

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 43rd Annual General Meeting (“AGM”) of Allianz Malaysia Berhad will be held at Grand Ballroom, Level 2, Aloft Kuala Lumpur Sentral, 5, Jalan Stesen Sentral, Kuala Lumpur Sentral, 50470 Kuala Lumpur on Wednesday, 24 May 2017 at 10.00 a.m. for the following purposes:-

AGENDA

Ordinary Business

- To receive the Audited Financial Statements for the financial year ended 31 December 2016 and the Directors’ and Auditors’ Reports thereon.
- To approve the following payments to Non-Executive Directors of the Company and its insurance subsidiaries:-
 - Directors’ fees of RM1,966,764 for the financial year ended 31 December 2016 (2015: RM1,561,137).
 - Directors’ remuneration (excluding Directors’ fees) of up to an amount of RM1,613,360 from 1 January 2017 until the next AGM of the Company.
- 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, offer themselves for re-election:-
 - Mr. Foo San Kan
 - Mr. Ong Eng Chow
- To re-appoint the following Directors:-
 - Y. Bhg. Tan Sri Razali Bin Ismail
 - Y. Bhg. Dato’ Dr. Thillainathan A/L Ramasamy
- To re-appoint Messrs. KPMG PLT as the Auditors of the Company for the financial year ending 31 December 2017 and to authorise the Directors to fix their remuneration.

Ordinary Resolution 1

Ordinary Resolution 2

Ordinary Resolution 3

Refer to Explanatory Note 3

Ordinary Resolution 4

Ordinary Resolution 5

Ordinary Resolution 6

Ordinary Resolution 7

Ordinary Resolution 8

Ordinary Resolution 9

Special Business

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

6. 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 the Company’s Circular to Shareholders dated 25 April 2017, 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:-

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

whichever is the earlier;

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

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

“THAT pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiaries to enter into the recurrent related party transaction with Shook Lin & Bok as specified in Section 2.2 (B) of the Company’s Circular to Shareholders dated 25 April 2017, 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:-

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

whichever is the earlier;

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

8. 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 transaction with Rapidpro Consulting Sdn Bhd as specified in Section 2.2 (C) of the Company’s Circular to Shareholders dated 25 April 2017, 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:-

- 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
- 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
- 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.”

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

By Order of the Board

NG SIEW GEK
Company Secretary

Kuala Lumpur
25 April 2017

NOTES TO MEMBERS AND PROXY

A. APPOINTMENT OF PROXY/PROXIES

- For the purposes of determining a member who shall be entitled to attend and vote at the forthcoming 43rd AGM of the Company, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a Record of Depositors as at 16 May 2017. Only a depositor whose name appears in the Record of Depositors as at 16 May 2017 shall be entitled to attend and vote at the 43rd AGM or appoint proxy/proxies to attend and vote on his/her behalf.
- A member entitled to attend and vote at the 43rd 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.
- A proxy may but need not be a member of the Company.
- 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.
- 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.
- 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.
- The instrument of proxy shall be deposited at the Registered Office of the Company at Level 29, Menara Allianz Sentral, 203, Jalan Tun Sambanthan, Kuala Lumpur Sentral, 50470 Kuala Lumpur not later than twenty-four (24) hours before the appointed time for holding the 43rd AGM.

B. EXPLANATORY NOTES ON ORDINARY BUSINESS

1. Audited Financial Statements for the financial year ended 31 December 2016

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

2. Directors’ Remuneration for Non-Executive Directors

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

Directors’ fees for the financial year ended 31 December 2016

The Directors’ fees for the financial year ended 31 December 2016 are made up of the following components and are only payable to Non-Executive Directors:-

- 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.

- Fees for assuming additional responsibilities

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

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

- to ensure competitiveness of Board remuneration. The proposed increase will enable the Directors’ remuneration to be in line with that recommended by the FIDE Remuneration Report and commensurate with the responsibilities and risks assumed by the Directors; and

- to retain Directors. The current Boards of the Company and its insurance subsidiaries are made up of credible and highly professional Directors, with all of them having good reputation and extensive experience locally and globally in their areas of expertise.

The respective Boards of the Company and its insurance subsidiaries having reviewed the recommendations of the Remuneration Committee, recommended the following Directors’ fees payable to the Non-Executive Directors for the financial year ended 31 December 2016, for the shareholders’ approval:-

	Company	ALIM	AGIC
Directors’ Fees	RM628,407 (2015: RM561,512)	RM618,192 (2015: RM458,159)	RM720,165 (2015: RM541,466)

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

The proposed Directors’ fees for the financial year ended 31 December 2016 are detailed in the Statement on Corporate Governance of the Annual Report.

- Directors’ remuneration (excluding Directors’ fees) for the period from 1 January 2017 to the next AGM in 2018

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

Description	Year	Company		Insurance Subsidiaries		
		Chairman	Board Members	Chairman	AGIC	Board Members
Monthly Fixed Allowance	2017	Nil	Nil	ALIM RM10,750	AGIC RM17,250	Nil
	2018*	RM57,000	Nil	ALIM RM12,000	AGIC RM12,000	Nil
Meeting Allowance - Board - Board Committees	2017	RM2,300 (per meeting)	RM2,300 (per meeting)	RM2,300 (per meeting)		RM2,300 (per meeting)
	2018**	RM2,645 (per meeting)	RM2,645 (per meeting)	RM2,645 (per meeting)		RM2,645 (per meeting)
Benefits	2017	Medical insurance, personal accident insurance, leave passage, company car and driver.	Medical insurance and personal accident insurance.	Medical insurance and personal accident insurance.		Medical insurance and personal accident insurance.
	2018*	Medical insurance, personal accident insurance, company car and driver.	Medical insurance and personal accident insurance.	Medical insurance and personal accident insurance.		

Notes:-

- Following the issuance of the Corporate Governance Policy (“CG Policy”) by Bank Negara Malaysia on 3 August 2016, the respective Board compositions will be revised with effect from 1 January 2018 in order to comply with the requirements of the CG Policy. Consequently, the monthly allowance and benefits for the Chairman of the respective companies will be revised accordingly.
- The meeting allowance for the respective Boards and Board Committees will be revised from RM2,300 per meeting in 2017 to RM2,645 per meeting in 2018.

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

Payment of the Directors’ remuneration (excluding Directors’ fees) will be made by the Company and its insurance subsidiaries on a monthly basis and/or as and when incurred if the proposed Ordinary Resolution 2 is passed at the 43rd AGM. In determining the estimated total amount of remuneration (excluding Directors’ fees) for the Directors including the Chairman of the Board for the period from 1 January 2017 till the 2018 AGM of the Company, the Company took into consideration, amongst others, the number of scheduled meetings for the Board and Board Committees and the number of Non-Executive Directors involved in these meetings.

3. Re-election of Directors who retire in accordance with 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 AGM 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.

Mr. Foo San Kan and Mr. Ong Eng Chow are standing for re-election pursuant to Article 96 of the Articles of Association of the Company.

Mr. Ong Eng Chow had indicated that he will not seek for re-election as a Director of the Company at the 43rd AGM.

Mr. Foo San Kan had indicated his willingness to seek for re-election and abstained from the deliberation and voting of his re-election at the respective Nomination and Remuneration Committee Meeting and Board Meeting.

The Nomination and Remuneration Committee having assessed and satisfied with the performance of Mr. Foo San Kan, recommended his re-election for the Board’s approval.

The Board having reviewed the recommendation of the Nomination and Remuneration Committee, recommended the re-election of Mr. Foo San Kan for the shareholders’ approval.

The profile of Mr. Foo San Kan is set out in the Board of Directors’ Profile of the Annual Report.

4. Re-appointment of Directors

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. However, with the enforcement of the Companies Act 2016 with effect from 31 January 2017, there is no longer a requirement on age limit for Directors.

At the 42nd AGM of the Company held on 25 May 2016, Y. Bhg. Tan Sri Razali Bin Ismail and Y. Bhg. Dato’ Dr. Thillainathan A/L Ramasamy were re-appointed as Directors of the Company until the conclusion of the 43rd AGM. Hence, their appointments shall lapse at the conclusion of the forthcoming 43rd AGM. The proposed Ordinary Resolutions 4 and 5, if passed, will enable Y. Bhg. Tan Sri Razali Bin Ismail and Y. Bhg. Dato’ Dr. Thillainathan A/L Ramasamy respectively to continue in office as Directors of the Company.

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 Board Meeting.

The Board having reviewed the re-appointments of Y. Bhg. Tan Sri Razali Bin Ismail and Y. Bhg. Dato’ Dr. Thillainathan A/L Ramasamy including their performance evaluation, recommended the same for the shareholders’ approval.

The profiles of Y. Bhg. Tan Sri Razali Bin Ismail and Y. Bhg. Dato’ Dr. Thillainathan A/L Ramasamy are set out in the Board of Directors’ Profile of the Annual Report.

5. Re-appointment of External Auditors

Messrs. KPMG (“KPMG”) had successfully on 27 December 2016 converted its status from a conventional partnership to a limited liability partnership (“LLP”) pursuant to Section 29 of the LLP Act 2012. Following the conversion, KPMG are known as KPMG PLT (Perkongsian Liabiliti Terhad).

The Audit Committee reviewed the performance of KPMG PLT (including of its Engagement Partner and Concurring Partner) based on the prescribed evaluation criteria and concluded that KPMG PLT met all the criteria prescribed by Bank Negara Malaysia. The Audit Committee also satisfied with the work delivered by KPMG PLT as well as the professionalism of the audit team assigned to the Company, and recommended the proposed re-appointment of KPMG PLT as External Auditors for the Board’s consideration.

KPMG PLT 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 PLT as External Auditors for the financial year ending 31 December 2017, recommended the same for the shareholders’ approval.

C. EXPLANATORY NOTE ON SPECIAL BUSINESS

Proposed Shareholders’ Mandate for Recurrent Related Party Transactions

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

It is anticipated that the 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 25 April 2017 (“Shareholders’ Mandate Circular”).

In view of time sensitivity and the frequent nature of such related party transactions, the Directors of the Company are seeking shareholders’ approval for the proposed Ordinary Resolutions 7, 8 and 9, to allow the Group in its ordinary course of business, to enter into recurrent related party transactions with the respective related parties as detailed in the Shareholders’ Mandate Circular, provided that such transactions are made on arm’s length basis and are on terms not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders.

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

D. ABSTENTION FROM VOTING

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

The following Directors are interested or deemed to be interested in the below mentioned Ordinary Resolutions to be tabled at the 43rd AGM:-

Interested Directors	Ordinary Resolution No.	Direct Shareholding
Y. Bhg. Tan Sri Razali Bin Ismail	1, 2, 4 and 9	Nil
Mr. Foo San Kan	1, 2 and 3	Nil
Y. Bhg. Dato’ Dr. Thillainathan A/L Ramasamy	1, 2, 5 and 8	Nil
Y. Bhg. Tan Sri Datuk (Dr.) Rafiah Binti Salim	1 and 2	Nil
Y.A.M. Tunku Zain Al-Abidin Ibnu Tuanku Muhriz	1 and 2	Nil
Mr. Zakri Bin Mohd Khir	4, 7 and 9	(a) 100 ordinary shares. (b) 200 irredeemable convertible preference shares (“ICPS”).
Mr. Ong Eng Chow	7	(a) 100 ordinary shares. (b) 100 ICPS.

They will abstain from voting on the respective resolutions and have also undertaken that they will ensure that the persons connected with them will abstain from voting on the relevant resolutions that involve their interests and/or interest of persons connected to them at the 43rd AGM.

E. NOTE TO HOLDERS OF ICPS

The holders of the ICPS shall be entitled to attend the 43rd AGM but have no right to vote at the said AGM. The voting rights of the ICPS holders are detailed in the Statement on Corporate Governance of the Annual Report.