

## **ALLIANZ MALAYSIA BERHAD (12428-W) (“AMB” or “Company”)**

Minutes of the 44th Annual General Meeting (“**Meeting**”) of the Company held at Grand Ballroom, Level 2, Aloft Kuala Lumpur Sentral, 5, Jalan Stesen Sentral, Kuala Lumpur Sentral, 50470 Kuala Lumpur on Tuesday, 22 May 2018 at 10.05 a.m.

PRESENT : As per Attendance List

CHAIRMAN : Y. Bhg. Tan Sri Razali Bin Ismail (“Chairman”)

IN ATTENDANCE : Madam Ng Siew Gek (Company Secretary)

The Chairman welcomed shareholders, proxies and invitees to the Meeting.

### **1. QUORUM**

There being a quorum, the Meeting was duly convened.

The Chairman introduced each member of the Board, the Management Team comprising the Chief Executive Officers (“CEO(s)”) of the Company and its insurance subsidiaries and the Chief Financial Officer (“CFO”) as well as the Company Secretary who were in attendance.

The Chairman welcomed the representative from Messrs. KPMG PLT, namely Mr. Loh Kam Hian and the representative from Messrs. PricewaterhouseCoopers PLT, namely Mr. Manjit Singh to the Meeting.

The Chairman informed that based on the Record of Depositors as at 14 May 2018, being the cut-off date for determining who shall be entitled to attend the Meeting, there were 2,242 shareholders holding 175,803,689 ordinary shares in the Company. The Chairman further informed that the Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd (“TIH”) confirmed that there are 318 members present in person or by proxy at the Meeting.

The Chairman informed that the voting at the Meeting would be conducted on a poll in accordance with Paragraph 8.29A of Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The Chairman further informed that the Company had appointed TIH as the poll administrator to conduct the poll by way of electronic voting and BDO Governance Advisory Sendirian Berhad (“BDO”) as scrutineer to verify the poll results.

The Chairman mentioned that the shareholders as projected on the screen have appointed him as their proxy and he would vote in accordance with their directives. A list of the shareholders who have appointed Chairman as proxy was attached as Annexure A.

### **2. NOTICE OF MEETING**

The Chairman with the permission of the members present at the Meeting declared that the Notice of Meeting dated 23 April 2018 was taken as read.

**3. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND THE DIRECTORS' AND AUDITORS' REPORTS**

The Chairman tabled the Audited Financial Statements for the financial year ended ("FYE") 31 December 2017 and the Directors' and Auditors' Reports.

The motion on the receipt of the Audited Financial Statements for the FYE 31 December 2017 and the Directors' and Auditors' Reports was proposed by Ms. Manogari S Murugiah and seconded by Mr. Mok Kian Tong.

The Chairman invited the Management to present the financial highlights of AMB and its subsidiaries ("Group").

The presentation covered the following as annexed herewith as Annexure B was presented to the shareholders:-

- (a) 2017 Financial highlights of the Group and Dividend Returns to Shareholders presented by Mr. Ong Eng Chow ("Charles"), the CFO of the Company;
- (b) Financial highlights of the general insurance business and update on Phased Liberalisation of Motor and Fire Tariffs presented by Mr. Zakri Bin Mohd Khir ("Zakri"), the CEO of the Company and the Executive Director and CEO of Allianz General Insurance Company (Malaysia) Berhad ("Allianz General");
- (c) Financial highlights of the life insurance business and Life Insurance and Family Takaful Framework presented by Mr. Joseph Kumar Gross ("Joe"), the CEO of Allianz Life Insurance Malaysia Berhad ("Allianz Life"); and
- (d) Strategic priorities of the Group presented by Joe.

The Chairman informed that the Company has received questions from Minority Shareholder Watchdog Group ("MSWG"). The questions from MSWG and the answers in respect thereto were annexed herewith as Annexure C. He called upon Charles to present the questions from MSWG and the answers in relation thereto.

MSWG Question 1

We note on page 35 of the Annual Report of the Chairman's Statement that two disputes in the reinsurance contracts has increased the impairment amount for receivables in the general insurance and has impacted the profit before tax of the Company.

Please explain the nature of the disputes. What are the prospects of the recovery and measures taken to-date?

Answer

Virginia Surety Company Labuan Branch ("VSC")

One of the disputes involves a claim against VSC. VSC had provided reinsurance support to Commerce Assurance Berhad (now known as Bright Mission Berhad) ("CAB") previously in respect of CAB's Extended Warranty Program ("EWP"). Allianz General took over the general insurance business of CAB on 1 January 2009 and this

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

On 11 December 2013, Allianz General commenced arbitration proceedings against VSC seeking, inter alia, a declaration that the reinsurance subsisted until 30 September 2013. The arbitration proceedings concluded with an award dated 8 February 2018 made by 2 arbitrators of the Panel of 3 arbitrators, in favour of VSC ("Award") whilst the Dissenting Arbitrator found in favour of the Allianz General.

The Award ordered Allianz General to pay the following:

- RM30,593.64 as reimbursement of payment in respect of the Kuala Lumpur Regional Centre for Arbitration's administrative expenses;
- RM425,324.32 as reimbursement of payment in respect of fees and expenses of the arbitral tribunal;
- RM668,160, 69 for costs and expenses incurred by VSC; and
- USD10,969.31 as reimbursement for costs incurred in respect of VSC's ex-employee.

Allianz General'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 that basis, an Originating Summons ("OS") was 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 ("Act") and for a Reference of Questions of law under section 42 of the Act. The hearing date for the OS is fixed for 25 September 2018.

#### Chubb Insurance Malaysia Berhad ("Chubb")

The other dispute involves a claim against Chubb.

Allianz General provided insurance coverage to Prai Power Sdn Bhd ("Prai Power") under a Machinery Breakdown Insurance Policy ("Policy").

Allianz General as the lead insurer with 55% of the risk obtained facultative reinsurance coverage from a number of reinsurers including Chubb. Chubb took 6% of the reinsurance risk under the facultative reinsurance arrangement.

On 18 July 2015, unit 1 gas turbine of the insured plant suffered damage leading to a forced outage and Prai Power made a claim under the Policy for material damage and business interruption.

Allianz General gave notice of the claim to all its reinsurers including Chubb and processed the claim with support from technical experts, adjusters and solicitors, eventually paying the claim for an adjusted amount of RM71.5 million on 2 June 2016.

Allianz General made cash calls to the reinsurers to pay up their respective shares of the claim. All reinsurers except Chubb paid their respective shares.

Chubb refused to pay its 6% on the ground that Allianz General had not complied with the Claims Co-operation Clause in the facultative reinsurance agreement. Allianz General disagreed and therefore commenced an action in the High Court in Kuala Lumpur.

Chubb applied for a Trial of preliminary issue which was dismissed by the Court. Chubb then applied for discovery seeking multiple categories of documents from Allianz General but the Court dismissed Chubb's said application.

Chubb appealed to the Court of Appeal against this Decision and this appeal is still pending with a Case Management fixed for 13 June 2018.

Meanwhile, Chubb filed an application seeking to stay the proceedings in the High Court so as to avoid the Trial which was originally fixed from 14 May 2018 to 25 May 2018.

The Court made no order on the stay, and fixed a Case Management on Tuesday, 22 May 2018, to give directions for the commencement of the trial, which is expected to take place in the same week. The specific date will only be directed at this Case Management.

Allianz General's solicitors are of the view that there are reasonable prospects of recovery and they are accordingly confident of obtaining a favourable verdict for the claim for the 6% risk assumed by Chubb which amounts to RM4,503,881.22.

#### MSWG Question 2 (a)

Based on the growth engines key figures stated on pages 40 to 42 of "Management Discussion & Analysis" for both General and Life business:-

What is the estimated/targeted claim ratio, expense ratio and combined ratio for the general insurance segment for financial year ("FY") 2018?

#### Answer

Allianz General anticipated that the combined ratio for the FY 2018 will be better than the FYE 2017 even with the ongoing Phased Liberalisation and subdued economic outlook. Expense ratio is forecasted to be largely in line with the expense levels in the past (excluding one-off impairment impact) while claims ratio is highly dependent on development of claims.

#### MSWG Question 2 (b)

Please share on the potential contributions from the bancassurance partnership with Standard Chartered Bank Berhad entered into in year 2017.

#### Answer

The partnership with Standard Chartered Bank Berhad ("SCB") commenced in July 2017. Considering that the bancassurance partnership is still in its early stage of

development, the performance is expected to improve over time. The contributions from SCB will differ from Allianz General's previous bancassurance partner as both banks have different customer base.

MSWG Question 2 (c)

What is the expected Gross Written Premiums ("GWP") and New Business Value ("NBV") for Life segment for FY 2018?

Answer

ALIM will continue to grow and would aim to deliver a high single digit growth in GWP and NBV, exceeding the forecasted 2018 Gross Domestic Product ("GDP") growth of 5.5%-6.0% (Bank Negara Malaysia's projection in its Annual Report 2017).

It will continue to leverage on the strength of its multi-distribution channels, increase productivity across distribution channels to generate growth and to invest into digital initiatives to support the growth initiatives, increase productivity and be able to adapt in increasingly competitive market. NBV growth will be generated from Investment-Linked protection business.

MSWG Question 2 (d)

Can Allianz Life exceed its current 7.4% market share achieved for annualised new premiums for FY 2018 and sustain the record profit before tax of 24.9% growth registered in FYE 2017?

Answer

Allianz Life outperformed the market in FYE 2017 with annualised new premium growth of 15.3% (industry growth: 1.9%), increasing market share by 0.8% to 7.4%. Allianz Life will continue to gain market share leveraged on the current strategy and maintain overall top 5 position.

2017 was an exceptional year for delivering a 24.9% growth in profit before tax. Moving forward, ALIM aims to deliver a high single digit growth in profit before tax.

The Chairman invited questions from the floor.

Mr. Leo Ann Puat ("LAP"), a proxy holder, raised the following:-

- (a) Although the Company has highlighted in the Administrative Details of the Meeting that printed copy of the 2017 Annual Report will not be made available at the Meeting, he requested that the Management considers to make available copies of the printed annual report during the Annual General Meeting in future to enable the shareholders to make references when queries are raised on the Company's performance during the Meeting.
- (b) The 2017 performance of Allianz General was affected by the impairment in receivables arising from two reinsurance contracts disputes. He enquired

whether the provision was made based on accounting standard or legal opinion. He further enquired the prospects of recovery of these two cases and will Allianz General reverse the provisions in the event AGIC succeeds in these two cases.

- (c) He commented that the Company had performed well over a period of time which was reflected in the share price of the Company. However, the dividend yield was only 1%, much lower than the fixed deposit rate. From the earlier presentation by the CFO, it was noted that the 2017 dividend payout ratio was 17% and it is the target of the Company to achieve a dividend payout ratio of 30%. He enquired when the Company anticipates to achieve its targeted dividend payout ratio of 30%.
- (d) He enquired on the 2018 forecast of the Group, what would be the focus and whether it will be similar or better than FYE 2017.

In reply to the concern raised by LAP with regard to the Annual Report, the Company Secretary assured that printed copies of the Annual Report will be made available during the Annual General Meeting moving forward. She further informed that should the shareholder require a printed copy of the 2017 Annual Report, they may complete the Request Form attached to the Administrative Details and send to the Share Registrar. The Share Registrar will send a printed copy of the 2017 Annual Report via post within four market days upon the receipt of the request from shareholders.

In respect of the question with regard to provision on reinsurance receivable impairment, Zakri replied that the impairment was made based on the accounting standard. He informed that both cases are still on-going and in the event Allianz General won the cases, Allianz General will write back the amount provided for the said cases.

In respect of the question on the dividend payout ratio, Charles replied that the Company maintains a practice to return as much as possible to the shareholders from the dividend income received from its subsidiaries. However, the Group needs to strike a balance between streaming up dividend to shareholders and retaining the surplus to meet the regulatory solvency requirements by the insurance subsidiaries as well as to ensure that the insurance subsidiaries have sufficient capital to finance new business growth and expansion. He informed that capital has been retained to fund numerous initiatives undertaken by the Group in 2017 for example bancassurance partnership. The new business strength has reflected in the share price of the Company, which continues to strengthen. He further informed that the Management aims to achieve a 30% dividend payout ratio in the medium term. He highlighted that it may take a period of 2 years to see the dividend payment ratio continues to strengthen.

With regard to the question on 2018 forecast, Joe informed that realistic and conservative figures were forecasted for 2018 but the Management is unable to disclose the same. The Management foresees a better performance by the Group for 2018 compared to year 2017. He informed that Allianz General delivered promising result for the first quarter of 2018. For Allianz Life, the Management expects to grow in volume and value in single digit.

LAP further enquired on the ratio for the revenue and profit contributed by Allianz General and Allianz Life respectively.

Charles replied that the Group's total GWP for FYE 2017 was contributed almost equally by Allianz Life and Allianz General while in term of profit, Allianz General was the main contributor with the ratio of 60 and 40 for Allianz Life. He informed that as ALIM is a small and young company which need capital for business expansion, the dividend from Allianz General was retained to support the business growth of Allianz Life. He hopes that Allianz Life will play its role in contributing dividend to the Group in the near future.

Zakri informed that the Management believed that the Group is a resilient entity given that the profit was contributed by both life and non-life businesses. He quoted that for FYE 2017, the profit of the Group was contributed by both Allianz General and Allianz Life, although Allianz General did not perform up to expectation. Allianz Life grew rapidly and contributed positively to the overall results of the Group for the FYE 2017. He commented that Allianz Life being a young company requires time to grow. He however believes that both companies will be able to contribute equally to the profit of the Group in future.

Mr. CK Goh, shareholder of the Company, complimented that the Group has performed well since Allianz took over from the previous owner. He gave credit to the Management of the Group for their contributions. He mentioned that he has no concern with the current share price of the Company, though the dividend payout is small. He hopes that the Company will be able to increase its dividend payout ratio in future.

He further raised the following questions:-

- (a) Allianz General recorded a negative 17% year-on-year growth in 2017 due to the impairment. Allianz General's business is at mature phase and faces challenges from its competitors, in order to grow further, Allianz General needs to be more innovative. The life insurance segment is a new growth driver of the Group with tremendous growth of 25% in 2017. He suggested that the Management considers introducing some insurance products particularly life insurance products, which are implemented by Allianz in Europe, to Malaysia to intensify growth.
- (b) The Group paid significant amount of commission to the agents. With the implementation of Financial Technology ("Fintech") currently, many insurance companies are focusing on direct internet insurance. He suggested Management to consider internet insurance approach where customers can purchase insurance directly via the Company's website instead of going through the agents. With this, agents could be reduced and less commission will be paid to them. He further quoted an example that additional cost had been paid for advertisements published by the Group in the local daily to congratulate successful agents and opined that with these cost saved, coupled with the implementation of internet insurance, the Group will be able to grow further.

Zakri explained that in term of GWP, Allianz General grew better than the market. The profit before tax for FYE 2017 was 17%, lower than FYE 2016 mainly due to the impairment in receivables arising from two reinsurance contract disputes. He informed that the combined ratio for FYE 2017 was 94.5% after accounted for the one-off impairment in receivables of 2.1% (or RM38 million). He further explained that excluding the impact of impairment in receivables, the increase of expense ratio was due to investments into services and digital assets to prepare Allianz General to compete in a detariffed environment. Zakri informed that the profit before tax of Allianz General was also impacted by significant increase in flood claims in 2017.

Joe agreed that for life insurance business in Malaysia, there are many upside potentials, however, these potentials have to be acquired on a step by step basis as they are driven by customer behavior and perception. He informed that the major life insurance pillar for Allianz SE is retirement protection. However, the taken up rate of this type of scheme in Malaysia although limited but remains positive as most Malaysian are relying on Employee Provident Fund ("EPF") as the main pillar for their retirement.

He opined that the Malaysian Government and regulators shall evaluate the viability of EPF being the sole pillar for retirement and consider what would be the sustainable retirement scheme for the young generation. He highlighted that in the mature market such as Germany, Europe and United States, EPF will not be considered as a sole pillar for retirement. Therefore, the life insurance arm of Allianz SE in Germany has introduced retirement protection. He opined that over time, when the society becoming more mature, it will open new opportunity to new segment of business. He further reaffirmed that the Group would benefit from the initiatives and strategy undertaken by the Allianz SE Group.

In respect of the enquiry on internet insurance, Zakri informed that Allianz General is embracing digitalisation in its distribution channel by partnering with various digital partners, as presented by Joe earlier. With regard to the question on direct insurance, Zakri highlighted that based on statistical data, less than 1.8% of the total GWP of the whole market was from internet insurance. This indicates that customers have not changed their behavior when purchasing insurance and they are still preferred to buy insurance through agents.

He informed that a thorough and careful study needs to be conducted when Allianz General decides to go for direct insurance and it will be driven by customers' consumption preference. In this regard, Allianz General has partnered with digital partners where customers can interact directly with these digital partners to buy insurance and Allianz General will observe whether there is any growth from this distribution channel. Given that presently customers are more comfortable to buy insurance through agents, Allianz General will need to maintain and focus on this distribution channel while at the same time observing customers' consumption behaviour.

Mr. CK Goh quoted an example of him buying travel insurance when booking a flight online, which is fast, easy and time saving. Customers are not required to look for agents or other alternatives to buy travel insurance. He hopes that Allianz General



could react fast and make the necessary changes soonest possible, otherwise Allianz General will lose its competitive edge.

Zakri informed that Allianz General does offer travel insurance online. He clarified that when he made reference to internet insurance earlier, he actually referred to insurance in general which includes life insurance. He mentioned that while purchasing insurance online is convenient and time saving, there are certain type of insurance, due to complexity of the products, for example life insurance, may require expert's explanations. Nevertheless, it is ultimately the choice of the customers of their preferred way to interact with the Group, and the Group will make such choices available, whether it is through online or agents. Meanwhile, the Management will observe the consumption patterns of customers and react accordingly.

Mr. Chiew Sing Cheong, shareholder of the Company, shared his unpleasant experience of purchasing insurance from Allianz General for his car, model HRV. He further enquired on the market share of Allianz General and Allianz Life and whether the insurance industry would benefit from the implementation of zero rated Goods and Services Tax ("GST") with effect from 1 June 2018.

With regard to the Mr. Chiew Sing Cheong's experience of purchasing his car insurance with Allianz General, Zakri explained that Allianz General adopts a more stringent underwriting rule on cars with high theft risk. He was delighted that the matter is resolved.

Zakri further informed that for FYE 2017, the market shares of Allianz General and Allianz Life was 12% and 7.5% respectively. In term of Motor, Allianz General's market share was 17% while for new motor vehicles, it was approximately 30% to 35%. He informed that Motor business is not a profitable segment for Allianz General and therefore, Allianz General is diversifying its business to other segments.

With regard to the business impact of implementation of zero rated GST with effect from 1 June 2018, Zakri opined that if the disposable income of the public increased, the demand for insurance may increase. At the present moment, the demand in the market is weak as there is not much disposable income available.

The shareholder, Mr. Chong Fook Khing, made reference to the two disputes in the reinsurance contracts and enquired whether Allianz General encountered similar incidents in the past. He further commented that liability insurance is the most profitable segment in the general insurance market and huge portion of revenue for some insurers for example Berkshire Hathaway, is made up of insurance premium. He enquired of the net quantum of premium of Allianz General on the assumption that there are no claims and after deducting of expenses.

Mr. Chong also made reference to impairment due to flood claims and enquired whether flood cover is already included in the policy or it is an extension to the existing cover.

Zakri responded that Allianz General did encounter past incidents that reinsurance companies repudiated their obligations to honour claims. He explained that when parties agreed to enter into a reinsurance agreement, a leader will be appointed to

lead the reinsurance program. There is a methodology adopted amongst all the participating reinsurers where all reinsurers shall follow the decision made by the leader. In respect of the dispute involves a claim against Chubb, Allianz General has fulfilled its obligation as a leader in accordance with the terms of the reinsurance agreement.

Zakri highlighted that one should not make comparison between Berkshire Hathaway and Allianz General as the nature of business and the market segment of both companies are not the same. He mentioned that Berkshire Hathaway is an insurance and reinsurance company while Allianz General is an insurance company.

Zakri explained that the revenue of Allianz General is referring to its GWP. If Allianz General's combined ratio is at 100%, it means that Allianz General is not making underwriting profit. If the combined ratio is below 100%, it means that after deducting commission payout, management expenses and claims, the balance of it will be the underwriting profit made by Allianz General. In 2017, Allianz General's combined ratio was 94.5% and the balance of 5.5% was the underwriting profit made by Allianz General. The Management normally aims to achieve a combined ratio of 90%.

In relation to the profitable segment, Zakri responded that liability insurance is not popular in Malaysia even though it is a good business. Although the liability market is huge, but there is no demand for liability insurance. Currently, Fire insurance is the most profitable segment in the general insurance market.

With regard to flood cover, Zakri informed that flood is an extension under Fire insurance underwrite by Allianz General. In 2017, AGIC received flood claims from medium size commercial properties, especially from Sabah and Sarawak.

Mr. Quah Ban Aik, from MSWG, informed that MSWG has changed its name to Minority Shareholder Watch Group recently.

He enquired as below:-

- (a) Any study has been conducted on the retention of general insurance business by Allianz General and whether there is any shift of Allianz General's loyal customers to other general insurers, if yes, what will be the percentage and reason for such shift?
- (b) With the implementation of the Allianz Road Ranger, does the fraud experience alarming or contain?
- (c) How does Allianz General price its products vis-à-vis the allowable range of 10% imposed by the regulator under the Phased Liberalisation, and the pulling factors for people to purchase Allianz General's insurance policy despite that the premium offered by Allianz General is higher than other insurers.

In respect of customer retention, Zakri replied that Allianz General has conducted retention study on motor business. The motor renewal ratio was approximately 60%. Apparently Allianz General has higher retention ratio as compared to the market. He

however was not satisfied with the said retention ratio and will work towards improving it.

Zakri explained that prior to Phased Liberalisation, most of the customers were not so concern on insurer selection since all insurers charged same premium. However, under the Phased Liberalisation environment, there is difference in premium offered by insurers, therefore Allianz General could work to improve the retention ratio by providing better service.

With regard to Allianz Road Ranger, Zakri informed that the initiative aims not just to provide added services to the customers but also to eliminate accident claim fraud and reduce expenses. He informed that Allianz General is the first general insurance company to embark on this initiative and currently there are 255 tow trucks nationwide under the Allianz Road Ranger. He further informed that the claims could be increased by 25% to 30% if customers do not used this service.

With regard to pricing strategy following the Phased Liberalisation, Zakri informed that although the allowable range of price adjustment imposed by the regulator is within 10%, there is a parameter that all general insurers have to follow. Allianz General has conducted study on the drivers and their behaviours and the actuarial team will base on the results of the study to determine the pricing for each category of customers.

In order to balance the profit margin and remain attractive, Allianz General provides competitive premium, which may not be the cheapest in the market but with value embedded for good services. Customers are willing to pay extra for services rendered by Allianz General.

Since there was no further question raised, the Chairman proceeded to the next item of the agenda.

#### **4. PAYMENT OF DIRECTORS' FEES FOR THE COMPANY AND ITS INSURANCE SUBSIDIARIES**

The Chairman tabled the Ordinary Resolution 1 under item 2(a) of the agenda on payment of Directors' fees for the Company and its insurance subsidiaries of RM2,542,091 for the FYE 2017 for the shareholders' approval.

The Ordinary Resolution 1 was duly proposed by Madam Chin Xiao Wei and seconded by Madam Chin Yien Ping.

The Chairman invited question from the floor.

Since there was no question raised, the Chairman informed that the poll vote on Ordinary Resolution 1 would be conducted upon completion of the remaining business of the Meeting.

**5. PAYMENT OF DIRECTORS' REMUNERATION (EXCLUDING DIRECTORS' FEES) TO THE NON-EXECUTIVE DIRECTORS OF THE COMPANY AND ITS INSURANCE SUBSIDIARIES**

The Chairman tabled the Ordinary Resolution 2 under item 2(b) of the agenda on payment of Directors' remuneration (excluding Directors' fees) to the Non-Executive Directors of the Company and its insurance subsidiaries up to an amount of RM1,108,090 from 23 May 2018 until the next Annual General Meeting of the Company.

The Ordinary Resolution 2 was duly proposed by Mr. Mok Kian Tong and seconded by Ms. Malathi Muniandy.

The Chairman invited question from the floor.

Since there was no further question raised, the Chairman informed that the poll vote on Ordinary Resolution 2 would be conducted upon completion of the remaining business of the Meeting.

**6. RE-ELECTION OF DIRECTORS WHO RETIRE BY ROTATION IN ACCORDANCE WITH THE ARTICLES OF ASSOCIATION (CONSTITUTION) OF THE COMPANY**

The Chairman tabled item 3 of the agenda which was to consider the re-election of the Directors who retire by rotation in accordance with the Articles of Association (Constitution) of the Company.

**6.1 Re-election of Y. Bhg. Dato' Dr. Thillainathan A/L Ramasamy**

The Chairman tabled Ordinary Resolution 3 in respect of the re-election of Y. Bhg. Dato' Dr. Thillainathan A/L Ramasamy who retired by rotation in accordance with Article 96 of the Articles of Association (Constitution) of the Company and being eligible, offers himself for re-election, for the shareholders' approval.

The Ordinary Resolution 3 was duly proposed by Madam Malathy Ramakrishnan and seconded by Madam Chan Miew Sum.

The Chairman invited question from the floor.

Since there was no question raised, the Chairman informed that the poll vote on Ordinary Resolution 3 would be conducted upon completion of the remaining business of the Meeting.

**6.2 Re-election of Y.A.M Tunku Zain Al-Abidin Ibni Tuanku Muhriz**

The Chairman tabled Ordinary Resolution 4 in respect of the re-election of Y.A.M Tunku Zain Al-Abidin Ibni Tuanku Muhriz who retired by rotation in accordance with Article 97 of the Articles of Association (Constitution) of the Company and being eligible, offers himself for re-election, for the shareholders' approval.

The Ordinary Resolution 4 was duly proposed by Ms. Malathi Muniandy and seconded by Ms. Manogari S Murugiah.

The Chairman invited question from the floor.

Since there was no question raised, the Chairman informed that the poll vote on Ordinary Resolution 4 would be conducted upon completion of the remaining business of the Meeting.

**7. APPOINTMENT OF AUDITORS**

The Chairman tabled the Ordinary Resolution 5 under the item 4 on the appointment of Messrs. PricewaterhouseCoopers PLT ("PwC") as the Auditors of the Company in place of the retiring Auditors, Messrs. KPMG PLT and to hold office until the conclusion of the next Annual General Meeting at a remuneration to be fixed by the Directors.

The Chairman informed that Allianz SE, the holding company and major shareholder of the Company has given a Notice of Nomination of PwC as Auditors of the Company in place of Messrs. KPMG PLT who will be retiring at the Meeting.

The Ordinary Resolution 5 was duly proposed by Madam Chin Yien Ping and seconded by Ms. Lee Chi Kwan.

The Chairman invited question from the floor.

Since there was no question raised, the Chairman informed that the poll vote on Ordinary Resolution 5 would be conducted upon completion of the remaining business of the Meeting.

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

The Chairman tabled the following Ordinary Resolution 6 for the shareholders' approval:-

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

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

- (a) the conclusion of the next Annual General Meeting of the Company, at which time it will lapse, unless by ordinary resolution passed at the said Annual General Meeting, the authority is renewed; or

- (b) the expiration of the period within which next Annual General Meeting is required to be held pursuant to Section 340 (2) of the Companies Act 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340 (4) of the Companies Act 2016); or
- (c) revoked or varied by resolution passed by the shareholders in a general meeting;

whichever is the earlier;

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

The Ordinary Resolution 6 was duly proposed by Madam Chan Miew Sum and seconded by Madam Chin Yien Ping.

The Chairman invited question from the floor.

Since there was no question raised, the Chairman informed that the poll vote on Ordinary Resolution 6 would be conducted upon completion of the remaining business of the Meeting.

**9. PROPOSED SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS WITH SHOOK LIN & BOK**

The Chairman tabled the following Ordinary Resolution 7 for the shareholders’ approval:-

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

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

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

- (c) revoked or varied by resolution passed by the shareholders in a general meeting;

whichever is the earlier;

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

The Ordinary Resolution 7 was duly proposed by Ms. Manogari S Murugiah and seconded by Madam Chin Xiao Wei.

The Chairman invited question from the floor.

Since there was no question raised, the Chairman informed that the poll vote on Ordinary Resolution 7 would be conducted upon completion of the remaining business of the Meeting.

**10. PROPOSED SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS WITH RAPIDPRO CONSULTING SDN BHD**

The Chairman tabled the following Ordinary Resolution 8 for the shareholders’ approval:-

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

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

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

whichever is the earlier;

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

The Ordinary Resolution 8 was duly proposed by Mr. Mok Kian Tong and seconded by Madam Malathy Ramakrishnan.

The Chairman invited question from the floor.

Since there was no question raised, the Chairman informed that the poll vote on Ordinary Resolution 8 would be conducted upon completion of the remaining business of the Meeting.

#### **11. OTHER BUSINESS**

The Chairman informed that he has been advised that the Company did not receive any notice of other business to be transacted at the Meeting.

#### **12. ELECTRONIC POLLING PROCEDURES**

The Chairman declared that the registration for the attendance at the Meeting is closed at 11.32 a.m.. He called upon Ms. Lilian Low (“Lilian”), representative from TIIH, the poll administrator, to brief the members on the electronic polling process.

Lilian briefed the members on the procedures for the conduct of poll using at the Meeting using Tricor e-voting system. Each of the e-voting counters was equipped with an iPad and a barcode reader. Each shareholder/proxy holder would be directed to the e-voting counter with his/her personalised passcode slip which was issued during registration for the Meeting.

The Tricor e-voting tutorial video on the e-voting process was played at the Meeting prior to the commencement of e-voting process.

The Chairman adjourned the Meeting at 11.35 a.m. for 20 minutes to facilitate the polling process and poll vote count and the Meeting shall resume at 11.55 a.m. for the declaration of poll results.

The Chairman highlighted that an enquiry box was placed at the registration counter and shareholders are welcomed to submit their questions, the Management will response to the questions within 7 working days.

#### **13. ANNOUNCEMENT OF POLL RESULTS**

The Chairman called the Meeting to order at 11.55 a.m. for the declaration of poll results. He informed that the poll results as projected on the screen have been verified by the scrutineer, BDO. The poll voting results are as per Annexure D attached herewith.



Based on the poll results verified by BDO, the Chairman declared all resolutions, as detailed below, carried:-

Ordinary Resolution 1

Payment of Directors' fees of RM2,542,091 for the FYE 2017.

Ordinary Resolution 2

Payment of Directors' remuneration (excluding Directors' fees) of up to an amount of RM1,108,090 from 23 May 2018 until the next Annual General Meeting of the Company.

Ordinary Resolution 3

Re-election of Y. Bhg. Dato' Dr. Thillainathan A/L Ramasamy as Director of the Company in accordance with Article 96 of the Articles of Association (Constitution) of the Company.

Ordinary Resolution 4

Re-election of Y.A.M. Tunku Zain Al-'Abidin Ibni Tuanku Muhriz as Director of the Company in accordance with Article 97 of the Articles of Association (Constitution) of the Company.

Ordinary Resolution 5

Appointment of PwC as Auditors of the Company in place of the retiring Auditors, Messrs. KPMG PLT and to hold office until the conclusion of the next Annual General Meeting at a remuneration to be fixed by the Directors.

Ordinary Resolution 6

Proposed Shareholders' Mandate for Recurrent Related Party Transactions with Allianz SE Group.

Ordinary Resolution 7

Proposed Shareholders' Mandate for Recurrent Related Party Transactions with Shook Lin & Bok.

Ordinary Resolution 8

Proposed Shareholders' Mandate for Recurrent Related Party Transactions with Rapidpro Consulting Sdn Bhd.

**15. CLOSE OF MEETING**

The Chairman informed that he will retire as Chairman and Director of the Company at the conclusion of the Meeting and he will be succeeded by Y. Bhg. Tan Sri Datuk (Dr.) Rafiah Binti Salim. He thanked the Board members, shareholders, the Management and employees of the Group for all the support extended to him and he hopes that the new Chairman will receive the same support that has been extended to him.

There being no other business to be transacted, the Chairman declared the Meeting closed at 11.58 a.m..

**SIGNED AS A CORRECT RECORD**

  
.....  
CHAIRMAN