

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 42nd Annual General Meeting of Allianz Malaysia Berhad (“42nd AGM”) will be held at Grand Ballroom, Level 2, Aloft Kuala Lumpur Sentral, 5, Jalan Stesen Sentral, Kuala Lumpur Sentral, 50470 Kuala Lumpur on Wednesday, 25 May 2016 at 10.00 a.m. for the following purposes:-

AGENDA

Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 December 2015 and the Directors’ and Auditors’ Reports thereon.
2. To approve the payment of a first and final dividend of 6.50 sen per ordinary share under single tier system in respect of the financial year ended 31 December 2015. **Ordinary Resolution 1**
3. To approve the payment of Directors’ fees of RM561,512 for the financial year ended 31 December 2015 (2014: RM325,413). **Ordinary Resolution 2**
4. To re-elect the following Directors who retire by rotation in accordance with Article 96 of the Articles of Association of the Company and being eligible, offers themselves for re-election:-
 - (a) Y. Bhg. Tan Sri Datuk (Dr.) Rafiah Binti Salim **Ordinary Resolution 3**
 - (b) Mr. Zakri Bin Mohd Khir **Ordinary Resolution 4**
5. To re-appoint the following Directors who retire in accordance with Section 129(6) of the Companies Act, 1965 to hold office until the conclusion of the next Annual General Meeting:-
 - (a) Y. Bhg. Tan Sri Razali Bin Ismail **Ordinary Resolution 5**
 - (b) Y. Bhg. Dato’ Dr. Thillainathan A/L Ramasamy **Ordinary Resolution 6**
6. To re-appoint Messrs KPMG as the Auditors of the Company for the financial year ending 31 December 2016 and to authorise the Directors to fix their remuneration. **Ordinary Resolution 7**

Special Business

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

7. **Continuation in Office as Independent Non-Executive Director** **Ordinary Resolution 8**

“THAT approval be and is hereby given to Mr. Foo San Kan, who has served as an Independent Non-Executive Director for a cumulative term of more than nine (9) years, to continue to serve as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting.”
8. **Proposed Shareholders’ Mandate for Recurrent Related Party Transactions with Allianz SE Group** **Ordinary Resolution 9**

“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 category of recurrent related party transactions with Allianz SE Group as specified in Section 2.2 (A) of the Company’s Circular to Shareholders dated 26 April 2016, 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 143(1) of the Companies Act, 1965 (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Companies Act, 1965); 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.”

"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 category of recurrent related party transactions with Shook Lin & Bok as specified in Section 2.2 (B) of the Company's Circular to Shareholders dated 26 April 2016, 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 143(1) of the Companies Act, 1965 (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Companies Act, 1965); 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."

10. **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 category of recurrent related party transactions with Rapidpro Consulting Sdn Bhd as specified in Section 2.2 (C) of the Company's Circular to Shareholders dated 26 April 2016, 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 143(1) of the Companies Act, 1965 (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Companies Act, 1965); 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."

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

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS HEREBY GIVEN THAT the first and final dividend of 6.50 sen per ordinary share under the single tier system in respect of the financial year ended 31 December 2015, if approved at the 42nd AGM, will be paid on 15 June 2016 to shareholders whose names appear in the Register of Members and/or the Record of Depositors at the close of business on 31 May 2016.

A Depositor shall qualify for entitlement to the dividends only in respect of:-

- (a) shares transferred into the Depositor's Securities Account before 4.00 p.m. on 31 May 2016 in respect of transfers;
- (b) shares deposited into the Depositor's Securities Account before 12.30 p.m. on 27 May 2016 in respect of shares exempted from mandatory deposit; and
- (c) shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board

NG SIEW GEK
Company Secretary

Kuala Lumpur
26 April 2016

NOTES TO MEMBERS AND PROXY

A. APPOINTMENT OF PROXY/PROXIES

1. For the purposes of determining a member who shall be entitled to attend and vote at the forthcoming 42nd AGM of the Company, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a Record of Depositors as at 17 May 2016. Only a depositor whose name appears in the Record of Depositors as at 17 May 2016 shall be entitled to attend and vote at the 42nd AGM or appoint proxy/proxies to attend and vote on his/her behalf.
2. A member entitled to attend and vote at the 42nd AGM is entitled to appoint not more than two (2) proxies to attend and vote in his/her stead. If two (2) proxies are appointed, the instrument of proxy must specify the proportion of his/her shareholdings to be represented by each proxy.
3. A proxy may but need not be a member of the Company and Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
4. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. The appointment of two (2) proxies in respect of any particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.
5. Where a member is an exempt authorised nominee ("EAN") as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the EAN may appoint in respect of each omnibus account it holds. The appointment of two (2) or more proxies in respect of any particular omnibus account shall be invalid unless the EAN specifies the proportion of its shareholding to be represented by each proxy.
6. The instrument of proxy must be in writing under the hand of the appointor or his attorney. If the appointor is a corporation, under its common seal or the hand of its attorney.
7. The instrument of proxy shall be deposited at the Registered Office of the Company at Level 29, Menara Allianz Sentral, 203, Jalan Tun Sambanthan, Kuala Lumpur Sentral, 50470 Kuala Lumpur not later than forty-eight (48) hours before the appointed time for holding the 42nd AGM.

B. EXPLANATORY NOTES ON ORDINARY BUSINESS

1. Audited Financial Statements for the financial year ended 31 December 2015

The Audited Financial Statements for the financial year ended 31 December 2015 and the Directors' and Auditors' Reports are laid before the shareholders pursuant to the provisions of Section 169(1) and (3) of the Companies Act, 1965 and are for discussion only. Hence, this item will not be put for voting.

2. Payment of first and final dividend for the financial year ended 31 December 2015

The Board continuously strives to protect investors' capital and provide returns via dividends whilst striking a balance between the dividend payout and capital requirement of its insurance subsidiaries.

After taking into consideration the capital requirements to deliver continued business performance, the Board proposes for the shareholders' approval, a first and final dividend of 6.50 sen per ordinary share under a single tier system, a 30% increase as compared to the dividend declared in the last financial year (2014 interim dividend: 5.00 sen).

3. Directors' fees for the financial year ended 31 December 2015

The Directors' fees for the financial year ended 31 December 2015 are made up of the following components and are only payable to Directors who are not representing the interest of major shareholder:-

(a) Fees for acting as a Director

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

(b) Fees for assuming additional responsibilities

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

The Directors' fees were last reviewed in year 2013. Following the issuance

of the Directors' Remuneration Report 2015 by the Financial Institutions Directors' Education Forum ("FIDE Remuneration Report") on 7 December 2015, the Remuneration Committee reviewed the recommendations of the FIDE Remuneration Report and recommended the proposed increase of Directors' fees for the financial year 2015 based on the following rationales:-

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

The Board having reviewed the proposed Directors' fees increase, recommended for the shareholders' approval, the Directors' fees amounting to RM561,512 for the financial year ended 31 December 2015.

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

4. Re-election of Directors who retire in accordance with Article 96 of the Company's Articles of Association

Article 96 of the Company's Articles of Association provides that one-third (1/3) of the Directors of the Company for the time being, or if their number is not three (3) or a multiple of three (3), then the number nearest one-third (1/3), shall retire from office at the annual general meeting of the Company. Pursuant to Article 97 of the Company's Articles of Association, the Directors to retire in every year shall be those who have been longest in office since their last election. All Directors shall retire from office once at least in each three (3) years, but shall be eligible for re-election.

Y. Bhg. Tan Sri Datuk (Dr.) Rafiah Binti Salim and Mr. Zakri Bin Mohd Khir (collectively referred to "Retiring Directors") are standing for re-election pursuant to Article 96 of the Articles of Association of the Company. The Nominating Committee having assessed and satisfied with the performance of the Retiring Directors, recommended their re-election for the Board's approval.

The Board having reviewed the recommendations of the Nominating Committee, recommended the re-election of the Retiring Directors for the shareholders' approval.

The Retiring Directors had indicated their willingness to seek for re-election and have abstained from the deliberation and voting of their respective re-election at the respective Nominating Committee Meeting and Board Meeting, where applicable.

The profiles of the Retiring Directors and their interest in securities of the Company are set out in the Board of Directors' Profiles of the Annual Report 2015.

5. Re-appointment of Directors who retire in accordance with Section 129(6) of the Companies Act, 1965

Director who attains the age of 70 is required to submit himself/herself for re-appointment annually pursuant to Section 129(2) of the Companies Act, 1965.

Pursuant to Section 129(6) of the Companies Act, 1965, the re-appointment of the retiring Directors shall take effect provided that the respective resolutions with regard to their re-appointment are passed by majority of not less than three-fourths (3/4) of such members as being entitled to vote in person or, by proxy, at the 42nd AGM.

Y. Bhg. Tan Sri Razali Bin Ismail and Y. Bhg. Dato' Dr. Thillainathan A/L Ramasamy are standing for re-appointment pursuant to Section 129(6) of the Companies Act, 1965. The Nominating Committee having assessed and satisfied with the performance of the said Directors, recommended their re-appointment for the Board's approval.

The Board having reviewed the recommendations of the Nominating Committee, recommended for the shareholders' approval, the re-appointments of Y. Bhg. Tan Sri Razali Bin Ismail and Y. Bhg. Dato' Dr. Thillainathan A/L Ramasamy as Directors of the Company and to hold office until the conclusion of the next Annual General Meeting of the Company pursuant to Section 129(6) of the Companies Act, 1965.

Y. Bhg. Tan Sri Razali Bin Ismail and Y. Bhg. Dato' Dr. Thillainathan A/L Ramasamy had indicated their willingness to seek for re-appointment and

have abstained from the deliberation and voting of their respective re-appointments at the Nominating Committee Meeting and Board Meeting.

The profiles of Y. Bhg. Tan Sri Razali Bin Ismail and Y. Bhg. Dato' Dr. Thillainathan A/L Ramasamy and their interest in the securities of the Company are set out in the Board of Directors' Profiles of the Annual Report 2015.

6. Re-appointment of External Auditors

The Audit Committee having reviewed the performance assessment of KPMG, was satisfied with their performance and recommended the proposed re-appointment of KPMG as External Auditors for the Board's consideration.

KPMG had indicated their willingness to accept re-appointment as the External Auditors of the Company.

The Board having reviewed the proposed re-appointment of KPMG as External Auditors for the financial year ending 31 December 2016, recommended the same for the shareholders' approval.

C. EXPLANATORY NOTES ON SPECIAL BUSINESS

1. Continuation in Office as Independent Non-Executive Director ("INED")

Pursuant to the recommendations of the Malaysian Code on Corporate Governance 2012, the tenure of an INED should not exceed a cumulative term of nine (9) years. The Board must justify and seek shareholders' approval in the event it retains as an INED, a person who has served in that capacity for more than nine (9) years.

Mr. Foo San Kan, an INED of the Company, was appointed to the Board on 25 November 2005. At the last Annual General Meeting of the Company in 2015, the shareholders of the Company had approved for Mr. Foo San Kan to continue to serve as INED of the Company until the conclusion of 42nd AGM.

Mr. Foo San Kan has expressed his willingness to continue to serve as an INED of the Company.

The Nominating Committee and the Board of the Company had assessed the independence of Mr. Foo San Kan and were of the view that Mr. Foo San Kan remains independence and shall continue to serve as an INED of the Company.

The Board recommended for shareholders' approval, the resolution for Mr. Foo San Kan to continue to serve as an INED of the Company after serving for a term of more than nine (9) years.

Mr. Foo San Kan is interested in this proposal and had accordingly abstained from deliberation and voting at the Nominating Committee Meeting and Board Meeting.

The Ordinary Resolution 8, if passed, will enable Mr. Foo San Kan to continue to serve as an INED of the Company until the conclusion of the next Annual General Meeting.

The justifications for this proposal are disclosed in the Statement on Corporate Governance of the Annual Report 2015.

2. Proposed Shareholders' Mandate for Recurrent Related Party Transactions

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

It is anticipated that the Company and its subsidiaries (collectively referred to as "Group") will, in the ordinary course of business, enter into recurrent related party transactions with classes of related parties as set out in section 2.2 of the Circular to shareholders dated 26 April 2016 ("Shareholders' Mandate Circular").

In view of time sensitivity and the frequent nature of such related party transactions, the Directors of the Company are seeking shareholders' approval for the proposed resolutions 9, 10 and 11, to allow the Group in its ordinary course of business, to enter into categories of recurrent related party transactions with the respective related parties as detailed in the Shareholders' Mandate Circular, provided that such transactions are made on arm's length basis and are on terms not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders.

Detailed information in relation to the Proposed Shareholders' Mandate for recurrent related party transactions are set out in the Shareholders' Mandate Circular, despatched together with the Annual Report 2015.

D. ABSTENTION FROM VOTING

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

The following Directors are interested or deemed to be interested in the below mentioned resolutions to be tabled at the 42nd AGM:-

Interested Directors	Resolution No.	Direct Shareholding
Y. Bhg. Tan Sri Razali Bin Ismail	2 and 5	Nil
Mr. Foo San Kan	2 and 8	Nil
Y. Bhg. Dato' Dr. Thillainathan A/L Ramasamy	2, 6 and 10	Nil
Y. Bhg. Tan Sri Datuk (Dr.) Rafiah Binti Salim	2 and 3	Nil
Y.A.M. Tunku Zain Al-Abidin Ibni Tuanku Muhriz	2	Nil
Mr. Zakri Bin Mohd Khir	4, 9 and 11	(a) 100 ordinary shares of RM1.00 each. (b) 200 irredeemable convertible preference shares ("ICPS") of RM1.00 each.
Mr. Ong Eng Chow	9	(a) 100 ordinary shares of RM1.00 each. (b) 100 ICPS of RM1.00 each.

They will abstain from voting on the respective resolutions and have also undertaken that they will ensure the persons connected with them will abstain from voting on the relevant resolutions that involving their interests and/or interest of persons connected to them at the 42nd AGM.

E. NOTE TO HOLDERS OF ICPS

The holders of the ICPS shall be entitled to attend the 42nd AGM but have no right to vote at the said Annual General Meeting. The voting rights of the ICPS holders are detailed in the Statement on Corporate Governance of the Annual Report 2015.

In accordance with Article 5A of the Company's Articles of Association in respect of the rights of ICPS holders, no dividend shall be payable to ICPS holders if no dividend is declared for the ordinary shareholders for the same financial year/period. The dividend rate for ICPS is 1.2 times of the dividend rate of the ordinary shares declared for the same financial year/period and calculated based on the nominal value of the ICPS.

Accordingly, if approval is granted by shareholders at the 42nd AGM for the payment of a first and final dividend of 6.50 sen per ordinary share, a first and final preference share dividend of 7.80 sen per ICPS under a single tier system will be paid on 15 June 2016 to ICPS holders whose names appear in the Record of Depositors at the close of business on 31 May 2016.