia Depository Nominees Sdn Bhd) including Depositors whose name appear on the Record of Depositors;

<b>Office</b>	means the registered office for the time being of the Company;
<b>Ordinary Resolution</b>	has the meaning assigned thereto by the Act;
<b>Record of Depositors</b>	means the record of depositors provided by the Depository to the Company under Chapter 24.0 of the Rules of the Depository;
<b>Register</b>	means the Register of Members to be kept pursuant to the Act;
<b>Rules</b>	means the Rules of Bursa Malaysia Depository Sdn Bhd, including any amendment that may be made from time to time;
<b>SCMA</b>	the Securities Commission Malaysia Act 1993;
<b>Seal</b>	means the common seal of the Company;
<b>Secretary</b>	any person or persons appointed to perform the duties of the secretary of the Company;
<b>Securities Account</b>	means an account established by the Depository for a depositor for the recording of deposit of securities and for dealing in such securities by the Depositor;
<b>Securities Law</b>	has the meaning assigned to it under the SCMA, which shall include the SCMA, the Capital Markets and Services Act 2007, Central Depositories Act and any guidelines, written notices and circulars issued by the Securities Commission;
<b>Share Registrar</b>	means the share registrar appointed by the Company from time to time;
<b>Special Resolution</b>	has the meaning assigned thereto by the Act; and
<b>Stock Exchange or Bursa Securities</b>	means Bursa Malaysia Securities Berhad and includes any other stock exchange upon which the shares of the Company may be listed.

## 2.2 Interpretation

- (a) words importing the singular number include the plural and vice versa;
- (b) words importing the masculine include the feminine gender;

- (c) words importing persons shall include firms, partnership, companies and corporations;
- (d) a reference to a statute or a statutory provision herein shall be deemed to include any modification, re-enactment or consolidation thereof and any regulations, rules, orders or other statutory instruments made pursuant thereto;
- (e) expressions referring to “**writing**” shall include unless the contrary intention appears, references to printing, lithography, photography and any other modes of representing or reproducing words, letters, figures or marks in a visible form or in any other form or manner, whether in hard copy or in electronic form sent by way of an electronic communication or otherwise in a form that allows the document and/or information to be easily accessible and reproduced into written, electronic or visible form;
- (f) expressions referring to “**electronic communications**” shall include, but shall not be limited to unless the contrary intention appears, references to delivery of documents or information in electronic form by electronic means to the electronic mail address or any other address or number of the addressee, as permitted by the Applicable Laws; and
- (g) the headings and sub-headings in this Constitution are inserted for convenience of reference only and shall not affect the interpretation and construction of the provision therein.

### **3. OBJECTS AND POWERS**

#### 3.1 Objects

The Company shall have full capacity to carry on or undertake any business or activity; and shall have for these purposes the full rights, powers and privileges as contained in Section 21 of the Act, subject always that the business or activities are approved, or not otherwise objected to by any applicable authorities.

### **4. SHARE CAPITAL**

#### 4.1 Class of shares

The shares in the capital for the time being, whether it is original capital or increased capital, may be divided into several classes, and there may be attached thereto respectively any preferential, deferred qualified, or special rights, privileges or conditions or restrictions as to dividend, return of capital, voting or otherwise.

#### 4.2 Shares to be fully paid-up

No shares shall be issued by the Company except either as fully paid-up shares or upon the terms that the shares shall be paid-up in full within a specified period not exceeding three months after allotment. The rights attaching to shares of a class other than ordinary shares shall be expressed.

#### 4.3 Allotment of shares

Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares and subject to the terms of any subsisting agreement, provisions of this Constitution, Applicable Laws and to the provisions of any resolution of the Company, the Board may issue, allot or otherwise dispose of such shares to such persons at such price, on such terms and conditions, with such preferred, deferred or other special rights and subject to such restrictions and at such times as the Board may determine but the Board in making any issue of shares shall comply with the following conditions:-

- (a) in the case of shares other than ordinary shares, no special rights shall be attached until the same have been expressed in this Constitution and in the resolution creating the same;
- (b) no Director shall participate in a scheme that involves a new issuance of shares or other convertible securities to employees unless the Member in a general meeting have approved the specific allotment to be made to such Director.

#### 4.4 Special rights or restriction attached to shares

Without prejudice to the rights of holders of existing shares of the Company, any shares in the Company may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise as the Company may from time to time by ordinary resolution determine.

#### 4.5 Preference shares

Subject to Applicable Laws, any preference shares may be issued on the terms that they are, or at the option of the Company are liable, to be redeemed and may be issued to rank equally with or in priority to preference shares already issued.

#### 4.6 Rights of preference shareholder

Notwithstanding anything herein, all preference shareholders shall be deemed to have the same rights as ordinary shareholders as regard receiving notices, annual reports and audited financial statements and attending general meeting of the Company. Preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing the capital or winding up or sanctioning a disposal of the whole of the Company's property, business and undertaking or where the proposal to be submitted to the meeting directly, affects their rights or when the dividend or part of the dividend on the preference shares is more than six (6) months in arrears or during the winding-up of the Company.

#### 4.7 Amount payable on application

In the case of any offer by the Company of any of its shares to the public for subscription the amount payable on application on each share so offered shall not be less than five per centum (5%) of the offer price of the share.

4.8 Financial assistance

Unless otherwise provided in the Act, the Company shall not:-

- (a) give any financial assistance, whether directly or indirectly and whether by means of a loan, guarantee or the provision of security or otherwise, for the purpose of or in connection with a purchase or subscription made or to be made by any person for any shares in the Company or any shares in the holding company (if any) of the Company;
- (b) in any way, purchase, deal in or lend money on its own shares; or
- (c) give financial assistance, directly or indirectly for the purpose of reducing or discharging the liability, if a person has acquired shares in the Company or the holding company (if any) of the Company and the liability has been incurred by any person for the purpose of the acquisition of shares.

4.9 Issue shares subject to different conditions

The Company may make arrangements on the issue of shares to differentiate between the holders of such shares in the amount of calls to be paid and the time of payment of such calls.

4.10 ICPS

(A) Right of ICPS

The ICPS shall confer on their holders the following rights:-

Tenure	:	Perpetual
Conversion Price	:	Fixed at 1 new AMB Share and shall be satisfied by surrendering 1 ICPS for each new AMB Share, subject to Adjustment to the Conversion Price as set out below. No cash is payable by the holder of the ICPS upon conversion of the ICPS to AMB Shares.
Conversion Period	:	The ICPS may be converted at any time on a date falling 12 months after the quotation date of the ICPS.
Conversion Rights	:	Each ICPS entitles the registered holder, during the Conversion Period, to subscribe for new AMB Share(s) at the Conversion Price.
Board Lot	:	For the purpose of trading on Bursa Securities, a board lot of ICPS will be 100 ICPS carrying the right to subscribe for 100 new AMB Shares or in such other denomination permitted by Bursa Securities from time to time.

Dividend Rate	:	<p>AMB shall have the discretion to decide whether to declare any dividend as well as the quantum of such dividend. No dividend shall be payable to the ICPS holders if no dividend is declared for the AMB Share holders for the same financial year/period. Dividend, if declared, shall be a non-cumulative preferential dividend, in priority over all ordinary shares of the Company, where the dividend rate is equivalent to 1.2 times of the dividend rate of the AMB Shares declared for the same financial year/period and calculated based on the number of ICPS.</p> <p>The right to receive the non-cumulative preferential dividend referred to in this Clause shall cease once the ICPS are converted into AMB Shares.</p>
Dividend Date	:	<p>Dividends on the ICPS shall be payable on the date dividends are paid on the AMB Shares.</p>
Redemption	:	<p>Not redeemable for cash.</p>
Voting Rights	:	<p>The ICPS holders shall be entitled to vote in each of the following circumstances:-</p> <ul style="list-style-type: none"> <li>(a) when the dividend or part of the dividend on the ICPS is in arrears for more than 6 months;</li> <li>(b) on a proposal to wind-up AMB;</li> <li>(c) during the winding-up of AMB;</li> <li>(d) on a proposal that affects the rights attached to the ICPS;</li> <li>(e) on a proposal to reduce the AMB's share capital; or</li> <li>(f) on a proposal for the disposal of the whole of the AMB's property business and undertaking.</li> </ul> <p>In any such case, the ICPS holders shall be entitled to vote together with the holders of the AMB Shares and exercise 1 vote for each ICPS held.</p> <p>Save for the above, the ICPS holders shall carry no right to vote at any general meeting of AMB.</p>
Ranking of ICPS	:	<p>The ICPS shall rank <i>pari passu</i> amongst all ICPS in all respects. The ICPS holders are also entitled to receive notices, reports and audited financial statements and attend any general meetings of AMB.</p>

<p>Ranking of new AMB Shares to be issued pursuant to the conversion of the ICPS</p>	<p>:</p>	<p>All new AMB Shares to be issued upon the conversion of the ICPS shall, upon allotment and issuance, rank <i>pari passu</i> in all respects with the then existing AMB Shares except that they shall not be entitled to any dividends, rights, allotments and/or other distributions where the entitlement date is prior to the allotment date of the new AMB Shares.</p>
<p>Adjustment to the Conversion Price</p>	<p>:</p>	<p>The Conversion Price will be adjusted at the determination of the Board in the event there is an alteration of the share capital of the Company by reason of consolidation or subdivision of the AMB Shares or under any other circumstances that are deemed necessary by the Board.</p> <p>No adjustment to the Conversion Price shall be made unless it has been certified by a professional adviser or Auditors. The formula for the Adjustment to the Conversion Price is set out in Clause 4.10 (B).</p>
<p>Status</p>	<p>:</p>	<p>In the event of a winding up/liquidation of AMB, unless previously converted, all ICPS will be converted by AMB into new AMB Shares at the Conversion Price.</p> <p>In the event of a bonus issue or a rights issue of AMB Shares or any other securities by AMB to the holders of AMB Shares, the ICPS holders shall be entitled to a bonus issue or a right issue of ICPS or any other securities as may be determined by the Board.</p> <p>In the event of repayment of capital by AMB (including any cancellation of capital which is lost or unrepresented by assets), each ICPS holder will entitled to participate in such repayment and shall rank <i>pari passu</i> with the then existing AMB Shares holders.</p>
<p>Listing</p>	<p>:</p>	<p>The ICPS and the new AMB Shares to be issued arising from the conversion of the ICPS shall be listed and quoted on the official list of Bursa Securities.</p>



(B) Adjustment to the Conversion Price

Subject to the provisions of Clause 4.10 (A), the Conversion Price of the ICPS, may from time to time be adjusted, calculated or determined by the Board in accordance with the following provisions:

In the event of any alteration to the Company's share capital whether by way of consolidation of shares or subdivision of shares howsoever being effected, then:

(a) the Conversion Price shall be adjusted as follows:-

Such number of new AMB Share(s) that the holder of each ICPS is entitled to receive from the conversion of one ICPS prior to the adjustment shall be multiplied with the following formula:-

$$\frac{\text{Revised number of AMB Share issued by AMB}}{\text{Original number of AMB Share issued by AMB}}$$

(b) Notwithstanding of the above provision, no adjustment to the Conversion Price shall be made unless it has been certified by a professional adviser or the Auditors.

(C) Conversion procedure of ICPS

(a) Subject to fulfillment of the provision in Clause 4.10 (C), the ICPS holders may convert the ICPS into new AMB Shares at any time during the Conversion Period.

(b) In order to exercise the Conversion Rights in relation to one or more ICPS, an ICPS holder must:-

- (i) lodge during normal business hours at the specified office of the Share Registrar the duly completed conversion notice ("Conversion Notice");
- (ii) confirm and declare that the information provided by the ICPS holder is true, correct and is identical with the information provided by the ICPS holder to the Depository and further agree that in the event that such information differs from the information in the records of the Depository, the exercise by the ICPS holder of the Conversion Rights may be rejected by the Share Registrar at its sole and absolute discretion;
- (iii) authorise the Share Registrar to instruct the Depository to debit the quantity(ies) of securities specified from Securities Account(s) of the ICPS holder in connection with the exercise of the Conversion Rights by the ICPS holder;
- (iv) declare that the ICPS in respect of which the Conversion Rights are being exercised ("Conversion ICPS") are/have been designated as "free securities" in accordance with the provisions of the Rules and further agree that if the declaration is not true or correct, the exercise by the ICPS holder of the Conversion Rights may be rejected by the Share Registrar at its sole and absolute discretion;

- (v) authorise the Share Registrar to instruct the Depository to credit the quantity(ies) of new AMB Shares into the Securities Account(s) of the ICPS holder as stated on the Conversion Notice and for the notice of allotment to be despatched to the ICPS holder at the risk of the ICPS holder to the correspondence address as stated in the Conversion Notice;
  - (vi) confirm that after the submission of the Conversion Notice to the Share Registrar, the ICPS holder shall not dispose, transfer, charge or encumber the Conversion ICPS until the conversion exercise is completed by the debiting of the Conversion ICPS from the Securities Account(s) of the ICPS holder, or the exercise is rejected by the Share Registrar, whichever shall be applicable;
  - (vii) undertake to indemnify, and hold the Company and Share Registrar, harmless against any loss, damage, liability, cost or expense (including legal cost) that may be suffered or incurred by the Company or Share Registrar as a result of any demand, action and proceeding made in respect of or arising from the debiting of the Conversion ICPS from the Securities Account(s) of the ICPS holder, in reliance upon the Conversion Notice;
  - (viii) pay all stamp, issue, registration or other similar taxes or duties arising from the exercise of the Conversion Rights in relation to the ICPS as the Share Registrar may require to be paid;
  - (ix) if applicable, pay all fees and expenses for certificates for the new AMB Shares and expenses of, and the submission of any necessary documents required in order to effect the delivery of certificates for the new AMB Shares to the Depository and pay all fees and expenses for the crediting of the new AMB Shares into the Securities Account of the ICPS holder or its nominee(s) (as the case may be) under the provisions of the Central Depositories Act or the Rules; and
  - (x) execute all documents referred to in the Conversion Notice together with such evidence (if any) as the Share Registrar, or as the case may be, as the Depository may require, to determine the due execution of the Conversion Notice by or on behalf of the ICPS holder.
- (c) In exercising the Conversion Rights represented by the ICPS, the ICPS holders shall duly comply with and observe all exchange control and other statutory requirements as may be applicable from time to time.
- (d) The Company will not allow any ICPS holder to exercise the Conversion Rights in respect of any ICPS unless such ICPS are designated as "free securities" in accordance with the provisions of the Rules.
- (e) If the provisions of Clause 4.10 (C)(b) are not complied with, the Share Registrar may, at its absolute discretion and without liability on behalf of itself or the Company, refuse to recognise the conversion and the conversion of the relevant ICPS may accordingly be delayed or treated as invalid.

- (f) Upon the exercise of the Conversion Rights in accordance with Clause 4.10 (C)(b), the relevant ICPS will be debited by the Depository from the Securities Account of the ICPS holder under the provisions of the Central Depositories Act and the Rules.
- (g) Within eight (8) market days of the date of the receipt of the duly completed Conversion Notice after the relevant conversion date, the Company or the Share Registrar (as the case may be) will –
  - (i) allot and issue the new AMB Shares arising from the conversion of the relevant ICPS by a ICPS holder and authorise and instruct the Depository to credit the new AMB Shares into the Securities Account of the ICPS holder or its nominee(s) (as the case may be) under the provisions of the Central Depositories Act and the Rules;
  - (ii) despatch the notice of allotment to such ICPS holder by post at the risk of such ICPS holder at his address as furnished in the Conversion Notice; and
  - (iii) make an application for the quotation for the new AMB Shares on Bursa Securities.
- (h) Upon the fulfilment of all the matters referred to in Clause 4.10 (C)(b), the relevant certificate evidencing title to the ICPS, the Conversion Notice and any money(ies) tendered in accordance with Clause 4.10 (C)(b) may not be withdrawn or refunded without the consent in writing of the Company.
- (i) The Company shall in relation to all ICPS holders who exercise the Conversion Rights in relation to the ICPS, at such times and in such manner as may be prescribed by the Rules or agreed with the Depository, deposit with the Depository (or in accordance with its directions) share certificates issued in the name of Bursa Malaysia Depository Nominees Sdn. Bhd. (or such other nominee company as may be specified by the Depository) in respect of new AMB Shares which have been credited into the Securities Accounts of the aforesaid ICPS holders. No share certificate will be issued or delivered to the aforesaid ICPS holders.
- (j) As the AMB Shares are securities prescribed by Bursa Securities under the Central Depositories Act, all dealings on Bursa Securities in respect of the new AMB Shares shall be subject to the Central Depositories Act and the Rules.

In the event the ICPS are de-listed from the official list of Bursa Securities and the ICPS are withdrawn from the Depository, the ICPS will be allotted and issued to the ICPS holders in certificate form.

## **5. VARIATION OF RIGHTS**

### **5.1 Modification of rights**

If at any time the share capital, by reason of the issue of preference shares or otherwise, is divided into different classes of shares, the repayment of preference share capital other than

redeemable preference share capital or all or any of the rights and privileges attached to each class may (subject to the provisions of the Act) be modified, commuted, affected, abrogated or dealt with by agreement between the Company and any persons purporting to contract on behalf of that class, provided such agreement approved in writing by the holders of at least seventy-five per centum (75%) of the issued shares of that class confirmed by a Special Resolution passed at a separate general meeting of the holders of shares of that class, and all the provisions hereinafter contained as to general meeting shall, mutatis mutandis, apply to every such meeting, but so that the quorum thereof shall be Member holding or representing by proxy(ies) two-thirds (2/3) of the issued shares of the class provided always that where the necessary majority for such a Special Resolution is not obtained at the meeting, consent in writing, if obtained from the holders of at least seventy-five per centum (75%) of the issued shares of the class concerned within two (2) months of the meeting, shall be as valid and effectual as a special resolution carried at the meeting. This Clause is not by implication to curtail the power of modification which the Company would have if this Clause were omitted.

#### 5.2 Commission on subscription of shares

Subject to Applicable Laws, the Company may at any time pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares in the Company or procuring or agreeing to procure subscriptions (whether absolute or conditional) for any shares in the Company but so that if the commission shall be paid or payable out of capital the statutory conditions and requirements shall be observed and complied with and the commission shall not exceed ten per centum (10%) of the price at which the shares are issued. The commission may be paid or satisfied in cash or in shares, debentures or debenture stock of the Company.

#### 5.3 Trust not to be recognised

Except as required by the Act and subject to Clause 9.1 of this Constitution, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future, or partial interest in any share or unit of share or (except only as by this Constitution or by law otherwise provided) any other rights in respect of any share except in an absolute right to the entirety thereof in the registered holder.

#### 5.4 Shares certificates

- (a) No Member is entitled to a certificate in respect of any deposited security except in accordance with the Rules and any Applicable Laws.
- (b) The Depository or its nominee company shall be entitled to receive jumbo certificates in denominations requested by the Depository or its nominee company for the Deposited Security which shall be issued in accordance with the Central Depositories Act and the Rules. If the Depository or its nominee company shall require more than one jumbo certificate in respect of the Deposited Security, it shall pay such fee as the

Directors may from time to time determine and which the Company may be permitted to charge by law and by the Stock Exchange plus any stamp duty payable under any law for the time being in force.

- (c) Every certificate shall be issued under the share seal or Seal in such form as the Board shall from time to time prescribe and shall bear the signature of at least two Directors or a Director and the Secretary or some other person appointed by the Board in place of the Secretary; and shall specify the number and class of shares or securities to which it relates and the issue price of the shares or securities.

## **6. CALLS ON SHARES**

### **6.1 Board may make calls**

The Board may from time to time make such calls as they think fit upon the Member in respect of any moneys unpaid on the shares held by them respectively, and not by the conditions of allotment thereof made payable at fixed times. Each Member or his legal representative shall (subject to receiving at least fourteen (14) days' notice specifying the date, time and place of payment except in the case of calls payable at fixed times pursuant to the conditions of allotment) pay the amount of every call so made on him to the Company and at the time and places as specified in the notice. A call may be revoked or postponed as the Board may determine.

### **6.2 When call deemed made**

A call shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed. Any call may be made payable either in one sum or by instalments. No Member shall be entitled to receive any dividend or to exercise any privilege as a Member until he shall have paid all calls for the time being due and payable on every share held by him together with interest and expenses (if any).

### **6.3 Terms of issue may be treated as call**

If by the terms of issue of any shares or otherwise any amount is made payable at any fixed times or by instalments at fixed times, on account of the amount of the share, every such amount or instalment shall be payable as if it were a call duly made by the Board and of which due notice had been given, and all the provisions herein contained in respect of calls, forfeiture or otherwise shall relate to such amount or instalment accordingly.

### **6.4 Interest on unpaid calls**

If the sum payable in respect of any call or instalment is not paid on or before the day appointed for payment thereof, the holder for the time being of the share in respect of which the call shall have been made or the instalment shall be due shall pay interest for the same at

such rate not exceeding eight per centum (8%) per annum from the day appointed for the payment thereof to the time of the actual payment or at such lesser rate as the Board may determine. Notwithstanding the foregoing, the Board may waive the payment of such interest wholly or partly as they deem fit.

6.5 Evidence in action for call

On the trial or hearing of any action for the recovery of any money due for any call it shall be sufficient to prove that the name of the Member sued is entered in the Register or Record of Depositors as the holder or one of the holders of the shares in respect of which such debt accrued, that the resolution making the call is duly recorded in the minute book and that notice of such call was duly given to the Member sued in pursuance of this Constitution, and that such call or instalment has not been paid, and it shall not be necessary to prove the appointment of the Board who made such call or that the meeting at which any call was made was duly convened and constituted or any other matter whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

6.6 Calls may be paid in advance

The Board may, if they think fit, receive from any Member willing to advance the same, all or any part of the money due upon the shares held by him, beyond the sums actually called for and upon the money so paid in advance, or so much thereof as from time to time exceeds the amount of calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate not exceeding eight per centum (8%) per annum (unless the Company in general meeting shall otherwise direct) as may be agreed upon by the Member paying such sum in advance and the Board, but such amount paid in advance of calls shall not, whilst carrying interest, confer a right to participate in dividend.

**7. LIEN**

7.1 Company's lien on shares

The Company shall have a first and paramount lien upon all the shares (not being fully paid-up shares) registered in the name of each Member and shall be restricted to such unpaid calls and instalments upon the specific shares in respect of which such moneys are due and unpaid, and to such amounts as the Company may be called upon by laws to pay and has paid in respect of the shares of the Member or deceased Member. Any such lien shall extend to all dividends from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer shall operate as a waiver of the Company's lien (if any) on such shares. The Board may at any time declare any share to be wholly or in part exempted from the provisions of this Clause.

7.2 Lien may be enforced by sales of shares

For the purpose of enforcing such lien, the Board may sell the shares subject thereto in such manner as they think fit, but no sale shall be made until such time as a sum in respect of which the lien exists is presently payable and until there is default in payment of the same at the expiration of fourteen (14) days from a written notice, stating and demanding payment of such part of the amount in respect of which the privilege or lien exist as is presently payable has been given to the registered holder for the time being of the share, or the person entitled to the share by reason of the death or bankruptcy of the registered holder.

7.3 Application of proceeds of sale

The proceeds of the sale after payment of the amount of all costs of such sale and of any attempted sale shall be received by the Company and applied in payment of such part of the amount in respect of which lien exists as is presently payable and the residue, if any, shall (subject to a similar lien for sums not presently payable which exists over the shares before the sale) be paid to the person entitled to the shares at the date of the sale or his executors, administrators or assignees or as he directs.

7.4 Board may effect transfer

To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer and the Board shall not be bound to see to the application of the purchase money, nor shall the purchaser's title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.

## 8. FORFEITURE OF SHARES

8.1 Consequences of final payment not made

All shares issued by the Company otherwise than as fully paid-up shares shall be deemed to be issued upon the condition that if not paid for in full before the expiration of one week from the date upon which final payment was due, they shall be forfeited by the Board and it shall be the duty of the Board at the expiration of that period to forfeit the said shares. Notice of the forfeiture of any such shares shall forthwith be given to the Member.

8.2 Notice requiring payment

Subject to the provisions of Clause 8.1 hereof, if any Member fails to pay any call or instalment on or before the day appointed for the payment of the same, the Board may at any time thereafter, during such time as the call or instalment remains unpaid, serve a notice on such Member requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

8.3 Particulars in notice

The notice shall name a day (not being less than fourteen (14) days from the date of service of the notice) and a place or places on and at which such call or instalment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time and at the place appointed the shares in respect of which the call was made or instalment is payable will be liable to be forfeited.

8.4 Forfeiture

If the requisitions of any such notice as mentioned in Clause 8.3 are not complied with, any shares in respect of which the notice has been given may at any time thereafter before the payment of all calls or instalments, interest, and expenses due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.

8.5 Notice of forfeiture

When any shares shall have been so forfeited, a notice of forfeiture must be sent to the Member immediately prior to the forfeiture, within fourteen (14) days of the date of forfeiture, and an entry of the forfeiture with the date thereof, shall forthwith be made in the Register or Record of Depositors but no forfeiture shall in any manner be invalidated by any omissions or neglect to give such notice or to make such entry as aforesaid.

8.6 Forfeited shares become property of the Company

Any share so forfeited or forfeited under the provisions of Clause 8.1 hereof shall thereupon be deemed to be the property of the Company, and the Board may sell, re-allot or otherwise dispose of the same in such manner as the Board thinks fit. Certificates or other documents of title relating to forfeited shares shall be returned to the Company.

8.7 Power to annul forfeiture

Subject to the provisions of Clause 8.1 hereof the Board may at any time, before any share so forfeited shall have been sold, re-allotted, or otherwise disposed of, annul the forfeiture thereof upon such conditions as they think fit.

8.8 Liability of Member in respect of forfeited shares

Any Member whose shares have been forfeited shall, notwithstanding, be liable to pay and shall forthwith pay to the Company all calls, instalments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon from the time of the forfeiture until payment at the rate of eight per centum (8%) per annum, and the



Board may enforce the payment thereof if they think fit, but shall not be under any obligation to do so.

8.9 Procedure for sale of forfeited shares

The Company may receive the consideration, if any, given for a forfeited share on any sale, re-allotment or disposition thereof and may execute the transfer of the share in favour of the person to whom the share is sold or disposed of and he shall be registered as the Member and shall not have his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share. Subject to any lien for sums not presently payable, if any, any residue of the proceeds of sale of shares which are forfeited and sold or disposed of, after the satisfaction of the unpaid calls or instalments payable at fixed times and accrued interest and expenses shall be paid to the person entitled to the shares immediately before the forfeiture thereof or his executors, administrators or assignees or as he directs.

8.10 Surrender of shares

The Board may accept a surrender of any shares when they are in a position to forfeit such share or by way of compromise of any question as to the holder being properly registered in respect thereof or in any other case allowed by law.

**9. INFORMATION OF SHAREHOLDING**

9.1 Company may require any information of a Member

The Company may, by notice in writing, require any Member within such reasonable time as is specified in the notice:-

- (a) to inform the Company whether he holds any voting shares in the Company as beneficial owner or as trustee; and
- (b) if he holds the voting shares as trustee, to indicate so far as he can, the persons for whom he holds the voting shares by name and by other particulars sufficient to enable those persons to be identified and the nature of their interest.

9.2 Company may require any information of beneficial interest

Where the Company is informed in pursuance of a notice given to any person under Clause 9.1 hereof or this Clause that any other person has an interest in any of the voting shares in the Company, the Company may by notice in writing require that other person within such reasonable time as is specified in the notice:-

- (a) to inform the Company whether he holds that interest as beneficial owner or as trustee; and
- (b) if he holds the interest as trustee, to indicate so far as he can, the persons for whom he holds such interest by name and by other particulars sufficient to enable them to be identified and the nature of their interest.

## **10. TRANSFER OF SHARES**

### **10.1 No restriction on fully paid shares**

Subject to the provisions of the Central Depositories Act and the Rules, there shall be no restriction on the transfer of fully paid shares except where required by Applicable Laws, and no share shall in any circumstances be transferred to any minor, bankrupt or person of unsound mind.

### **10.2 Transfer of listed securities of Company**

The transfer of any listed security or class of listed security of the Company shall be by way of book entry by the Depository in accordance with the Rules and the Applicable Laws, and any exemption that may be made from compliance with the provisions of the Act, the Company shall be precluded from registering and effecting any transfer of the listed securities which have been deposited with Depository by the Company.

## **11. TRANSMISSION OF SHARES**

### **11.1 Transmission of securities from foreign registers**

Where:-

- (a) the securities of the Company are listed on another stock exchange; and
- (b) the Company is exempted from compliance with Section 14 of the Central Depositories Act or Section 29 of the Securities Industry (Central Depositories) (Amendment) Act 1998, as the case may be, under the Rules in respect of such securities,

the Company shall, upon request of a securities holder, permit a transmission of securities held by such securities holder from the register of holders maintained by the Share Registrar in the jurisdiction of the other stock exchange, to the register of holders maintained by the Share Registrar in Malaysia and vice versa provided that there shall be no change in the ownership of such securities.

11.2 Transmission of death

In the case of the death of a Member or debenture holder, the person recognised as having any title to his interest in the shares or debentures shall be:-

- (a) where the deceased was a sole holder, the legal personal representatives of the deceased ; and
- (b) where the deceased was a joint holder, the survivor

but nothing in this Clause shall release the estate of the deceased joint holder from any liability in respect of any share or debenture which had been jointly held by him with other persons.

11.3 Share of deceased or bankrupt Member

Subject to any other provisions of this Constitution, any person becoming entitled to a share in consequence of the death or bankruptcy of a Member may, upon such evidence as to his title being produced as may from time to time be required by the Board in their absolute discretion, and subject as hereinafter provided either be registered himself as holder of the share or transfer the share to some other person, but the Board shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by that Member before his death or bankruptcy.

11.4 Notice of election

Subject to any other provisions of this Constitution, if the person so becoming entitled elects to be registered himself, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects. If he elects to have another person registered, he shall testify his election by executing to that person a transfer of the shares. All the limitations, restrictions and provisions of this Constitution relating to the rights to transfer shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the Member had not occurred and the notice or transfer were signed by such Member.

11.5 Rights of unregistered executors and trustees

Subject to any other provisions of this Constitution, a person becoming entitled to a share in consequence of the death or insolvency of a Member shall be entitled to receive and give a discharge for any dividends or other moneys payable in respect of the share, but shall not be entitled to vote at meetings of the Company or (save as aforesaid) to any of the rights or privileges of a Member until he shall have become a Member in respect of the share.

## **12. CONVERSION OF SHARES INTO STOCK**

### **12.1 Definition**

All such provisions of this Constitution as are applicable to paid-up shares shall apply to stock and in all such provisions the words "share" and "shareholder" shall include "stock" and "stockholder".

### **12.2 Shares may convert into stock**

The Company may, from time to time, by Ordinary Resolution passed at a meeting of Member, convert all or any of its paid up shares into stock and may from time to time, in like manner, re-convert any such stock into paid up shares of any denomination.

### **12.3 Transfer of stock**

When any shares have been converted into stock, the stockholders may transfer the same or any part thereof in the same manner and subject to the same in this Constitution and subject to which the shares from which the stock arose might, before the conversion, have been transferred, or as near thereto as circumstances will admit; but the Board may, if they think fit, from time to time fix the minimum amount of stock transferable, and restrict or forbid the transfer of fractions of that minimum.

### **12.4 Participation of stockholders**

The stockholders shall according to the amount of stock held by them, have the same rights, privileges and advantages with regard to dividends, voting at meetings of the Company and other matters as if they held the shares from which the stock arose, but no such rights, privileges or advantages (except the participation in the dividends and profits of the Company and in the assets on winding up), shall be conferred by any amount of the stock which would not, if existing in shares, have conferred such rights, privileges or advantages.

## **13. ALTERATION OF CAPITAL**

### **13.1 Power to alter share capital**

The Company may by Special Resolution:-

- (a) Consolidate and divide all or any of its share capital, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived.

- (b) Cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken, by any person, and diminish the amount of its share capital by the amount of the shares so cancelled.
- (c) Subdivide its shares or any of the shares, whatever is in the subdivision, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived.
- (d) Reduce its share capital in any manner authorised by the Act.

#### 13.2 Purchase of own shares

The Company may, subject to its obtaining such approval from the relevant authorities (if required) and to its compliance with the Act, purchase its own shares. Any shares so purchased by the Company shall be dealt with in accordance with the Act. The provisions of Clauses 13.1 (a) to (d) hereof shall not affect the power of the Company to cancel any shares or reduce its share capital pursuant to any exercise of the Company's powers under this Clause.

### 14. INCREASE OF CAPITAL

#### 14.1 Increase of share capital

The Company may from time to time by Ordinary Resolution increase its share capital by the creation of new shares of such amount as prescribed in the resolution.

#### 14.2 Terms and conditions of issuance of new shares

The new shares shall be issued upon such terms and conditions, and with such rights and privileges annexed thereto as the general meeting resolving upon the creation thereof shall direct, and if no direction be given, as the Board shall determine and in particular such shares may be issued with a preferential or qualified right to dividends, and in the distribution of assets of the Company, and with a special or without any right of voting.

#### 14.3 Issuance of new shares to Member

Subject to any direction to the contrary that may be given by the Company in general meeting, all new shares or other convertible securities shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled. The offer shall be made by notice specifying the number of shares or securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or

securities offered, the Board may dispose of those shares or securities in such manner as they think most beneficial to the Company. The Board may likewise also dispose of any new share or security which (by reason of the ratio which the new shares or securities bear to shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the Board, be conveniently offered under this Clause.

#### 14.4 Ranking of new shares

Except so far as otherwise provided by the conditions of issue or by this Constitution, any share capital raised by the creation of new shares shall be considered part of the original share capital, and shall be subject to the provisions herein contained with reference to the payment of calls and instalments, transfer and transmission, forfeiture, lien, surrender and otherwise.

### 15. GENERAL MEETING

#### 15.1 General meeting

The Company shall in every calendar year hold an annual general meeting in addition to any other meetings held in that year, within six (6) months of the Company's financial year end and not more than fifteen (15) months after the last preceding annual general meeting. All other general meetings of the Company shall be called "extraordinary general meeting".

#### 15.2 Requisition of meeting

A meeting of Member other than an annual general meeting shall be convened on such requisition as referred to the relevant provisions of the Act, or if the Company makes default in convening a meeting in compliance with a requisition received pursuant to the relevant provisions of the Act, a meeting may be convened by the requisitionists in the manner provided in the relevant provisions of the Act. Any meeting convened by requisitionists shall be convened in the same manner, as nearly as possible, as that in which meetings are to be convened by the Board.

#### 15.3 Business of meeting called by requisition

In the case of an extraordinary general meeting called in pursuance of a requisition, no business other than that stated in the requisition as the objects of the meeting shall be transacted.

#### 15.4 Notice of meeting

The notices convening general meeting shall specify the place, date and time of the meeting, and shall be given to all Member, Board and Auditors of the Company at least fourteen (14) days before the meeting or at least twenty-one (21) days before the meeting where any

Special Resolution is to be proposed or where it is an annual general meeting. Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business. At least fourteen (14) days' notice or twenty-one (21) days' notice in the case where any Special Resolution is proposed or where it is the annual general meeting, of every such meeting must be given by advertisement in at least one (1) nationally circulated Bahasa Malaysia or English daily newspaper and in writing to each Stock Exchange upon which the Company is listed. The notice of convening a meeting to consider a Special Resolution or an Ordinary Resolution shall specify the intention to propose the resolution as a Special Resolution or an Ordinary Resolution, as the case may be.

#### 15.5 Record of Depositors

- (a) The Company shall request the Depository in accordance with the Rules of the Depository, to issue a Record of Depositors to whom notices of general meetings shall be given by the Company.
- (b) The Company shall also request the Depository in accordance with the Rules, to issue a Record of Depositors, as at the latest date which is reasonably practicable which shall in any event be not less than three (3) market days before the general meeting ("General Meeting Record of Depositors").
- (c) Subject to the Securities Industry (Central Depositories) (Foreign Ownership) Regulations 1991 (where applicable), a depositor shall not be regarded as a Member entitled to attend any general meeting and to speak and vote thereat unless his name appears in the General Meeting Record of Depositors.

#### 15.6 Omission to give notice

The accidental omission to give any notice of any meeting to or non-receipt of any such notice by any of the Member shall not invalidate the proceedings at any general meeting or any resolution passed thereat.

### **16. PROCEEDINGS AT GENERAL MEETING**

#### 16.1 Business at meeting

The business of an annual general meeting shall be to lay the audited financial statements, the Directors' and Auditors' report, to elect Directors in place of those retiring by rotation or otherwise, to appoint and fix the remuneration of Auditors or determining the manner in which such remuneration is to be fixed, to declare dividends, to approve Directors' fees and benefits payable to Board, and to transact any other business which under this Constitution ought to be transacted at an annual general meeting.

16.2 Chairman of general meeting

The Chairman of the Board shall be entitled to take the chair at every general meeting or if there be no Chairman, or, if at any meeting he shall not be present within fifteen (15) minutes after the time appointed for holding such meeting, the Directors present shall choose one (1) of the Directors to act as Chairman of the meeting or if one Director only is present he shall preside as the Chairman if he is willing to act. If no Director be present, or if all the Directors present decline to take the chair, then the Member present in person and entitled to vote shall choose one of their number to be the Chairman. However, a proxy shall not be eligible for election as Chairman of the meeting and Section 336 of the Act shall not apply.

16.3 Chairman shall regulate the meeting

Subject to and in accordance with the provisions of the Act and the Listing Requirements and such other relevant law, regulation or guideline, the Chairman is allowed and shall have power, to the fullest extent permitted, to determine and/or regulate the proceedings at a general meeting including, where appropriate to determine the voting process in which a specific resolution shall be carried.

16.4 Quorum

No business shall be transacted at any general meeting unless a quorum is present. Save as herein otherwise provided, two (2) Members present in person and entitled to vote thereat shall form a quorum. For the purpose of this Clause, "Member" includes a person attending by proxy or by attorney or as duly authorised representative of a corporation which is a Member. A Member of the Company shall be entitled to be present and to vote at any general meeting in respect of any share or shares upon which all calls due to the Company have been paid.

16.5 Adjournment

If within half hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon such requisition of Member shall be dissolved, but in any other case it shall stand adjourned to the same day in the next week (or if that day is a public holiday, then to the next business day following that public holiday) at the same time and place, or to such other day, time and place as the Board may determine. If at such adjourned meeting a quorum is not present, the Member who is present shall be a quorum, and may transact the business for which the meeting was called.

16.6 Adjournment with consent of meeting

The Chairman of a meeting may, with the consent of the meeting, adjourn the same from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting



shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

16.7 Poll

A resolution put to vote at any general meeting shall be determined by poll. A poll shall be taken in such manner and either forthwith or after an interval or adjournment or otherwise as the Chairman directs and the result of the poll shall be the resolution of the meeting at which the poll was taken, but a poll demanded on the election of Chairman or on a question of adjournment shall be taken immediately. The Company shall appoint at least one (1) scrutineer for the purpose of a poll in accordance with the Act, and may, in addition to the power of adjourning meetings contained in Clause 16.6 hereof adjourn the meeting to some place and time fixed for the purpose of declaring the result of the poll. The poll may be conducted manually using voting slips or electronically using various forms of electronic voting devices. Such votes shall be counted by the poll administrator, and verified by the scrutineer(s), as may be appointed by the Company for the purpose of determining the outcome of the resolution(s) to be decided on poll.

16.8 Business may proceed notwithstanding demand of poll

The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

16.9 Voting rights

Subject to this Constitution, the Listing Requirements (as applicable) and to any rights or restrictions for the time being attached to any shares or classes of shares, at meetings of Member or classes of Member, each Member entitled to vote may vote in person or by proxy, or by attorney. On a resolution to be decided by a poll, every Member voting in person or by proxy or by attorney shall have one (1) vote for each share held by such Member.

16.10 Voting in case of lunatics

A Member who is of unsound mind or whose person or estate is liable to be dealt with in any way under the law relating to mental disorder may vote, by his committee or by such other person who properly has the management of his estate and any such committee or other person may vote by proxy or attorney.

16.11 Member barred from voting while call unpaid

Subject to the Applicable Laws and the Listing Requirements (as applicable), no Member shall be entitled to be present or to vote on any question, either personally or by proxy, or as proxy for another Member, at any general meeting, or upon a poll, or be reckoned in a quorum

whilst any call or other sum shall be due and payable to the Company in respect of any of the shares of such Member are due and unpaid.

16.12 Objection to qualification of voter

Subject to the Listing Requirements (as applicable), no objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the meeting whose decision shall be final and conclusive.

16.13 Evidence of passing of resolutions

The Chairman of the meeting declares whether or not the resolutions put to vote at a general meeting are carried, based on the poll results, which show the total number of votes cast on the poll (together with the percentage) in favour of and against the resolution, as announced by the scrutineer.

16.14 Minutes of general meetings and resolutions

Minutes shall be made in books provided for the purpose of all resolutions and proceedings at general meetings and any such minutes if signed by the Chairman of the meeting to which they relate or by the Chairman of the next succeeding general meeting, shall be receivable as evidence of the facts therein stated without further proof. Such books shall be kept at the Office of the Company and be made available for inspection by any Member without charge. Any Member shall be entitled to be furnished with a copy of any minutes specified under the relevant provisions of the Act within fourteen (14) days after he has made a request in writing to the Company at a charge not exceeding Ringgit Malaysia Two (RM2) for every one hundred (100) words.

**17. PROXY**

17.1 Appointment of proxy

The instrument appointing a proxy shall be in writing under the hand of the Member or of his attorney duly authorised in writing or if the Member is a corporation, shall either be executed under its common seal or under the hand of two (2) authorised officers, one of whom shall be a Director, or of its attorney duly authorised in writing.

- (a) Every Member including authorised nominees as defined under the Securities Industry (Central Depositories) Act 1991 and Exempt Authorised Nominees which holds ordinary shares in the Company for multiple beneficial owners in one securities account, is entitled to:-

- (i) appoint another person as his proxy to exercise all or any of his rights to attend, speak and vote instead of him at the meeting of Member and that such proxy need not be a Member; and
  - (ii) appoint more than one (1) proxy in relation to the meeting provided that the Member specifies the proportion of his shareholdings to be represented by each proxy.
- (b) Where a Member entitled to vote on a resolution has appointed more than one (1) proxy, the proxies shall only be entitled to vote on poll provided that the Member specifies the proportion of his shareholdings to be represented by each proxy.

#### 17.2 Rights of proxy

Subject to the Listing Requirements (as applicable), any proxy or duly authorised representative appointed to vote and attend instead of a Member, shall have the same right as the Member to speak at the meeting and be entitled to vote on any question at any general meeting.

#### 17.3 Proxy form

The instrument appointing a proxy shall be in such form as the Board may from time to time prescribe or approve.

#### 17.4 Delivery of instrument appointing proxies

The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Office or at such other place within Malaysia or in such other manner as is specified for that purpose in the notice convening the meeting, not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting at which the person named in such instrument proposes to vote or in case of a poll, not less than twenty-four (24) hours before the time appointed for taking of the poll and in default the instrument of proxy shall not be treated as valid or in such other period(s) as may be provided or permitted under the Act and stipulated in the form of proxy or in the notice of meetings.

#### 17.5 Validity of vote given under proxy

Subject to the Listing Requirements (as applicable), a vote given in accordance with the terms of an instrument of proxy or attorney shall be valid, notwithstanding the previous death or unsoundness of mind of the principal or revocation of the proxy or transfer of the share in respect of which the instrument is given, if no intimation in writing of such death, unsoundness of mind, revocation or transfer as aforesaid has been received at the Office before the commencement of the meeting or adjourned meeting at which the instrument is used.

## 18. DIRECTOR

### 18.1 Number of Directors on the Board

Until otherwise determined by general meeting, the number of Directors shall not be less than two (2) and not more than ten (10).

### 18.2 Number of Directors below minimum

The remaining Directors may continue to act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the minimum number fixed by or pursuant to this Constitution, the remaining Directors may, except in an emergency, act only for the purpose of increasing the number of Directors to such minimum number or to summon a general meeting of the Company.

### 18.3 Share qualification

A Director shall not be required to hold any share qualification in the Company.

### 18.4 Vacation of office of Directors

Subject to Applicable Laws, the office of Directors shall be vacated on the happening of any of the following, if he:-

- (a) resigns his office by notice in writing to the Company and deposited at the Office;
- (b) has retired in accordance with the Act or under this Constitution and is not re-elected;  
or
- (c) is removed from his office as Director in accordance with the Act or the provisions herein;
- (d) becomes disqualified from being a Director under the relevant provisions of the Act;
- (e) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the Mental Health Act 2001;
- (f) dies;
- (g) ceases to be or is prohibited from being a Director by virtue of the Act or the Securities Laws or the Listing Requirements; or
- (h) is convicted by a court of law, whether within Malaysia or elsewhere, in relation to the offences set out in the Listing Requirements.

### 18.5 Directors' fees and benefits

The Directors' fees, and any benefits payable to the Directors including any compensation for loss of employment and ex-gratia payments of a Director shall from time to time be determined by an Ordinary Resolution of the Company in general meeting and shall (unless

such resolution otherwise provides) be divisible among the Directors as they may agree provided always that:-

- (a) fees payable to non-executive Directors shall be by a fixed sum (if any) and not by a commission on or percentage of profits or turnover;
- (b) an alternate Director shall receive his remuneration from the Director appointing him and not from the Company, unless the Company be instructed in writing by the Director to pay any portion of his remuneration to such alternate; and
- (c) if any Director, being willing and having been called upon to do so, shall render or perform extra or special services of any kind, including services on any committee established by the Board, or shall travel or reside abroad for any business or purposes of the Company, he shall be entitled to receive such remuneration as the Board may think fit, and such remuneration may, as the Board shall determine, be either in addition to or in substitution for any other remuneration he may be entitled to receive, and the same shall be charged as part of the ordinary working expenses of the Company.

Fees or benefits payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting.

#### 18.6 Reimbursement of expenses

The Directors shall be paid their travelling and other expenses properly and necessarily expended by them in and about the business of the Company including their travelling and other expenses incurred by them in attending meetings of the Board or any committee of the Board or general meetings.

#### 18.7 Directors holding office of profit

Subject to the Listing Requirements (as applicable), a Director shall not be disqualified by reason of his holding any other office or place of profit under the Company except that of Auditors, and he or any firm of which he is a member may act in a professional capacity for the Company in conjunction with his office of Director, and may be appointed thereto upon such terms as to remuneration, tenure of office and otherwise as the Board may approve.

#### 18.8 Directors may contract with Company

Subject to the Listing Requirements (as applicable), no Director shall be disqualified by his office as such from contracting with the Company either as vendor, purchaser, lender, agent, broker or otherwise, nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company with any Director or with any company or partnership of or in

which any Director shall be a member or otherwise interested be avoided, nor shall any Director so contracting or being such member or so interested be liable to account to the Company for any profit realised by such contract or arrangement by reason only of such Director holding that office or of the fiduciary relation thereby established, but the nature of his interest must be disclosed by him at the meeting of the Board at which the contract or arrangement is determined on, if the interest then exists or in any other case at the first meeting of the Board after the acquisition of the interest.

For the purpose of this Clause, a general notice given to the Board at Board's meeting to that effect that he is a member or officer of any specified corporation, company or firm and is to be regarded as interested in any contract which may thereafter be made with that corporation, company or firm shall be deemed a sufficient declaration of interest in relation to any contract so made if it specifies the nature and extent of the interest in the specified corporation, company or firm and his interest is not different in nature or greater in extent than the nature and extent so specified in the general notice at the time any contract is so made.

#### 18.9 Disclosure of interest and restriction on discussion and voting

Subject to the Listing Requirements (as applicable), every Director shall declare his interest in the Company and his interest in any contract or proposed contract with the Company as may be required by law. Subject to Applicable Laws, a Director shall not participate in any discussion or vote in respect of any contract or proposed contract or arrangement in which he has directly or indirectly an interest and if he shall do so his vote shall not be counted. A Director shall, notwithstanding his interest, be counted in the quorum for any meeting where a decision is to be taken upon any contract or proposed contract or arrangement in which he is in any way interested.

#### 18.10 Power to vote

Subject to Clause 18.7 thereof, a Director may vote in respect of:-

- (a) any arrangement for giving the Director himself or any other Director any security or indemnity in respect of money lent by him to or obligations undertaken by him for the benefit of the Company; or
- (b) any arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company for which the Director himself or any other Director has assumed responsibility in whole or in part under a guarantee or indemnity or by the deposit of security.

#### 18.11 Directors may become directors of other corporation

A Director of the Company may be or become a director or other officer of or otherwise be interested in any corporation promoted by the Company or in which the Company may be

interested as shareholder or otherwise or any corporation, which is directly or indirectly interested in the Company as shareholder or otherwise and no such Director shall be accountable to the Company for any remuneration or other benefit received by him as a director or officer of, or from his interest in, such corporation unless the Company otherwise directs at the time of his appointment. The Board may exercise the voting power conferred by the shares or other interest in any such other corporation held or owned by the Company, or exercisable by them as directors of such other corporation in such manner and in all aspects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of the directors or other officers of such corporation) and any Director may vote in favour of the exercise of such voting rights in manner aforesaid, notwithstanding that he may be, or is about to be appointed, a director or other officer of such corporation and as such is or may become interested in the exercise of such voting rights in manner aforesaid PROVIDED ALWAYS that he has complied with the relevant provisions of Applicable Laws and of this Constitution.

## **19. ROTATION OF DIRECTOR**

### **19.1 Retirement of Directors**

An election of Directors shall take place each year at the annual general meeting of the Company where one-third (1/3) of the Directors 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 and be eligible for re-election provided always that all Directors shall retire from office once at least in each three (3) years. A retiring Director shall retain office until the close of the meeting at which he retires.

### **19.2 Selection of Directors to retire**

The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

### **19.3 Filling of vacancies**

The Company at any general meeting at which Directors retire in the manner aforesaid may fill up the vacated offices by electing a like number of persons to be Directors and without notice in that behalf may fill up any other vacancies.

### **19.4 Retiring Director deemed to be re-appointed**

The Company at any general meeting at which a Director so retires may fill the vacated office by electing a person thereto, unless at that meeting it is expressly resolved not to fill the vacated office or a resolution for the re-election of the Director retiring at the meeting is put to the meeting and lost or some other person is elected as Director, a retiring Director shall, if

offering himself for re-election and not being disqualified under the Act from holding office as a Director, be deemed to have been re-elected.

19.5 Power to increase or reduce number of Directors

The Company may from time to time by Ordinary Resolution passed at a general meeting increase or reduce the number of Directors but the number of minimum number of Directors shall be two (2) and may also determine in what rotation such increased or reduced number is to retire from office.

19.6 Power to remove Directors

The Company may by Ordinary Resolution of which special notice is given in accordance with the relevant provisions of the Act, remove any Director before the expiration of his period of office and may if thought fit by Ordinary Resolution appoint another qualified person in his stead. The person so appointed shall hold office for as long as the Director in whose place he is appointed would have held the same if he had not been removed.

19.7 Power to appoint Directors

The Board shall have power at any time, and from time to time, to appoint any other qualified person as a Director, either to fill a casual vacancy or as an addition to the existing Board, but the total number of Directors shall not at any time exceed the maximum number fixed in accordance with this Constitution. Any Director so appointed shall hold office only until the next following annual general meeting of the Company, and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting.

19.8 Notice of candidate as Director

No person, not being a retiring Director shall be eligible for election to the office of Director at any general meeting unless a Member intending to propose him for election has, at least eleven (11) clear days before the meeting left at the Office a notice in writing duly signed by the nominee, giving his consent to the nomination and signifying his candidature for the office, or the intention of such Member to propose him for election, provided that in the case of a person recommended by the Board for election, nine (9) clear days' notice only shall be necessary, and notice of each and every candidature for election to the Board shall be served on the registered holders of shares at least seven (7) days before the meeting at which the election is to take place.



## **20. ALTERNATE DIRECTOR**

### **20.1 Appointment or removal of an alternate Director**

A Director may by way of notice to the Company appoint any person (other than a Director) approved by a majority of the other Directors to act as alternate Director in his place and at his discretion by way of a notice to the Company, remove such alternate Director from office. An alternate Director may only act as an alternate to one Director at any point in time. Any fee paid by the Company to an alternate Director shall be deducted from that Director's remuneration.

### **20.2 Cessation of an alternate Director**

If a Director making any such appointment as aforesaid shall cease to be a Director (otherwise than by reason of vacating his office at a meeting of Member at which he is re-elected), the person appointed by him as an alternate Director shall thereupon cease to be an alternate Director.

### **20.3 Rights of an alternate Director**

Subject to the Listing Requirements (as applicable), an alternate Director shall (except as regard power to appoint an alternate Director and remuneration) be subject in all respects to the terms and conditions existing with reference to the other Directors and shall be entitled to receive notices of all Board's meetings and to attend, speak and vote at any such meeting at which his appointor is not present.

An alternate Director shall not be taken into account in reckoning the minimum or maximum number of Directors allowed for the time being but he shall be counted for the purpose of reckoning whether a quorum is present at any Board's meeting attended by him at which he is entitled to vote.

## **21. MANAGING DIRECTOR**

### **21.1 Directors may appoint Managing Director**

The Board may from time to time appoint one or more of their body to be Managing Director or Managing Directors, for such period not exceeding three (3) years at such remuneration and upon such term as to the duties to be performed, the powers to be exercised and all other matters as they think fit, but so that no Managing Director shall be invested with any powers or entrusted with any duties which the Board themselves could not have exercised or performed. The remuneration of a Managing Director may be by way of salary or participation in profits, or by any or all of those modes (but may not include a commission on or percentage of turnover), and it may be made a term of his appointment that he be paid a

pension or gratuity on retirement from his office. The Managing Director shall be subject to the control of the Board.

#### 21.2 Provisions for Managing Director

A Managing Director shall (subject to the provisions of any contract between him and the Company) be subject to retirement in accordance with the provisions of Clause 18.4 and be subject to the same provisions as to removal as the other Directors of the Company, and if he ceases to hold the office of Director he shall, ipso facto and immediately, cease to be a Managing Director.

## 22. PROCEEDING OF DIRECTORS

#### 22.1 Board's meeting

The Board may meet together for the despatch of business, adjourn and otherwise regulate their meeting as they think fit. A Director may at any time and the Secretary shall on his requisition summon a Board's meeting. The quorum necessary for the transaction of the business of the Board shall be fixed by the Board from time to time and unless so fixed, at least half of the Board shall constitute a quorum.

#### 22.2 Tele-conferencing

All or any of the members of the Board or committee may participate in a Board's meeting or meeting of committee by means of a conference telephone, video conference or similar electronic telecommunication device which allows all persons participating in the meeting to hear each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly. Such a meeting shall be deemed to take place where the largest group of those participating is assembled, if there is no such group, where the Chairman of the meeting then is.

#### 22.3 Chairman of Board

The Board may elect one (1) of their numbers as Chairman, and determine the period for which he is to hold office but if no such Chairman is elected, or if at any Board's meeting, the Chairman is not present within fifteen (15) minutes after the time appointed for the commencement of the meeting, the Directors present shall choose one (1) of their number to be the Chairman of such meeting.

#### 22.4 Chairman to have a casting vote

Any questions arising at any Board's meeting shall be decided by a majority of votes and in case of any equality of votes, the Chairman of the meeting shall have a second or casting vote. However, in the case of an equality of votes and where two (2) Directors form a quorum, the

Chairman of a meeting at which only such a quorum is present, or at which only two (2) Directors (including the Chairman) are competent to vote on the question at issue, the Chairman shall not have a second or casting vote.

22.5 Power to appoint committee and delegation of power

The Board may delegate any of their powers to any officers of the Company, including the chief executive officer or to committee consisting of such member or members of their body as they think fit. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed by the Board.

22.6 Board to approve the proceedings of committee

The procedures of the meetings and the proceedings of any committee consisting of two or more members shall be determined by the Board from time to time.

22.7 Directors' act to be valid

All acts done at any Board's meeting, or at a meeting of committee, or by any person acting as a Director, shall, notwithstanding that it shall afterwards be discovered that there were some defects in the appointment of such Directors or person acting as aforesaid, or that they or any of them were or was disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director.

22.8 Authority of Board's meeting

A Board's meeting for the time being, at which a quorum is present, shall be competent to exercise all or any of the authorities, powers, and discretions by or under this Constitution vested in or exercisable by the Board generally.

22.9 Resolution in writing

A resolution in writing, signed by a majority of the Directors for the time being or their alternates, shall be as valid and effectual as if it had been passed at a Board's meeting duly called and constituted. Any such resolution may consist of several documents in like form, each signed by one or more Directors and may be transmitted by facsimile or other forms of electronic means to the Secretary.

22.10 Minutes of the meeting

Any minutes of any Board's meeting, or of any committee, or of the Company if purporting to be signed by the Chairman of such meeting, or by the Chairman of the next succeeding meeting and if so signed, shall be receivable as prima facie evidence of the matters stated in such minutes.

## **23. POWER AND DUTIES OF DIRECTORS**

### **23.1 General power of Company vested in Board**

- (a) The management of the business and the control of the Company shall be vested in the Board, who, in addition to the powers and authorities by this Constitution expressly conferred upon them, may exercise, with full power of substitution and delegation, all such powers and do all such acts and things as the Company's Constitution, the Act or otherwise authorised to exercise, and are not hereby or by any written law expressly directed or required to be exercised or done by the Company in general meeting, but subject nevertheless to the provisions of this Constitution, the Act and any regulations from time to time made by the Company in general meeting; provided that no regulations shall invalidate any prior act of the Board which would have been valid if such regulations had not been made.
- (b) The general powers given by this Constitution shall not be limited or restricted by any special authority or power given to the Board or by any other Clauses in this Constitution.
- (c) Subject to the Listing Requirements (as applicable), the Board shall not, save with the consent of the Member in general meeting, dispose of a substantial portion of the Company's main undertaking or property.

### **23.2 Specific power given to the Board**

Without prejudice to the general powers conferred by Clause 23.1, and the other powers conferred by this Constitution, it is hereby expressly declared that the Board shall have the following powers, that is to say, power:-

- (a) To purchase or otherwise acquire for the Company any business or businesses, property, rights or privileges which the Company is authorised to acquire, at such price, and generally on such terms and conditions as they think fit.
- (b) At their discretion to pay for any rights acquired by, or services rendered to the Company, either wholly or partially in cash, or in shares, bonds, debentures, or other securities of the Company; and any such shares may be issued either as fully paid-up or with such amount credited as paid-up thereon as may be agreed upon; and any such bonds, debentures, or other securities, may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.
- (c) To secure the fulfilment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its unpaid capital for the time being or in such other manner as they may think fit.

- (d) To appoint any persons to be chief executive officer, managers, secretaries, officers, clerks, agents, and servants, for permanent, temporary or special services as they may from time to time think fit, to determine their duties and to fix their salaries or emoluments, and to require security in such instances and to such amounts as they think fit, and at their discretion to remove or suspend any persons so appointed.
- (e) To accept from any Member on such terms and conditions as shall be agreed, a surrender of his shares, or any part thereof.
- (f) To appoint any person or persons to accept and hold in trust for the Company any property belonging to the Company, or in which it is interested, or for any other purpose, and to execute and do all such deeds and things as may be requisite in relation to any such trust.
- (g) To institute, conduct, defend, compromise, compound or abandon any legal proceedings by or against the Company, or its officers or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts due to, and of any claims or demands by or against the Company.
- (h) To refer any claims or demands by or against the Company to arbitration, and observe and perform the awards.
- (i) To make and give receipts, releases, and other discharges for money payable to the Company and for claims and demands of the Company.
- (j) To act on behalf of the Company in all matters relating to bankrupts, insolvents or liquidating debtors.
- (k) To invest and deal with any of the moneys of the Company not immediately required for the purposes thereof, upon such securities and in such manner as they may think fit, and from time to time to vary or realise such investments.
- (l) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability, whether as principal or surety, for the benefit of the Company such mortgages of the Company's property (present and future) as they think fit, and any such mortgage may contain a power of sale and such other powers, covenants, and provisions as shall be agreed on.
- (m) To give to any person a commission on the profits of any particular business or transaction, or a share in the general profits of the Company, and such commission or share of profits shall be treated as part of the working expenses of the Company.

- (n) Before recommending any dividends, to set aside out of the profits of the Company, such sum as they think proper as a reserve to meet contingencies, or for special dividends or for repairing, improving, and maintaining any of the properties of the Company, and for such other purposes as the Board shall, in their absolute discretion, think conducive to the interests of the Company, and to invest the several sums set aside upon such investments as they may think fit, and, from time to time, to deal with and vary such investments (other than shares of the Company) and dispose of all or any part thereof for the benefit of the Company, and to divide the reserve into such special accounts as they shall think fit, with full power to employ the assets constituting the reserve in the business of the Company, and without being bound to keep the same separate from the other assets.
- (o) From time to time to make, vary and repeal by-laws for the regulation of the business of the Company, its officers and servants, or the Member of the Company, or any section thereof.
- (p) So far as is consistent with this Constitution, to enter into all such negotiations and contracts, and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid, or otherwise for the purposes of the Company.
- (q) From time to time to provide for the management of the affairs of the Company in any part of the world in such manner as they shall think fit, and the provisions contained in the next two following sub-Clauses shall be without prejudice to the general powers conferred by this Clause.
- (r) From time to time and at any time to establish any local board for assisting in the direction of the affairs of the Company, in any country or countries, place or places, and to appoint any one or more of their number, or any other person or persons to be members of such local Board, and to fix their remuneration. The Board from time to time and at any time may delegate to any person so appointed any of the powers, authorities and discretions for the time being vested in the Board, other than their power of making calls, forfeiting shares, borrowing money, or filling casual vacancies in the office of Director, and may authorise the members for the time being of any such local Board, or any of them, to fill up any vacancies therein and to act notwithstanding vacancies and any such appointment or delegation shall be made on such terms and subject to such conditions as the Board may think fit, and the Board may at any time remove any person so appointed, and may annul or vary any such delegation.
- (s) At any time and from time to time, by power of attorney under the Seal, to appoint any person or persons to be attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding these vested in or

exercisable by the Board under this Constitution), and for such period and subject to such conditions as the Board may from time to time think fit.

- (t) To authorise any such delegate or attorney as aforesaid to sub-delegate all or any of the powers, authorities, and discretions for the time being vested in him.
- (u) To acquire by purchase, lease, exchange or otherwise for investment or resale or to sell, let on lease or license and deal in and generally to transact in land, estate, houses, buildings, flats, plantations, hereditaments and immovable property of any tenure or kind and whenever situate or any interest or rights therein.
- (v) To sell or transfer the business property and undertaking of the Company or any part thereof for any consideration which the Board may think fit to accept.
- (w) To lend money with or without security and to invest and deal with any of the moneys of the Company in such manner as they may think fit, and from time to time to vary or realise such investments.
- (x) To sell, let, dispose of, or grant rights over or otherwise deal with all or any property of the Company for cash or upon terms or for shares or otherwise and upon any terms and conditions thought desirable.
- (y) To purchase, take on lease or in exchange, or otherwise acquire movable and immovable property of all kinds and particulars, lands, buildings, premises, business concerns and undertakings, mortgages, charges, annuities, patents, licenses, stocks, funds, shares, debentures, securities, policies, book debts, claims and any interest in movable or immovable property and any claims against such property or against any person or company and to carry on any business concern or undertaking so acquired.

### 23.3 Board's power to borrow

Subject to the Listing Requirements, the Board may from time to time at their absolute discretion raise or borrow any sum or sums of money for the purposes of the Company from any persons, banks, firms or companies (expressly including any person holding the office of Director) and may secure the payment of such moneys in such manner and upon such terms and conditions in all respects as they think fit and in particular by the issue of debentures or debenture stock of the Company perpetual or redeemable or by making, drawing, accepting or endorsing on behalf of the Company any promissory notes or bills of exchange or giving or issuing any other security of the Company or by mortgage or charge of all or any of the property of the Company both present and future, including its uncalled capital for the time being and the Board may guarantee the whole or any part of the loans or debts raised or incurred by or on behalf of the Company or any interest payable thereon with power to the Board to indemnify the guarantors from or against liability under their guarantees by means

of a mortgage or hypothecation of or charge upon any property and assets of the Company or otherwise.

**23.4 Mortgage of uncalled capital**

If any uncalled capital of the Company is included in or charged by any mortgage or other security, the Board may by instrument under the Seal authorise the person in whose favour such mortgage or security is executed or any other person in trust for him to make calls on the Member in respect of such uncalled capital and the provision hereinbefore contained in regard to calls shall mutatis mutandis apply to calls made under such authority and such authority may be made exercisable either conditionally or unconditionally and either presently or contingently and either to the exclusion of the Board's power or otherwise and shall be assignable if expressed so to be.

**24. CHIEF EXECUTIVE OFFICER**

**24.1 Chief Executive Officer**

The Board may from time to time appoint a chief executive officer to manage and administer the day-to-day affairs of the Company for such term at such remuneration and with such powers as they may determine and the Board shall enter into an agreement with any such chief executive officer specifying the length of time for which he is to hold office the terms upon which he is appointed and the powers conferred upon him.

**25. SECRETARY**

**25.1 Secretary**

The Secretary/joint secretaries shall be appointed by the Board for such term, at such remuneration and upon such conditions as they may think fit, and the Secretary/joint secretaries so appointed may be removed by them.

**26. SEAL**

**26.1 Authority for use of Seal**

The Board shall provide for the safe custody of the Seal which shall only be used by the authority of a Board's resolution or a committee authorised by the Board in that behalf. Every instrument to which the Seal is affixed shall (subject to the provisions of this Constitution as to certificates for shares) be in the presence of and signed by two Directors or by a Director and by the Secretary or some other person appointed by the Board in place of the Secretary for the purpose.



26.2 Official seal for use abroad

The Company may exercise the powers conferred by the Act with regard to having an official seal for use abroad, and such powers shall be vested in the Board.

26.3 Official seal for share certificate

The Company may have a share seal as referred to in the relevant provisions of the Act. The share seal is an exact copy of the Seal of the Company with the addition on its face of the word "Securities" which is specifically used for affixing onto certificates that may be issued by the Company for any share, stock, loan stock, debentures or other marketable security relating to all aforesaid created or issued or dealt with or marketed or sold by the Company and the affixing of the share seal shall be authenticated in the manner set out in Clause 26.1 hereof.

**27. DIVIDEND**

27.1 Establishment of reserve fund

Before recommending any dividend, the Board may set aside, out of the profits of the Company (if the Company is solvent), such sums as they think proper as a reserve fund to meet contingencies, or for special dividends, or for repairing, improving and maintaining any of the properties of the Company, and for such other purposes as the Board shall in their absolute discretion think conducive to the interests of the Company; and to invest the several sums so set aside upon such investments (other than shares of the Company) as they may think fit, and from time to time to deal with and vary such investments, and dispose of all or any part thereof for the benefit of the Company, and to divide the reserve fund into such special funds as they think fit.

27.2 Payment of dividend

- (a) Subject to the rights of persons, if any, entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but no amount paid or credited as paid on a share in advance of call shall be treated for the purposes of this Clause as paid on the shares. All dividends shall be apportioned and paid proportionally to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividend as from a particular date that share shall rank for dividend accordingly.
- (b) Any profit carried to reserve which it may subsequently be determined to be paid as dividends among the Member, shall be treated as profit made in the year of payment of dividend, and shall be dealt with accordingly.

- (c) Subject to Clause 6.6, that where money is paid-up in advance of calls upon the footing that the same shall carry interest, such money shall not while carrying interest, confer a right to participate in dividend.

27.3 Distribution of dividend out of profit

Subject to Applicable Laws, the Company may make a distribution of dividend to the Member out of profits of the Company available provided that the Company is solvent, but no dividend shall exceed the amount as recommended by the Board. No dividend shall carry interest as against the Company.

27.4 Participation in dividend

When a share is issued after the commencement of any financial year it shall, unless otherwise provided by the terms of issue, rank with previously issued shares as regard any dividend subsequently declared in respect of such year.

27.5 Interim dividend

The Board may authorise a distribution at such time and in such amount as the Board considers appropriate, if the Board are satisfied that the Company will be solvent immediately after the distribution is made.

27.6 Dividend subject to lien

The Directors may retain any dividend on which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

27.7 Entitlement of dividend

Until a person is registered as a Member, a transfer of shares shall not pass the right to any dividend declared thereon.

27.8 Power to retain dividend

The Board may retain the dividend payable upon shares in respect of which any person is, under the Clauses of Transmission of Shares, entitled to become a Member, or which any person under that Clause is entitled to transfer, until such person shall become a Member in respect of such shares or shall duly transfer the same.

27.9 Payment of dividend

Any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque or warrant sent through the post to the last registered address of the Member or person entitled thereto or by direct transfer or such other mode or electronic means (subject to the provision of the Act, the Central Depositories Act and the Rules, the Listing Requirements and/or regulatory authorities) to the bank account of the holders whose name appear in the Register or Record of Depositories respectively. Every such cheque or warrant of payment by direct transfer shall be made payable to the order to the person to whom it is sent or to such person as the holder or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct. The payment of any dividend by such electronic means shall constitute a good and full discharge to the Company of the dividend which it relates regardless of any discrepancy given by the Member in the details of the bank account(s).

27.10 Unclaimed dividend

All dividends unclaimed for one (1) year after having been declared and payable shall be dealt with in accordance with the provisions of the Unclaimed Moneys Act 1965.

**28. CAPITALISATION OF PROFITS**

28.1 Bonus issue

The Company in general meeting may, upon the recommendation of the Board, resolve that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, and accordingly that the sum be set free for distribution amongst the Member who would have been entitled thereto if distributed by way of dividend and in the same proportions on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by those Member respectively or paying up in full unissued shares or debentures of the Company to be allotted and distributed, credited as fully paid-up to and amongst the Member in the proportion aforesaid, or partly in the one way and partly in the other, and the Board shall give effect to such resolution.

**29. ACCOUNTS**

29.1 Accounts to be kept and open to inspection by Directors

The Board and managers of the Company shall cause to be kept the accounting and other records to sufficiently explain the transaction and financial position of the Company including its subsidiaries and enable a true and fair financial statement and any documents required to be attached thereto to be prepared in accordance with the Act and shall distribute copies of balance sheets and other documents as required under the Act.

The Board shall from time to time determine whether or not and to what extent and at what times and place and under what conditions or regulations the books of accounting and other records of the Company or any of them shall be open to the inspection of Member not being Directors, and no Member (not being a Director) shall have any right of inspecting any account or book or paper of the Company except as conferred by statute or authorised by the Board or by the Company in a meeting of Member. Subject always to Applicable Laws, the books of accounting and records of operations as aforesaid shall be kept at the Office or at such other place as the Board thinks fit and shall always be open to inspection by the Directors.

29.2 Annual account and balance sheet

The Board shall cause to be prepared, sent to every Member and laid before the Company in its annual general meeting the audited financial statements and Directors' report in accordance with the Act. Subject to any waiver from the Stock Exchange, the interval between the close of a financial year of the Company and the issue of the audited financial statements, the Directors' and Auditors' reports shall not exceed four (4) months.

29.3 Circulating copies of audited financial statements and Directors' report

A copy of each of the audited financial statements, the Directors' and Auditors' reports in printed form or in CD-ROM or other electronic form permitted under the Listing Requirements or any combination thereof shall, not less than twenty-one (21) days before the date of the annual general meeting be sent to every Member of and to every other person who is entitled to receive notice of annual general meetings from the Company, in accordance with the provisions of the Act or of this Constitution, provided that this Clause shall not require a copy of these documents to be sent to any person of whose address the Company is not aware but any Member to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Office or to the Share Registrar.

## 30. AUDITORS

30.1 Appointment of Auditors

The Auditors shall be appointed for each financial year by Ordinary Resolution at the annual general meeting of the Company in accordance with the relevant provisions of the Act.

30.2 Remuneration, rights and duties of Auditors

The remuneration, rights and duties of the Auditors shall be regulated in accordance with the provisions of the Act.

## 31. NOTICE

### 31.1 Service of notices and/or documents

Any notice or document required to be sent to Member may be given by the Company or the Secretary to any Member:-

- (a) in hard copy, either personally or sent by post to him in a prepaid letter addressed to him at his last known address; or
- (b) in electronic form, and sent by the following electronic means:-
  - (i) transmitting to his last known electronic mail address; or
  - (ii) publishing the notice or document on the Company's website provided that a notification of the publication of the notice or document on the website via hard copy or electronic mail or short messaging service has been given to them in accordance with Applicable Laws; or
  - (iii) using any other electronic platform maintained by the Company or third parties appointed by the Company that can host the information in a secure manner for access by Member provided that a notification of the publication or availability of the notice or document on the electronic platform via hard copy or electronic mail or short messaging service has been given to them in accordance with Applicable Laws.

### 31.2 Registration of address

A Member's address, electronic mail address and any other contact details provided to Depository or Share Registrar shall be deemed as the last known address, electronic mail address and contact details respectively for the purposes of communication including but not limited to service of notices and/or documents to the Member.

### 31.3 Notice given by advertisement

If a Member has no registered address in Malaysia, a notice addressed to him and advertised in at least one (1) nationally circulated Bahasa Malaysia or English daily newspaper shall be deemed to be duly given to him on the day on which the advertisement appears.

31.4 When service deemed effected

Any notice or document shall be deemed to have been served by the Company to a Member:-

- (a) Where the notice or document is sent in hard copy by post, on the day the prepaid letter, envelope or wrapper containing such notice or document is posted.

In providing service by post, a letter signed by a Director, the Secretary, the Share Registrar from time to time (as the case may be) certifying that the letter, envelope or wrapper containing the notice or document was addressed and posted to the Member shall be sufficient to prove that the letter, envelope or wrapper was so addressed and posted.

- (b) Where the notice or document is sent by electronic means:-

- (i) via electronic mail, at the time of transmission to a Member's electronic mail address pursuant to Clause 31.1(b)(i), provided that the Company has record of the electronic mail being sent and that no written notification of delivery failure is received by the Company;
- (ii) via publication on the Company's website, on the date the notice or document is first made available on the Company's website provided that the notification on the publication of notice or document on website has been given pursuant to Clause 31.1(b)(ii); or
- (iii) via electronic platform maintained by the Company or third parties, on the date the notice or document is first made available thereon provided that the notification on the publication or availability of the notice or document on the relevant electronic platform has been given pursuant to Clause 31.1(b)(iii).

31.5 Notice to representative valid

A notice may be given by the Company to the persons entitled to a share in consequence of the death or insolvency of a Member by sending it through the method as mentioned in Clause 31.1, but for his death or bankruptcy, would be entitled to receive notice of the meeting and the Company has been notified of the person's entitlement in writing.

31.6 Notice valid although Member deceased

Any notice or document delivered or sent by post to or left at the registered address of any Member or by other electronic form in pursuance of this Constitution shall, notwithstanding such Member be then deceased and whether or not the Company have notice of his demise, be deemed to have been duly served in respect of any registered shares until some other person be registered in his stead as the holder thereof and such service shall, for all purposes

of this Constitution, be deemed sufficient service of such notice or document on his heirs, executors or administrators.

## **32. WINDING UP**

### **32.1 Distribution of assets**

If the Company shall be wound up and the assets available for distribution among the Member shall be more than sufficient to repay the whole of the capital paid-up at the commencement of the winding-up, the excess shall be distributed among the Member in proportion to the capital paid-up or which ought to have been paid-up at the commencement of the winding-up on the shares held by them respectively and if in a winding-up the assets available as aforesaid shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that as nearly as may be the losses shall be borne by the Member in proportion to the capital paid-up or which ought to have been paid-up at the commencement of the winding-up on the shares held by them respectively but this Clause is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.

### **32.2 Distribution of assets in specie**

If the Company is wound up (whether the liquidation is voluntary, under supervision, or by the Court), the liquidator may after the payment or satisfaction of all liabilities of the Company including preferred payments under the Act, with the sanction of a Special Resolution of the Company divide amongst the Member in kind the whole or any part of the assets of the Company (whether they consist of property of the same kind or not) and may for that purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how the division shall be carried out as between the Member or different classes of Member. The liquidator may, with the like sanction, vest the whole or any part of any such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, think fit, but so that no Member shall be compelled to accept any shares or other securities whereon there is any liability.

### **32.3 Liquidators' commission**

On the voluntary liquidation of the Company, no commission or fee shall be paid to a liquidator unless it shall have been approved by Member. The amount of such payment shall be notified to all shareholders at least seven (7) days before the meeting at which the commission or fee is to be considered.

### **33. INDEMNITY AND INSURANCE**

#### **33.1 Indemnification of Directors and officers**

Subject to Applicable Laws, every Director, managing director, agent, Auditor, Secretary, and other officers (as defined in the Act) for the time being of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under the Act in which relief is granted to him by the Court in respect of any negligence, default breach of duty or breach of trust.

#### **33.2 Individual responsibility of Director**

No Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or officer or for joining in any receipt or other act for conformity or for any loss or expense happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any money, securities or effects shall be deposited or for any loss occasioned by any error of judgement or oversight on his part or for any loss, damage or misfortune whatsoever, which shall happen in the execution of the duties of his office or in relation thereto unless the same happen through his own dishonesty.

### **34. EFFECT OF LISTING REQUIREMENTS**

#### **34.1 Effect of Listing Requirements**

- (a) Notwithstanding anything contained in this Constitution, if the Listing Requirements prohibit an act being done, the act shall not be done.
- (b) Nothing contained in this Constitution prevent an act being done that the Listing Requirements require to be done.
- (c) If the Listing Requirements require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be).
- (d) If the Listing Requirements require this Constitution to contain a provision and they do not contain such a provision, this Constitution is deemed to contain that provision.
- (e) If the Listing Requirements require this Constitution not to contain a provision and they contain such a provision, this Constitution is deemed not to contain that provision.
- (f) If any provision of this Constitution is or becomes inconsistent with the Listing Requirements, this Constitution is deemed not to contain that provision to the extent of the inconsistency.



**EXTRACT OF NOTICE OF THE 45TH AGM**

**SPECIAL BUSINESS**

**PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS WITH ALLIANZ SE GROUP**

"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 Part A of the Company's Circular to Shareholders dated 30 April 2019, 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."

(Ordinary Resolution 8)

**PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS WITH RAPIDPRO CONSULTING SDN BHD**

"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 Rapidpro Consulting Sdn Bhd as specified in Section 2.2 (B) of Part A of the Company's Circular to Shareholders dated 30 April 2019, 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.”

(Ordinary Resolution 9)

#### **PROPOSED ADOPTION OF THE NEW CONSTITUTION OF THE COMPANY**

“THAT subject to the approval being obtained from the irredeemable convertible preference share holders, approval be and is hereby given to revoke the existing Memorandum and Articles of Association of the Company with immediate effect and in place thereof, the proposed new Constitution of the Company as set out in Appendix III of Part B of the Company’s Circular to Shareholders dated 30 April 2019 AND THAT the Directors be and is hereby authorised to assent to any conditions, modifications and/or amendments as may be required by any relevant authorities, and to do all acts and things and take all such steps as may be considered necessary to give full effect to the proposed new Constitution of the Company.”

(Special Resolution 1)