

CORPORATE GOVERNANCE REPORT

STOCK CODE : 1163
COMPANY NAME : ALLIANZ MALAYSIA BERHAD
FINANCIAL YEAR : December 31, 2018

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PERSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.1

The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is accountable to the shareholders and therefore should use its best efforts to ensure that Allianz Malaysia Berhad ("AMB" or "Company") is properly managed and constantly improved so as to protect and enhance shareholders' value and to meet the Company's obligations to all parties with which the Company interacts. The Board in discharging its fiduciary and leadership functions, assumes, among others, the following responsibilities:-</p> <p>(i) Reviewing and approving strategic plan</p> <p>The Board plays an active role in the Company's strategic direction, providing advice to Management and monitors the development of the Company's strategies.</p> <p>In 2018, the Management started its strategic planning process in June 2018, formulated a 3-year business plan for 2019 to 2021, embedded with detailed strategies, financial projections and key performance indicators ("Business Plan").</p> <p>The Board deliberated on the Business Plan, its execution and challenges faced, among others, challenges faced by the insurance subsidiaries which may have impact on the dividend income of the Company, and approved the Business Plan in November 2018.</p> <p>The Board reviews the status of the Business Plan and its deliveries on a quarterly basis.</p> <p>(ii) Overseeing the conduct of the business to ensure that the business is properly managed towards achieving the Company's corporate objectives</p> <p>The Chief Executive Officer ("CEO") is supported by the</p>

Senior Management and Management Committees in discharging the day-to-day management of the business and operations of the Company and its subsidiaries (collectively referred to as "Group").

To ensure effective oversight of business and operations of the Group, the CEO of the Company who is also the Country Manager of Allianz in Malaysia and CEO of the general insurance subsidiary, receives monthly management report from both insurance subsidiaries. On a quarterly basis, he reports to the Board on the development of the Group's business and operations, progress of key initiatives, challenges faced and remedial action plan as well as industry trends and developments, whilst the Chief Financial Officer ("CFO") will report to the Board on the financial performance against the key performance indicators set by the Board and significant financial highlights.

The CEO and CFO address queries raised by the Board during the Board Meeting and if required, the Management teams of the insurance subsidiaries will attend the Board Meeting to provide clarifications and updates with regard to their areas of responsibilities.

(iii) Identifying key business risks, determining the risk appetite and ensuring the implementation of appropriate systems to manage risks within established risk-tolerance limits

The Board has entrusted the Risk Management Committee of the AMB Board ("RMC") with the responsibility of providing oversight on risk governance of the Group. The RMC is responsible for driving the risk management framework of the Group. The RMC meets quarterly to review the risk status of the Group including impact of emerging risks and evaluate whether the current risk management framework remains effective for controlling risk taking activities of the Group, and in line with the Group's risk appetite and business environment.

The RMC reports its observations on a quarterly basis to the Board.

The risk management framework of the Group is detailed in the Practice 9.1 of this Corporate Governance ("CG") Report.

(iv) Succession planning, including the appointment, training, remuneration and performance review of Senior Management

The Nomination and Remuneration Committee of the AMB Board ("NRC") is responsible to oversee the selection,

performance, remuneration and succession plans of the Board, CEO and key responsible persons of the Group who are accountable or responsible for the management and oversight of the respective companies within the Group.

The NRC reports to the Board on its observations and recommendations with regard to new appointments, performance and remuneration of the Directors, CEO and key responsible persons.

Details of the activities carried out by the NRC are reported in the NRC Report of the Annual Report 2018.

(v) Ensuring the adequacy and integrity of the governance framework, internal control and management information systems, including systems for monitoring compliance with applicable laws, regulations, rules, directives and guidelines

The Board is fully committed to ensure that effective risk management and internal control systems are in place within the Group and continuously review the adequacy and integrity of these systems.

The key processes for reviewing the adequacy and integrity of risk management and internal controls of the Group are detailed in the Statement on Risk Management and Internal Control ("SORMIC") of the Annual Report 2018.

(vi) Overseeing the development and implementation of shareholder communications policy

The Group's internal and external communications are guided by the Allianz SE Group's communication guidelines and the requirements of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities").

All announcements released by the Company to Bursa Securities are reviewed by the CEO, CFO and Company Secretary of the Company and approved by the Board. All internal and external communications, including press releases are approved by the CEO and disseminated by the Corporate Communications Department to the relevant stakeholders.

(vii) Promote sustainability through appropriate economic environmental, social and governance considerations in business strategies

The sustainability strategy at the Group is overseen by the Board, supported by the RMC and Sustainability Working Group (“SWG”). The RMC and SWG are chaired by an Independent Non-Executive Director and the Head of Allianz4Good respectively, with support from members of Senior Management from both subsidiaries, i.e. Allianz General Insurance Company (Malaysia) Berhad (“AGIC”) and Allianz Life Insurance Malaysia Berhad (“ALIM”) and other designated officers. This structure of sustainability governance ensures that sustainability initiatives are effectively integrated, implemented and monitored across the organisation.

The sustainability strategy is shaped through continuous assessments by the Board through the RMC, based upon prevalent sustainability concerns and the Group’s overall business strategy.

The Group’s sustainability initiatives for 2018 are elaborated further in the Sustainability Report of the Annual Report 2018.

(viii) Promote good CG culture which reinforces ethical, prudent and professional behaviours

The Board believes that strong CG culture is fundamental to build a responsible organisation and deliver long-term sustainable value to the shareholders and various stakeholders of the Group.

The Board and the Management are cognisant that CG is a continuous journey and it can only be implemented effectively with full commitment and support from all levels of staff in the Group. With this in mind, constant review and awareness building on the Group’s CG practices are undertaken to ensure that such practices remain robust and relevant to the Group’s business at all time, which ultimately foster long-term sustainability of the Group.

The Group has in place the code of conduct, relevant policies and procedures applicable for the Board, Management and employees, which are further discussed in Practice 3.1 in this CG Report.

Please refer to the Board Charter for detailed responsibilities of the Board on the Company’s website at www.allianz.com.my/corporate-profile (under the Corporate

	Governance section). The responsibilities of the Board as stipulated in the Board Charter are also applicable to the subsidiaries of the Company.	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.2

A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

Application	: Applied
Explanation on application of the practice	<p>The Chairman has a crucial leadership role to ensure that the Board works effectively. The roles of the Chairman, among others, include the following:-</p> <ul style="list-style-type: none">(i) As a leader for the Board and chairs all Board Meetings.(ii) Managing Board Meetings to ensure robust decision-making by, among others:-<ul style="list-style-type: none">• setting the agenda for each Board Meeting together with the Company Secretary and the CEO and other key members of Management, when required;• leading discussion and promotes constructive deliberation leading to effective contribution by each member of the Board during Board Meetings; and• managing boardroom dynamics by promoting a culture of openness and debate.(iii) Promoting the highest standards of integrity, probity and CG in the Company and taking a leading role in creating an effective CG system.(iv) Leading efforts to address the Board's developmental needs.(v) Managing Board and Management interface by, among others:-<ul style="list-style-type: none">• acting as the main conduit between the Management and the Board; and• developing a positive relationship with the Management (including but not limited to CEO), acting as a confidant and advisor.(vi) Being the public face by:-<ul style="list-style-type: none">• acting as a spokesperson for the Board;• representing the Company at shareholders' meetings and on other occasions both domestically and/or abroad; and• ensuring effective communication with the Company's shareholders and other stakeholders.

	The roles of the Chairman are detailed in the Board Charter which is available on the Company's website.	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.3

The positions of Chairman and CEO are held by different individuals.

Application	:	Applied
Explanation on application of the practice	:	<p>The Chairman plays a crucial leadership and pivotal role in ensuring that the Board works effectively. The CEO oversees the execution of the Group's strategy and is responsible for the day-to-day running of the business. There is a clear division of roles and responsibilities between the Chairman and the CEO of the Company to ensure an appropriate balance of power, increased accountability, enhanced independence in decision making and that no one individual has unfettered decision making power.</p> <p>The respective roles and responsibilities of the Chairman and CEO are detailed in the Board Charter which is available on the Company's website.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.4

The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

Application	: Applied
Explanation on application of the practice	<p>The Company Secretary is qualified to act as company secretary under Section 235 of the Companies Act 2016 ("CA"). The Company Secretary is an Associate member of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA).</p> <p>The profile of the Company Secretary is set out in the Senior Management's Profile of the Annual Report 2018.</p> <p>The Company Secretary plays an advisory role to the Board in relation to the Company's constitution, policies and procedures, and compliance with the relevant regulatory requirements, guidance and legislations as well as the principle of best CG practices. The Directors are regularly updated by the Company Secretary on the new or changes made to the relevant regulatory requirements, more particularly on areas relating to the duties and responsibilities and disclosure requirements of the Directors and CG.</p> <p>The Company Secretary undertakes, inter-alia, the following functions:-</p> <ul style="list-style-type: none">(i) responsible for advising the Directors of their duties and responsibilities and obligations to disclose their interest in securities, prohibition on dealing of securities during the closed period, restriction on disclosure of price sensitive information, disclosure of any conflict of interest and related party transaction as well as disclosure of necessary information as required under the relevant legislations;(ii) preparing the agenda with the Chairman and CEO and notifying all Directors of Board Meetings;(iii) attends all Board and Board Committee Meetings and ensures that all Meetings are properly convened, and proceedings of the Board and Board Committee Meetings and decisions thereof are properly recorded, communicating decisions of the Board and Board Committees to the relevant management for necessary action, follow-up on proposals or

	<p>matters tabled at the Board or Board Committee Meetings;</p> <ul style="list-style-type: none"> (iv) providing full access and services to the Board; (v) assisting the Board with interpreting legal and regulatory acts related to the Malaysian Code on Corporate Governance (“Code”), Listing Requirements and other related regulations and developments; (vi) advising the Board on its obligatory requirements to disclose material information to the shareholders and financial markets on a timely basis; (vii) handling the Company’s share transactions and other duties as prescribed under the relevant legislations; (viii) notifying the Chairman of any possible violations of legal and regulatory acts; (ix) ensuring the appointment of new Directors, re-appointment and resignation of Directors are in accordance with the relevant legislations; (x) ensuring execution of assessment for Directors and the Board/Board Committees; (xi) briefing new Directors on organisational structure of the Company and procedures that regulate the operations of the Board; (xii) ensuring availability of information required by new Directors for the proper discharge of their duties; (xiii) assisting the Board and Chairman on the implementation of the Code; (xiv) monitoring compliance with the principles and recommendations of the Code and informing the Board of any breaches; (xv) ensuring high standard of governance by keeping abreast of the latest enhancement in CG and changes in the legal and regulatory framework; (xvi) facilitating the orientation of new directors and compliance with company and securities regulations and the Listing Requirements; (xvii) managing processes pertaining to the annual shareholder meeting; and
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	<p>(xviii) serving as a focal point for stakeholders' communication and engagement on CG issues.</p> <p>The Company Secretary constantly keeps herself abreast of the regulatory changes and development in sustainability and CG through continuous training. The Board is satisfied with the performance and support rendered by the Company Secretary to the Board in discharging her functions.</p> <p>Further details to the roles and responsibilities of the Company Secretary are disclosed in the Board Charter, which is available on the Company's website.</p>	
<p>Explanation for departure</p>	<p>:</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>	<p>:</p>	
<p>Timeframe</p>	<p>:</p>	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.5

Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

Application	:	Applied
Explanation on application of the practice	:	<p>The Directors have direct access to the advice and services of the Company Secretary. The Company Secretary works closely with the Management to ensure that there are timely and appropriate information flows to the Board and Board Committees, and between the Non-Executive Directors and the Management.</p> <p>Board Meetings for each year are scheduled in advance prior to the end of the year and circulated to Directors and Senior Management before the beginning of each year to accord sufficient time for the Directors to plan their meeting schedule. The Board meets regularly at least five times in a year. Additional Board Meetings may be held as and when required to discuss matters or proposals which require the Board's urgent decision.</p> <p>All Directors have direct access to the Senior Management and have unrestricted access to all information and documents relevant to the business and affairs of the Group. The Board may invite any employees to be in attendance of Board and Board Committee Meetings to assist in its deliberation.</p> <p>An email stating the datelines for submission of meeting papers will be sent by the Company Secretarial Department to the respective departments at least one month prior to the date of Board or Board Committee Meetings, to accord sufficient time for the respective departments to prepare and submit their proposal papers.</p> <p>The Board and Board Committee Meetings are conducted in accordance with a structured agenda approved by the Chairman. All Directors are given sufficient time to review the meeting papers prior to meetings. The agenda and meeting papers, including the minutes of the previous meeting are sent electronically to the Directors at least one week prior to the meetings in order to accord sufficient time for the Directors to review and consider issues to be discussed at the meetings. Urgent matters may be tabled for the Board's and Board Committees' deliberation under a supplemental agenda.</p>

The meeting papers are prepared in accordance with a prescribed format by the Company Secretarial Department, which aims to provide clear, comprehensive and concise information to the Board and Board Committees to facilitate their deliberation and decision making. The minimum information provided to the Board and Board Committees on proposals to be deliberated includes objective, background, proposals, rationale as well as financial and non-financial impact of the proposals for the Board and Board Committees to make informed and effective decisions.

In the effort to reduce the carbon footprint, the Company had moved towards electronic Board and Board Committee papers since 2011. The meeting papers are uploaded to a secured server designated specifically for the Directors, where the Directors are able to access to the e-meeting papers in a timely manner and at any time.

A special chat group had also been set up specifically for the Directors, CEO, CFO and Company Secretary to facilitate communication and sharing of information.

The Company has also implemented conference call and video conferencing facilities to enable Directors who are unable to attend meeting in person, to also participate in Board/Board Committee Meetings.

In between Board Meetings, the Board is informed or updated, on important issues and/or major development of matters discussed in the Board Meetings, by the Management and/or the Company Secretary. Briefing will be arranged on important issues that require the Board's urgent attention.

In addition to matters which require the Board's approval, the Board is consistently being informed and updated on matters in relation to business operations, financial and business reviews and development, Group strategy, information on business proposition including market share, industry development, corporate proposals, risk management review, regulation updates, compliance, customer focus initiatives and other operational efficiency projects. The Board is also informed of the decision and significant issues deliberated by the Board Committees via the reporting of the Chairman of the respective Board Committees and the minutes of the Board Committees tabled at the Board Meetings.

In order to ensure the efficient flow of information between the Board and Management, the decisions made at the Board Meetings are circulated to the Directors, CEO and relevant Senior Management of the particular agenda within 24 working hours after the conclusion of the Board Meetings.

	The proceedings of the Board and Board Committee Meetings are minuted to reflect the deliberations and decisions of the meetings. The draft minutes will be tabled at the next meetings respectively for confirmation.	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

Practice 2.1

The board has a board charter which is periodically reviewed and published on the company's website. The board charter clearly identifies–

- the respective roles and responsibilities of the board, board committees, individual directors and management; and
- issues and decisions reserved for the board.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has established the Board Charter which encompasses, among others, the Board's role, duties, responsibilities, powers, code of conduct, division of responsibilities and powers between the Board and Management and between the Chairman and the CEO, the terms of reference of the Board Committees, the performance evaluation process for the Directors and Board Committees, to serve as a guide or key reference points for the Directors and the stakeholders.</p> <p>The Board Charter is reviewed on an annual basis and updated from time to time to ensure that it is in line with the internal and regulatory requirements as well as governance best practices. The Board Charter is also published on the Company's website.</p> <p><u>Roles and Responsibilities of the Board and Management</u></p> <p>The Board has in place the Authority Limit Guidelines detailing matters specifically reserved for the Board's decision and those delegated to the Board Committees and the Management and the parameters in relation thereto. The operational authority limits delegated to the Management incorporate segregation of duties and checks and balances in delegation of authority.</p> <p>The Authority Limit Guidelines set out the responsibilities and the approval limits for each party, and are made available to all Directors and accessible by staff via the Group's staff e-portal. The Authority Limit Guidelines are regularly reviewed and updated to accommodate changes in the scope and activities of the Company's business and operations. The Board approves the Authority Limit Guidelines and any changes thereto.</p> <p>The Board is accountable to the shareholders and therefore should use its best efforts to ensure that the Company is properly managed and constantly improved so as to protect and enhance</p>

shareholders value and to meet the Company's obligations to all parties with which the Company interacts. The responsibilities of the Board are explained in Practice 1.1 in this CG Report.

Senior Management Committee comprising Senior Management set up at subsidiary level within the Group and chaired by the CEO of the respective companies. Various Management Committees are established by the respective Senior Management Committees with specific terms of reference, to assist in managing the day-to-day operations of the Group and ensure its effectiveness. The Management Committees formulate tactical plans and business strategies, monitor the performance of the Group and ensure that activities are carried out in accordance with corporate objectives, strategies, business plans and policies as approved by the respective Boards of the Group.

Board Committees

The Board in the course of carrying out its duties may set up Board Committees delegated with specific authority and operating on the terms of reference as approved by the Board, to assist the Board in the execution of its responsibilities. These Board Committees shall have the authority to examine particular issues and report back to the Board with their recommendations. Although specific authority is delegated to the Board Committees, the ultimate responsibility for the final decision on all matters, however, lies with the entire Board.

Three Board Committees namely Audit Committee of the AMB Board ("AC"), RMC and NRC were established to assist the Board on specific areas of responsibilities as described in their respective Board Committees' terms of reference. The insurance subsidiaries have formally used the services of these Board Committees since 1 January 2008. The respective Chairmen of the Board Committees will report to the Board on issues, views and recommendations raised by the respective Board Committees.

The compositions of the respective Board Committees can be found in this CG Report.

The terms of reference of the respective Board Committees are detailed in the Board Charter.

Roles and responsibilities of individual directors

An Independent Non-Executive Director is a Director who is independent of management and free from any business or other relationship which can interfere with the exercise of independent judgment or the ability to act in the best interests of the Company.

The primary responsibility of Independent Non-Executive Directors is to protect the interest of minority shareholders and other stakeholders. The effective participation of Independent Non-Executive Directors serves to promote greater accountability and balance in the Board's decision making process.

The responsibilities of an Independent Non-Executive Director, among others, include the following:-

- (i) to enhance the independence and objectivity of the Board's deliberations from the executive arm of the Company;
- (ii) to mitigate any possible conflict of interests between the policymaking process and the day-to-day management of the Company;
- (iii) to constructively challenge and contribute to the development of strategies for the Company;
- (iv) to ensure that the Board uses adequate systems and controls to safeguard the interests of the Company;
- (v) to provide the 'check and balance' function to the Board; and
- (vi) to monitor and provide an objective view on the performance of Executive Directors and Management in meeting the agreed goals and objectives.

As at 31 December 2018, the Independent Non-Executive Directors made up a majority of the Board members. They play a significant role in bringing impartiality and scrutiny to the Board's deliberations and decision making, so that no single party can dominate such decision-making in the Company.

The Independent Non-Executive Directors engage proactively with the Management, the Risk Management, Compliance and Human Resources functions and with both the external and internal auditors via their respective roles as the Chairmen or members of the Board Committees, to ensure that concerns and issues relevant to the Management and oversight of the business and operations of the Group are properly addressed.

Non-Independent Non-Executive Directors act as a bridge between Management and stakeholders, particularly shareholders. They can provide the relevant checks and balances, focusing on shareholders' and other stakeholders' interests and ensuring that high standards of CG are applied. The Non-Independent Non-Executive Directors also provide business guidance to the Management and contributing positively to the Board through their strong technical knowledge, exposure in various markets and sharing of knowledge and best practices.

The Chairman and the Independent or Non-Independent Non-Executive Directors do not engage in the day-to-day management of the Company. The Independent Non-Executive Directors also do not participate in any business dealings with the Group, do not

have any equity interest in the Company or its related corporation (except for Dato' Dr. Thillainathan A/L Ramasamy who has indirect interest of 6,400 ordinary shares of AMB held by his spouse) and do not have any relationship with the substantial shareholders that can materially interfere with their exercise of independent judgment.

The Non-Independent Non-Executive Directors' main responsibilities are as follows:-

- (i) advise and direct Management in the development and evaluation of strategy;
- (ii) monitor Management's strategy implementation and operational performance;
- (iii) satisfy themselves that financial information is accurate; and
- (iv) review to ensure that the risk management and internal control systems are robust and defensible.

Key matters reserved for the Board

Key matters reserved for the Board's approval include, among others, the quarterly financial results, audited financial statements, annual business plan, strategies and budget, declaration of dividend, significant transactions or expenditures, related party transactions, restructuring, appointment of Director and Chairman/Member of Board Committees, appointment of CEO and key responsible persons, remuneration for Directors, CEO and key responsible persons.

In March 2018, the Board reviewed the Board Charter to reflect the requirements of the Code and Policy Document on CG issued by BNM.

The training programmes, seminars and conferences attended by the Directors during the financial year ("FY") 2018 were as follows:-

Tan Sri Datuk (Dr.) Rafiah Binti Salim

- BNM-FIDE FORUM Dialogue: Managing Cyber Risks in Financial Institutions
- Session 1 : Navigating the Volatility, Uncertainty, Complexity and Ambiguity ("VUCA") World by Professor Tan Sri Dato' Dr. Lin See-Yan
- Session 3 : Focus Group 2 : Insurance & Takaful - Discussion in Preparation for the 5th Annual Dialogue with the Governor
- Corporate Governance – Practitioner's Perspective (as speaker)

- Malaysian Financial Reporting Standard (“MFRS”) 17 by PricewaterhouseCoopers (“PwC”) PLT
- Luncheon Talk “Women Directors in Men’s World” (as speaker)
- Audit Committee Institute (“ACI”) Breakfast Roundtable 2018
- Fintech Industry Update
- Integrated Reporting – An Introduction by PwC PLT
- FIDE FORUM: Dinner Talk with Dr Marshall Goldsmith in conjunction with the Launch of FIDE FORUM's "DNA of a Board Leader"
- Cybersecurity by Wong & Partners (“W&P”)

Dato’ Dr. Thillainathan A/L Ramasamy

- Malaysian Income Distribution in a Global Context
- World Capital Market Symposium Renaissance of Capitalism: Markets for Growth
- Directors & Officers Liability Insurance Protecting Your Assets
- Creador Annual Investors Conference
- Talk on the 2018 Global Macroeconomic Outlook: The Calm before the Storm
- Talk on “Clearing the Digital BLUR” by Rajiv Jayaraman of Knolskape
- MFRS 17 by PwC PLT
- Briefing on Sales and Services Tax (“SST”) by Deloitte
- Islamic Capital Market in Malaysia: Recent Development & Way Forward
- Fintech Industry Update
- Emerging Risks, the Future Board and Return on Compliance
- Briefing on Integrated Reporting – An Introduction by PwC PLT

	<ul style="list-style-type: none"> • “Hostages at the Table – The Art of Leadership & Negotiations” • Post 2019 Budget Dialogue • Perbadanan Insurans Deposit Malaysia (“PIDM”) Dialogue with Board Members of Life Insurance Companies • Board Conversations Future-Proofing the Board: A Guided Townhall Discussion on Emerging and Future Challenges of Directors Facilitated by Gabe Shawn Varges • Seminar on Retirement Schemes <p>Foo San Kan</p> <ul style="list-style-type: none"> • MFRS 17 by PwC PLT • Briefing on SST by Deloitte • Fintech Industry Update • Briefing on Integrated Reporting – An Introduction by PwC PLT • PIDM Dialogue with Board Members of Life Insurance Companies • Cybersecurity by W&P <p>Tunku Zain Al-’Abidin Ibni Tuanku Muhriz</p> <ul style="list-style-type: none"> • Role of Economic Think Tanks in Promoting Good Public Policy to Enable Malaysia to Harness the Digital Economy (as speaker) • Panel discussion on judicial independence at Law Symposium LexiCon 2018 (as speaker) • National Aspiration & Leadership Summit 2018: ‘Youth Arise: Mapping the Ideal Malaysia’ (as speaker) • 2018 Fulbright Regional Enrichment Conference (as speaker) • On Leadership at Go from A Leader to THE Leader (as speaker) • Malaysian Constitutional Law Forum 2018 (as speaker) • Malaysia of the Future: Sustainable Development (as
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	<p>speaker)</p> <ul style="list-style-type: none"> • Jeffery Cheah Institute (“JCI”) forum: Keeping the Promise of Reform • The Importance of Strong Opposition for a Vibrant Democracy (as speaker) • The Dawn of a New Era and The Many Challenges Confronting The New Pakatan Government (as speaker) • High-Level Dialogue “Charting the Path for an Inclusive and Moderate Malaysia” • Experience of Liberation and Democratisation in Asia: Legacy of Mahatma Gandhi at Shared Values and Democracy (as speaker) • MFRS 17 by PwC PLT • The Role of Youth in the ASEAN Community at ASEAN Youth Volunteer Program (as speaker) • ACI Breakfast Roundtable 2018 • 11th International Malaysian Studies Conference (as speaker) • International Malaysia Law Conference 2018 (as panelist & participant) • Harvard Project for Asia & International Relations Conference (as speaker) • The Status of Institutional Reforms After 100 Days of the new government (as speaker) • Briefing on SST by Deloitte • Khazanah Megatrends Forum • Key institutions: The bedrock of any democracy, how relevant are they in a world of populist governments? (as speaker) • The State of Malaysia at the Third Liberalism Conference (as speaker) • Strengthening Democracy through Cultural Diplomacy (as speaker)
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- Fintech Industry Update
- Briefing on Integrated Reporting – An Introduction by PwC PLT
- Effective Board in a VUCA World
- Cybersecurity by W&P
- Safeguarding Transition & Enhancing Good Governance at Young Leaders Forum (as speaker)
- Parliament and Civil Society : The Voice of the Rakyat? (as speaker)
- “10 Years after the Global Financial Crisis: Lessons Learnt... or Forgotten?”
- The Media Landscape and Public Discourse in Malaysia Baharu (as speaker)
- Sultan Azlan Shah Law Lecture

Marzida Binti Mohd Noor

- In-House Orientation Programme for New Director
- MFRS 17 by PwC PLT
- Luncheon Talk “Women Directors in Men’s World”
- Briefing on SST by Deloitte
- Mandatory Accreditation Programme (“MAP”) for Directors of Public Listed Companies
- Fintech Industry Update
- Briefing on Integrated Reporting – An Introduction by PwC PLT
- Financial Reporting Masterclass – Strengthen Your Financial Acumen in Deciphering Numbers and Tackling Reporting Issues
- Tun Fatimah Hashim Women Lead Conference 2018
- Leadership Summit 2018 – Embark On The Digital Revolution

- Intelligent Automation Forum 2018 Kuala Lumpur
- Cybersecurity by W&P

Solmaz Altin

- Regional Franchise Model ("RFM") Governance Workshop
- MAP for Directors of Public Listed Companies
- Allianz International ("AZI") Asia Conference 2018
- Pre-Planning Dialogue Workshops
- Barclays Asia Forum 2018
- China Pacific Insurance Company ("CPIC") Allianz Strategic Summit 2018
- Advisory Think Tank

Renate Wagner

- Joint Finance Transformation and International Financial Reporting Standard ("IFRS") 9 & 17 Workshop
- Regional Product Workshop
- Renewal Agenda Accelerator ("RAA") Module 2
- RFM Governance Workshop
- AZI Asia Conference 2018
- World Economic Forum in Tianjian
- Agile Training
- RAA Training
- HSBC-Allianz Health & Wellness Workshop
- MAP for Directors of Public Listed Companies
- 2018 AZAP Banca Workshop
- 2018 Chief Agency Officer Leadership Workshop
- Life Global Leaders Workshop
- Operation Excellence Programme 2018 Pitching Panel

	<ul style="list-style-type: none"> • Health Insurance Innovation Congress Asia Pacific • AZAP Finance & Product Conference • RAA Module 3 <p>During FY 2018, the following Directors were appointed:-</p> <p>(i) Marzida Binti Mohd Noor (Independent Non-Executive Director)</p> <p>(ii) Solmaz Altin (Non-Independent Non-Executive Director)</p> <p>(iii) Renate Wagner (Non-Independent Non-Executive Director).</p> <p>The Company Secretary had upon their appointments organised the in-house orientation programme for the Independent Non-Executive Director and briefing on the summary of regulations/guidelines in relation to directors to the Non-Independent Non-Executive Directors.</p>
Explanation for departure :	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
Measure :	
Timeframe :	

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.1

The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The Directors' Code of Ethics is formulated based on the Code of Ethics for Directors established by the Companies Commission of Malaysia and in line with the Code of Ethics for the Financial Services Industry developed by the Financial Services Professional Board. It aims to enhance the standard of CG and corporate behaviour based on principles in relation to integrity, fairness, confidentiality, and objectivity. The detailed Code of Ethics for Directors is set out in the Board Charter, which is available on the Company's website.</p> <p>The Board has also adopted Allianz SE Group's Code of Conduct. The Allianz SE Group's Code of Conduct sets the minimum standards for the conduct of all employees, managers and Executive Directors, which covers the areas among others, fair and regulatory conduct of business, non-discrimination, protection of client data/information, insider trading, potential conflicts of interest, complaints management, financial reporting, no corruption or bribery, acceptance and granting of gifts and other benefits, prevention of money laundering and financing of terrorism and ethical conduct of business and whistleblowing. The Allianz SE Group's Code of Conduct is incorporated in the Board Charter which is published on the Company's website.</p> <p>In addition, the Group enforces stringent ethical standards to ensure transparency and accountability through the implementation of policies and procedures as described below:-</p> <p><u>Conflict of Interest</u></p> <p>In ensuring that the decision making process is transparent and to the best interest of the Company, all Directors and staff including the CEO are required to declare their interest in other entities on an annual basis. In addition, they are also required to disclose to the</p>

Company, any circumstances that may give rise to a conflict of interest situation during the course of carrying out their duties.

In addition, the Group has also put in place the conflict of interest process and controls to manage the possible conflict of interest between staff and agents/vendors. Conflict of interest declaration will be evaluated and based on the assessment, Compliance Department makes recommendation whether to proceed with appointment or otherwise. All assessments and decisions, including communication with Compliance Department are filed by applicants for audit trails.

The Directors are required to make a declaration at the Board Meeting in the event that they have interests in the proposals or subject matters being considered by the Board, including where such interest arises through close family members, in line with the requirements on disclosure of Director's interest. A Director who has a direct or deemed interest in a subject matter presented at the Board/Board Committees Meeting shall abstain from deliberation and voting on the said subject matter. The minutes of meeting will also reflect as such.

In the event a corporate proposal is required to be approved by the shareholders, interested Directors are required to abstain from voting in respect of their shareholdings in the Company on the resolutions relating to the corporate proposal. They are also required to undertake to ensure that persons connected to them, abstain from voting on the resolutions.

Directors are required to disclose changes in their interest including their directorships to the Company Secretary within the period as required under the CA, five days from the changes, such disclosure will be circulated to the Board members within seven days upon receipt and tabled at the AC and Board Meetings for information and record. Such changes will be immediately updated in the related party listing of the Group.

The AC regularly review the disclosures of the directorships and shareholdings held by Directors and persons connected with them.

Corruption or Bribery

The Group has adopted the Allianz SE Group's Anti-Corruption Policy which outlines the Group's existing controls and behavioural guidelines in respect of gifts and entertainment, sponsoring and hospitality, vendor integrity screening and dealing with government client.

Gift and Entertainment

The Group's Minimum Standards on Gifts and Entertainment set out the minimum standards for employees to offer, give, promise or authorise any gifts and entertainment to clients or business partners or to receive the same from them. The Group gives highest priority to the interests of clients, and employees must not abuse their position for personal or private gain for themselves, their families or other persons. Therefore, it is generally prohibited for employees to offer, give, promise or authorise any gift or entertainment to clients or business partners or to receive the same from them, unless the prescribed conditions are met.

The Minimum Standards on Gifts and Entertainment is supplementary to the Allianz SE Group's Code of Conduct and the Allianz SE Group's Anti-Corruption Policy.

Sponsoring and Hospitality

The Sponsoring and Hospitality Guidance is to be used in addition to the Minimum Standards on Gifts and Entertainment and it focuses on "corporate hospitality/events", i.e. invitations extended to Allianz employees or invitations extended by Allianz to clients or business partners or others. General conditions to be fulfilled for any kind of sponsoring, hospitality or invitations, invitations that require prior consultation of Compliance Department, prohibitions and approval requirements.

Vendor Integrity Screening

The Vendor Integrity Screening process which is a part of the Allianz SE Group's Anti-Corruption Programme is aimed at ensuring an integrity based due diligence before any third party vendor is engaged. The screening contains a self-assessment section which among others includes questions on anti-corruption to be answered by the potential vendor and a risk evaluation to be completed by the relevant staff/department in charge. Only those vendors whose screening does not reveal any negative findings will be engaged.

Dealing with Government Client

The guideline on dealing with government client for Sales Division provides the procedures for employees particularly on obtaining of information and communicating with a government client situation, submission on tender bid or quotation to a government client and payment of premium, refund of premium and payment of claim between the Group and government clients. The government client's business can only be accepted with prior approval of the Senior Management Committee.

Anti-Fraud

The Group has a zero tolerance policy for fraud. The Board and Senior Management of the Group do not tolerate any attempt of fraud and consider it a serious offence. To support this objective, the Group has put in place an Anti-Fraud Policy for preventing and detecting fraud and mitigating fraud risks. The Group's Anti-Fraud Policy defines fraud events, investigation process, reporting procedures, fraud risk assessments, training and the roles and responsibilities of Management and employees.

The oversight of fraud matters of the Group is performed by the Company's Integrity Committee ("InC"). The InC coordinates all activities concerning prevention and detection of fraud and handling of whistleblowing incidents.

Antitrust

The Group has adopted the Minimum Standard for Antitrust Compliance ("Standard") to promote free and fair competition to the benefit of customers, investors and employees. Under the Standard, the Management is responsible to ensure necessary and reasonable measures are established and implemented to effectively prevent, detect and respond to violations of applicable antitrust laws. This includes, but is not limited to, undertaking action to implementing measure to fulfil the Standard.

Insider Trading

Directors and Senior Management of the Group ("Affected Parties") are prohibited from trading in securities or any kind of property based on price sensitive information and knowledge which have not been publicly announced. In addition, the Affected Parties are prohibited from dealing in the securities of the Company during closed period which commences 30 calendar days before the targeted date of announcement of the Company's quarterly results to Bursa Securities up to the date of the announcement.

In ensuring that the Affected Parties comply with the above trading requirements, notices with regard to the closed period for trading in the Company's securities are issued by the Company Secretary to the Affected Parties at least seven days prior to the commencement of the closed periods. The notices also set out the circumstances and procedures that need to be followed if the Affected Parties who are not in possession of price-sensitive information wish to engage in dealing in the Company's securities during the closed periods.

The Affected Parties who wish to deal in the securities of the Company outside closed period must give a notice of dealing to

the Company Secretary within three market days after the dealing has occurred and the Company Secretary must immediately announce such notice to Bursa Securities.

In 2018, none of the Directors dealt in the Company's securities during the closed periods.

In addition, the Group has also adopted Allianz SE Standard for Capital Markets Compliance which prohibit dealings in the financial instruments issued or guaranteed by Allianz SE or their respective derivatives or related financial instruments during "Black-Out Periods" which commences 30 calendar days before the targeted date of announcement of Allianz SE's quarterly results or 60 calendar days before the targeted date of announcement of Allianz SE's year end financial results.

Anti-Money Laundering and Counter Financing of Terroism ("AML/CFT")

The Group has in place internal policies and procedures relating to AML/CFT to prevent and detect money laundering and terrorism financing activities. In life insurance operating entity, these include customer due diligence, screening against sanctions list and suspicious transaction reporting to the Compliance Department whereas in general insurance operating entity, sanctions list screening procedures are in place and any suspicious transactions are reported to the Compliance Department. Staff and agents of life insurance operating entity are trained on AML/CFT requirements to promote understanding of their fundamental responsibilities in adhering to the procedures of verifying customers' identities and reporting of suspicious transactions.

Abuse of Power

The Boards' approving authority is delegated to the Management through formal and defined operational authority limits that governs business procedures and decision making process in the Group. The operational authority limits incorporate segregation of duties and check and balance in delegation of authority.

The Management's authority limits include limits for underwriting of risks, claims settlement, reinsurance and capital expenditures, and are reviewed and updated to ensure relevance to the Group's operations. Such authority limits are documented and made available to all staff via the Group's staff e-portal.

Fit and Proper Requirements

All Directors must fulfill the criteria of "a fit and proper person" for their appointment as Directors as prescribed under the Financial Services Act 2013 ("FSA") and the BNM's Guidelines on Fit and

	<p>Proper for Key Responsible Persons. In addition, the Group has in place the Fit and Proper Policy and Procedures for Key Responsible Persons to assess the fitness and propriety of the key responsible persons including Directors. The Group also adopted the Allianz SE Group's Fit and Proper Policy to safeguard a high fit and proper standard for Senior Management and key function members.</p> <p>All Directors as well as key responsible persons are required to make an annual declaration that they fulfill the minimum criteria of "a fit and proper person" as prescribed in Section 60 of the FSA.</p> <p>In addition, credit and criminal checks are conducted annually to ensure that Directors, CEO and key responsible persons are qualified to hold office for the subsequent year.</p> <p>The declarations and check results are tabled at the NRC for review prior to the same being presented to the Board.</p>	
<p>Explanation for departure :</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure :</p>		
<p>Timeframe :</p>		

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.2

The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

Application	:	Applied
Explanation on application of the practice	:	<p>The commercial activities of the Group are based upon trust of the Group's customers, shareholders, employees and general public. Therefore, it is important that any issues of illegal or questionable activities are reported to the Management for prompt investigation and intervening action.</p> <p>The Group implemented the Whistleblowing Policies and Procedures ("Whistleblowing Policy") since year 2009 to address whistleblowing matters. The Whistleblowing Policy describes the Group's Speak-Up Policy, avenues for filing a concern and handling of whistleblowing incidents by the employees and external party or any insurance intermediary. The Group also has an established whistleblowing mechanism in place to enable anonymous and non-anonymous reporting of any breach of the Allianz SE Group's Code of Conduct, any laws, regulations, orders or internal rules. All whistleblowing incidents in the Group are reviewed by the InC and the findings are reported to the AC.</p> <p>For this purpose, employees of the Group may raise concerns or report anonymously or non-anonymously via the following channels:-</p> <ul style="list-style-type: none">(i) Employee's direct line manager(ii) Senior Management members of the Group(iii) Internal Audit Department ("IAD")(iv) Human Resources Division(v) Legal Department(vi) Compliance Department(vii) AC Members(viii) The Group's Compliance Officer, Allianz SE Group Legal and Compliance and Allianz SE Singapore Branch Compliance(ix) The respective whistleblowing intranet portal of the Group, Allianz SE Group Compliance and Allianz SE Singapore Branch Compliance <p>For business partners, they may report whistleblowing matters to the Compliance Officer at compliance.officer@allianz.com.my.</p>

	<p>To raise awareness of the Whistleblowing Policy and avenues for reporting, the Compliance Department conducts awareness programmes to the Group’s employees on a periodic basis to ensure effective implementation of the Whistleblowing Policy while the adherence to the Whistleblowing Policy will be reviewed by the IAD based on their Internal Audit Programme.</p> <p>In addition to Whistleblowing Policy, the Group has also in place an Anti-Fraud Policy. The Anti-Fraud Policy defines fraud events, investigation process, reporting procedures, fraud risk assessments, training and the roles and responsibilities of Management and employees.</p> <p>All fraud cases are assessed confidentially by the InC to determine the validity and appropriate actions to be taken; and the findings are reported to the AC.</p> <p>The Whistleblowing Policy is published on the Company’s website at www.allianz.com.my/corporate-profile (under the Corporate Governance section).</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 4.1

At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

Application	: Applied										
Explanation on application of the practice	<p>Pursuant to the criteria as prescribed under the Code, the Company was considered as a Large Company in the commencement of the FY 2018.</p> <p>The Board comprises seven Directors with four Independent Non-Executive Directors and three Non-Independent Non-Executive Directors as at 31 December 2018. The present composition of the Board is in compliance with Chapter 15.02 of the Listing Requirements.</p> <table border="1"> <thead> <tr> <th>Independent Non-Executive Director</th> <th>Non-Independent Non-Executive Director</th> </tr> </thead> <tbody> <tr> <td>(i) Tan Sri Datuk (Dr.) Rafiah Binti Salim</td> <td>(i) Foo San Kan</td> </tr> <tr> <td>(ii) Dato' Dr. Thillainathan A/L Ramasamy</td> <td>(ii) Solmaz Altin</td> </tr> <tr> <td>(iii) Tunku Zain Al-'Abidin Ibni Tuanku Muhriz</td> <td>(iii) Renate Wagner</td> </tr> <tr> <td>(iv) Marzida Binti Mohd Noor</td> <td></td> </tr> </tbody> </table> <p>The changes of the composition of the Board of AMB during the FY 2018 were as follows:-</p> <p>(i) Tan Sri Datuk (Dr.) Rafiah Binti Salim was appointed as the Chairman of the Company on 23 May 2018, in place of Tan Sri Razali Bin Ismail who retired at the Annual General Meeting ("AGM") of the Company held on 22 May 2018.</p> <p>(ii) Marzida Binti Mohd Noor, Solmaz Altin and Renate Wagner were appointed to the Board of the Company on 30 May 2018.</p> <p><u>Independence Assessment</u></p> <p>Each Independent Director is required to complete the Independence Assessment annually, upon admission and more frequently when a change in position or relationship warrants it or</p>	Independent Non-Executive Director	Non-Independent Non-Executive Director	(i) Tan Sri Datuk (Dr.) Rafiah Binti Salim	(i) Foo San Kan	(ii) Dato' Dr. Thillainathan A/L Ramasamy	(ii) Solmaz Altin	(iii) Tunku Zain Al-'Abidin Ibni Tuanku Muhriz	(iii) Renate Wagner	(iv) Marzida Binti Mohd Noor	
Independent Non-Executive Director	Non-Independent Non-Executive Director										
(i) Tan Sri Datuk (Dr.) Rafiah Binti Salim	(i) Foo San Kan										
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(iii) Tunku Zain Al-'Abidin Ibni Tuanku Muhriz	(iii) Renate Wagner										
(iv) Marzida Binti Mohd Noor											

	<p>when any new interest or relationship develops. The NRC will review the independence of the Independent Non-Executive Director based on the assessment criteria approved by the Board.</p> <p>The following illustrates the evaluation process of Independent Non-Executive Directors:-</p> <pre> graph TD A[The Company Secretary will distribute the independence declaration form to all Independent Non-Executive Directors for completion.] --> B[Each Independent Non-Executive Director will perform a self review on his/her independence by completing the declaration form.] B --> C[Responses will be collated by the Company Secretary and submit to the NRC for evaluation.] C --> D[The NRC reviews the independence of Independent Non-Executive Directors based on the assessment criteria approved by the Board.] D --> E[Each Independent Non-Executive Director shall excuse from meeting room during discussion of his/her independence.] E --> F[Findings from the NRC will be presented to the Board for deliberation.] </pre>
<p>Explanation for departure :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure :</p>	
<p>Timeframe :</p>	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 4.2

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should justify and seek annual shareholders' approval. If the board continues to retain the independent director after the twelfth year, the board should seek annual shareholders' approval through a two-tier voting process.

Application	:	Not applicable - Step Up 4.3 adopted	
Explanation on application of the practice	:		
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 4.3 - Step Up

The board has a policy which limits the tenure of its independent directors to nine years.

Application	:	Adopted																				
Explanation on adoption of the practice	:	<p>The Group adopted the policy in relation to the appointment of Independent Directors, where the tenure of the Independent Directors is set for a maximum period of nine years. An Independent Non-Executive Director who has served the Board for a consecutive service of more than nine years may continue to serve on the Board but in the capacity of a Non-Independent Non-Executive Director.</p> <p>During the FY 2018, none of the Independent Non-Executive Directors of the Company has served for a cumulative term of nine years. The tenure of the Directors as at 20 March 2019 were as follows:-</p> <table border="1"><thead><tr><th>Director</th><th>No. of years of tenure</th></tr></thead><tbody><tr><td colspan="2">Non-Independent Non-Executive Director</td></tr><tr><td>(i) Foo San Kan</td><td>13 years 4 months</td></tr><tr><td>(ii) Solmaz Altin</td><td>10 months</td></tr><tr><td>(iii) Renate Wagner</td><td>10 months</td></tr><tr><td colspan="2">Independent Non-Executive Director</td></tr><tr><td>(i) Tan Sri Datuk (Dr.) Rafiah Binti Salim</td><td>6 years 4 months</td></tr><tr><td>(ii) Dato' Dr. Thillainathan A/L Ramasamy</td><td>7 years 9 months</td></tr><tr><td>(iii) Tunku Zain Al-'Abidin Ibni Tuanku Muhriz</td><td>4 years 4 months</td></tr><tr><td>(iv) Marzida Binti Mohd Noor</td><td>10 months</td></tr></tbody></table> <p>The abovementioned policy has been incorporated in the Board Charter which is published on the Company's website.</p>	Director	No. of years of tenure	Non-Independent Non-Executive Director		(i) Foo San Kan	13 years 4 months	(ii) Solmaz Altin	10 months	(iii) Renate Wagner	10 months	Independent Non-Executive Director		(i) Tan Sri Datuk (Dr.) Rafiah Binti Salim	6 years 4 months	(ii) Dato' Dr. Thillainathan A/L Ramasamy	7 years 9 months	(iii) Tunku Zain Al-'Abidin Ibni Tuanku Muhriz	4 years 4 months	(iv) Marzida Binti Mohd Noor	10 months
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Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 4.4

Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

Application	:	Applied																																													
Explanation on application of the practice	:	<p>Nomination of candidate for appointment as Directors, CEO and key responsible persons will be evaluated by the NRC and the NRC takes into consideration the criteria as prescribed by BNM, the Fit and Proper requirements and any other requirements as prescribed under the FSA, the CA and the Listing Requirements when assessing the candidate for the position. The NRC in making its recommendation on candidates for directorship should consider the candidate's:-</p> <ul style="list-style-type: none"> (i) skill, knowledge, competencies, expertise and experience; (ii) professionalism; (iii) integrity; (iv) commitment, contribution and performance; and (v) in the case of candidate for the position of Independent Non-Executive Directors, the NRC should also evaluate the candidates' ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors. <p>The Board information for the FY 2018 is presented below:-</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #003366; color: white;">Board Composition</th> <th style="background-color: #003366; color: white;">No. of Directors</th> <th style="background-color: #003366; color: white;">%</th> </tr> </thead> <tbody> <tr> <td>Independent</td> <td style="text-align: center;">4</td> <td style="text-align: center;">57%</td> </tr> <tr> <td>Non-Independent</td> <td style="text-align: center;">3</td> <td style="text-align: center;">43%</td> </tr> <tr> <td>Total</td> <td style="text-align: center;">7</td> <td style="text-align: center;">100%</td> </tr> </tbody> </table> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #003366; color: white;">Gender</th> <th style="background-color: #003366; color: white;">No. of Directors</th> <th style="background-color: #003366; color: white;">%</th> </tr> </thead> <tbody> <tr> <td>Male</td> <td style="text-align: center;">4</td> <td style="text-align: center;">57%</td> </tr> <tr> <td>Female</td> <td style="text-align: center;">3</td> <td style="text-align: center;">43%</td> </tr> <tr> <td>Total</td> <td style="text-align: center;">7</td> <td style="text-align: center;">100%</td> </tr> </tbody> </table> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #003366; color: white;">Age Group of Directors</th> <th style="background-color: #003366; color: white;">No. of Directors</th> <th style="background-color: #003366; color: white;">%</th> </tr> </thead> <tbody> <tr> <td>30 – 40</td> <td style="text-align: center;">1</td> <td style="text-align: center;">14%</td> </tr> <tr> <td>41 – 50</td> <td style="text-align: center;">2</td> <td style="text-align: center;">29%</td> </tr> <tr> <td>51 – 60</td> <td style="text-align: center;">1</td> <td style="text-align: center;">14%</td> </tr> <tr> <td>61 – 70</td> <td style="text-align: center;">1</td> <td style="text-align: center;">14%</td> </tr> <tr> <td>71 and above</td> <td style="text-align: center;">2</td> <td style="text-align: center;">29%</td> </tr> <tr> <td>Total</td> <td style="text-align: center;">7</td> <td style="text-align: center;">100%</td> </tr> </tbody> </table>	Board Composition	No. of Directors	%	Independent	4	57%	Non-Independent	3	43%	Total	7	100%	Gender	No. of Directors	%	Male	4	57%	Female	3	43%	Total	7	100%	Age Group of Directors	No. of Directors	%	30 – 40	1	14%	41 – 50	2	29%	51 – 60	1	14%	61 – 70	1	14%	71 and above	2	29%	Total	7	100%
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	Length of service	No. of Directors	%
	1 year – 4 years	4	57%
	5 years – 9 years	2	29%
	10 years and above	1	14%
	Total	7	100%
	The profiles of the Directors are set out in the Annual Report 2018.		
Explanation for departure :			
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure :			
Timeframe :			

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 4.5

The board discloses in its annual report the company's policies on gender diversity, its targets and measures to meet those targets. For Large Companies, the board must have at least 30% women directors.

Application	: Applied
Explanation on application of the practice:	<p>The Board recognises the importance of having a diverse Board in terms of experience, skills, competence, ethnicity, gender, culture and age. A diverse Board facilitates optimal decision making by harnessing different insights, perspectives, experience and exposure.</p> <p>The Board's commitment to diversity permeates throughout all levels of the organisation, including the appointment of candidate to the Board.</p> <p>Whilst the Board supports the universal move to appoint more female Directors to the Board, the Board is guided by the principal that appointment of new Board member shall not be based solely on gender but rather the candidate's skill set, competencies, experience and knowledge in areas identified by the Board. Nevertheless, the Board fully endorsed that female candidates should be included in the evaluation process for appointment of new Directors to the Board.</p> <p>During the FY 2018, the Board had appointed two female Directors, ,made up to a total of three female Directors out of seven Directors on the Board of the Company.</p> <p>The NRC performs an annual review of the composition of the Board in terms of the appropriate size and mix of skills, balance between Executive, Non-Executive and Independent Non-Executive Directors as well as diversity including gender diversity and other core competencies required ("Composition Mix") to ensure that Composition Mix is appropriate and relevant to the business of the Company.</p> <p>The Group recognises the important of a diverse workforce and abides by the principle of non-discrimination at the workplace based on age, disability, gender, race, religion, political preference and support diversity by recruiting according to skills, knowledge, experience, talents and ability rather than based on gender, race and ethnicity. The employee profile of the Group as at 31 December 2018 is presented below:-</p>

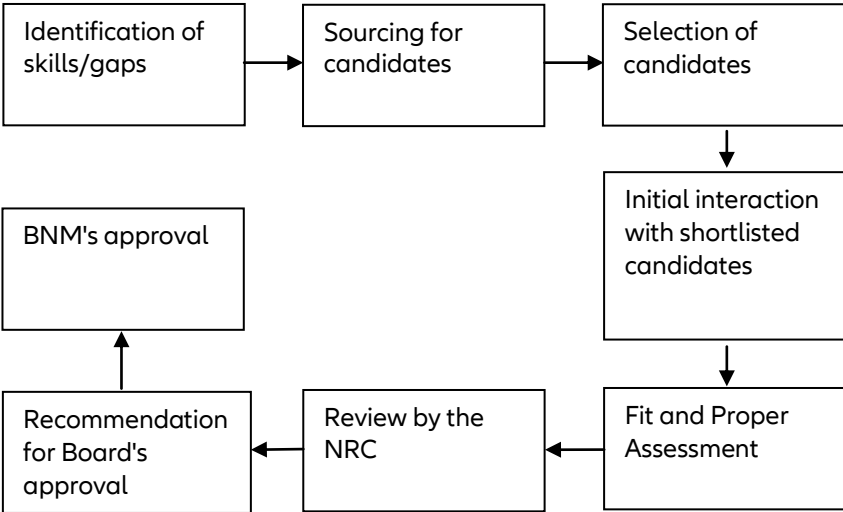
	Age Structure of Employees by Age		%
	25 or under		5.00
	25 – 34		37.95
	35 – 44		33.50
	45 – 54		18.06
	55 and above		5.49
	Total		100%
	Gender Distribution		%
	Management positions		
	Male		40
	Female		60
	Total		100%
	All employees		
	Male		33
Female		67	
Total		100%	
Explanation for departure			
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 4.6

In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

Application	: Applied
Explanation on application of the practice	<p>The Board has put in place the following process and procedures for nomination of new candidates:-</p>  <pre> graph TD A[Identification of skills/gaps] --> B[Sourcing for candidates] B --> C[Selection of candidates] C --> D[Initial interaction with shortlisted candidates] D --> E[Fit and Proper Assessment] E --> F[Review by the NRC] F --> G[Recommendation for Board's approval] G --> H[BNM's approval] </pre> <p>When sourcing for potential candidates for appointment to the Board, the Board leverages on the Directors' network, shareholders' recommendation and industry sources such as Directors Register, a joint initiative by Financial Institutions Directors' Education Forum ("FIDE"), BNM and Perbadanan Insurans Deposit Malaysia, and LeadWomen Sdn Bhd, a Malaysian owned consulting company focused on developing and advancing female leaders in Asia, to source for potential candidates for appointment to the Board.</p> <p>Upon the nomination for appointment of Directors, the NRC evaluates the candidates in accordance with the criteria as prescribed by BNM, the Fit and Proper requirements and any other requirements as prescribed under the FSA, the CA and the Listing Requirements, together with the credit and criminal checks of the candidates.</p>
Explanation for departure	:

<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 4.7

The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

Application	: Applied										
Explanation on application of the practice	<p>The NRC is chaired by an Independent Non-Executive Director, Tunku Zain Al-'Abidin Ibni Tuanku Muhriz.</p> <p>The NRC consists of a majority of Independent Directors and its composition as at 31 December 2018, was as follows:-</p> <table border="1"><thead><tr><th>Director</th><th>Composition</th></tr></thead><tbody><tr><td>(i) Tunku Zain Al-'Abidin Ibni Tuanku Muhriz</td><td>Chairman, Independent Non-Executive Director</td></tr><tr><td>(ii) Tan Sri Datuk (Dr.) Rafiah Binti Salim</td><td>Member, Independent Non-Executive Director</td></tr><tr><td>(iii) Foo San Kan</td><td>Member, Non-Independent Non-Executive Director</td></tr><tr><td>(iv) Dato' Dr. Thillainathan A/L Ramasamy</td><td>Member, Independent Non-Executive Director</td></tr></tbody></table> <p>The changes in the composition of the NRC during the FY 2018 were as follows:-</p> <ul style="list-style-type: none">(i) Tan Sri Razali Bin Ismail relinquished his position as member of the NRC on 22 May 2018 following his retirement as the Chairman of Board of the Company at the conclusion of the 44th AGM of the Company on 22 May 2018;(ii) Tan Sri Datuk (Dr.) Rafiah Binti Salim relinquished her position as Chairman of NRC and was redesignated as member of NRC on 23 May 2018 following her appointment as Chairman of the Board of the Company on 23 May 2018, to be in line with BNM's requirement that Chairman of the Board must not chair any of the Board Committees; and(iii) Tunku Zain Al-'Abidin Ibni Tuanku Muhriz was appointed as the Chairman of the NRC on 23 May 2018 in place of Tan Sri Datuk (Dr.) Rafiah Binti Salim. <p>Upon Tunku Zain Al-'Abidin Ibni Tuanku Muhriz's appointment as Chairman of the NRC, he took initiative to engage with the Head of Human Resources to discuss on key human resource related topics,</p>	Director	Composition	(i) Tunku Zain Al-'Abidin Ibni Tuanku Muhriz	Chairman, Independent Non-Executive Director	(ii) Tan Sri Datuk (Dr.) Rafiah Binti Salim	Member, Independent Non-Executive Director	(iii) Foo San Kan	Member, Non-Independent Non-Executive Director	(iv) Dato' Dr. Thillainathan A/L Ramasamy	Member, Independent Non-Executive Director
Director	Composition										
(i) Tunku Zain Al-'Abidin Ibni Tuanku Muhriz	Chairman, Independent Non-Executive Director										
(ii) Tan Sri Datuk (Dr.) Rafiah Binti Salim	Member, Independent Non-Executive Director										
(iii) Foo San Kan	Member, Non-Independent Non-Executive Director										
(iv) Dato' Dr. Thillainathan A/L Ramasamy	Member, Independent Non-Executive Director										

	such as performance and rewards, talent management and development, employee engagement and succession planning. Tunku Zain Al-'Abidin Ibni Tuanku Muhriz made constructive enquiries when in doubt, encourages active participation and healthy debate among the members of NRC.	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

Practice 5.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out and its outcome.

For Large Companies, the board engages independent experts periodically to facilitate objective and candid board evaluations.

Application	:	Applied
Explanation on application of the practice	:	<p>The NRC conducts an annual assessment of the performance and effectiveness of the Board, Board Committees and the contribution by each Director to the effectiveness of the Board and Board Committees.</p> <p>The following performance evaluation processes were established to evaluate the performance of the Board, Individual Directors, Board Committees and their members:-</p> <p><u>Board and Individual Directors Evaluation by Peers</u></p> <p>The Annual Performance Evaluation on the Board covers the following areas, among others:-</p> <ul style="list-style-type: none">• Roles and responsibilities• Conformance and compliance• Stakeholder relationships• Performance management <p>The Annual Performance Evaluation on individual Directors covers the following areas, among others:-</p> <ul style="list-style-type: none">• Directors' compliance with prescriptive requirements imposed by regulators• Participation in Board and Board Committees• Contribution to interaction• Quality of input• Understanding of role <p><u>Board Committees Evaluation by the NRC</u></p> <p>The Annual Performance Evaluation on Board Committees and their members covers the following areas, among others:-</p> <ul style="list-style-type: none">• Composition• Quality of inputs• Level of experience• Contribution and performance

- Timely reporting

The Annual Performance Evaluation by peers and the NRC are guided by the following processes and procedures:-

The respective evaluation forms approved by the Board will be circulated to each of the Directors and the NRC members for completion.



The responses will be collated by the Company Secretary and the summary of the evaluation results on the Board, individual Director and the Board Committees and their members will be submitted to the NRC for review.



Thereafter, the findings and recommendation of the NRC together with the summary of the evaluation results will be submitted to the Board for deliberation.

In addition to the Annual Performance Evaluation by peers and the NRC, and the Independence Assessment, the Board also engaged Institute of Corporate Directors Malaysia (“ICDM”) to conduct the Assessment in 2017.

ICDM had conducted face-to-face interview sessions with the Directors and Senior Management based on the board assessment framework, which covered Board composition, Board information, Board agendas and meetings, Board Committees, Board leadership, Board dynamics, Board and Management relationship and Board processes. The feedbacks from the Directors and Senior Management were collected and analysed by ICDM.

The interaction between the Board and Senior Management was also assessed along a continuum ranging from being a “passive”, through “certifying”, “engaged” and “intervening” to an “operating” style.

ICDM was of the view that the Board is an “Engaged” Board, where:-

- The Board partners with CEO to provide insight, advice and support to the CEO and Management on key decisions and implementation.
- The Board recognises ultimate responsibility to oversee the CEO and Company; dual roles of guiding/supporting as well as judging the CEO.
- The Board meetings are categorised as useful, two-ways discussions of key issues/decision faced by the Company.

	<p>Further, ICDM was also of the view that the oversight provided by the Board Committees of the Company reflects the integrated approach adopted as a result of global strategy of the Group.</p> <p>Following the Board Effectiveness Assessment and Individual Director Evaluation conducted by ICDM in the financial year 2017, follow up actions will be conducted on those recommendations adopted by the Board on an on-going basis.</p>	
<p>Explanation for departure :</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure :</p>		
<p>Timeframe :</p>		

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 6.1

The board has in place policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The policies and procedures are periodically reviewed and made available on the company's website.

Application	: Applied
Explanation on application of the practice	<p>The Board adopted a remuneration policy for Directors which is reviewed periodically and sets out that Directors' remuneration shall be determined based on the following criteria:-</p> <ul style="list-style-type: none">(i) overall performance of the Group (only applicable to Executive Directors);(ii) level of responsibility;(iii) expertise;(iv) complexity of the Company's activities; and(v) attendance at meetings (only applicable to Non-Executive Directors). <p><u>Procedure</u></p> <p>The NRC recommends to the Board the remuneration to be paid to each Director based on the remuneration policy as approved by the Board. It is nevertheless the ultimate responsibility of the entire Board to decide the quantum for each Director.</p> <p><u>Disclosure</u></p> <p>The composition of the remuneration for the Non-Executive Directors (who are not representing the interest of the major shareholders) are as follows:-</p> <ul style="list-style-type: none">(i) Annual fixed fees ("Directors' Fees"); and(ii) Meeting allowance. <p><u>Directors' Fees</u></p> <p>Directors' Fees are made up of the following components:-</p>

(i) Fees for acting as a Director

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

(ii) Fees for assuming additional responsibilities

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

Meeting Allowance

For 2018, the meeting allowance of RM2,645 was paid for each Board/ Board Committee Meeting attended by the Directors, based on the 3-year step up plan (2016 to 2018) for Directors' remuneration.

Meeting allowance is also paid to Directors in the following occasions:-

- (i) when the Director is representing the Group to attend meeting with the authorities; and
- (ii) when the Director is invited to attend meeting or briefing organised by the Management of the Group.

The above Directors' Fees and meeting allowance are only applicable to the Non-Executive Directors who are not representing the interest of the major shareholders. The Executive Directors are not entitled to the Directors' Fees and meeting allowance.

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

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

	<p>(ii) to retain Directors. The current Boards of the Group are made up of creditable and highly professional Directors, with all of them having good reputation and extensive experience locally and globally in their areas of expertise.</p> <p>The Directors' Fees, allowances and benefits payable to the Chairman and Non-Executive Directors of the Group were tabled for the shareholders' approval at the 44th AGM of the Company pursuant to Section 230 (1)(b) of the CA.</p> <p>In addition to the above, the Company also provides the following insurance covers for the Directors:-</p> <p>(i) Personal accident insurance and medical insurance.</p> <p>(ii) Directors' and Officers' liability insurance against any liability arising from acts committed in their capacity as Directors/Officers of the Company. However, the Director shall not be indemnified if he/she is proven to have acted negligently, fraudulently or dishonestly, or in breach of his/her duty of trust.</p> <p>The Executive Directors received remuneration based on their respective executive positions held in the subsidiaries. The remuneration package of the Executive Directors comprising fixed components which includes monthly salary and other emolument and variable components that are linked to Company's performance and their individual key performance indicators.</p> <p>The Board has established a remuneration policy for the key responsible persons (including the CEO but excluding the Non-Executive Directors) to drive meritocracy and to foster a performance driven reward culture. The policy provides guidance on the remuneration of the aforementioned key responsible persons based on the performance management process of the Group. It also outlines the impact of non-compliance of law, regulatory guidelines and internal policies and procedures on the remuneration of the key responsible persons.</p> <p>The Remuneration Policy for Key Responsible Persons is available on the Company's website at www.allianz.com.my/corporate-profile (under the Corporate Governance section).</p>
<p>Explanation for departure :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	

Measure	:		
Timeframe	:		

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 6.2

The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The NRC of the Group has the following remuneration related objectives:-</p> <ul style="list-style-type: none">(i) to provide a formal and transparent procedure for developing a remuneration policy for Directors, CEOs, key responsible persons; and(ii) to ensure that the compensation is competitive and consistent with the culture, objective and strategy of the Group. <p>The remuneration related duties and responsibilities of the NRC are as follows:-</p> <ul style="list-style-type: none">(i) recommending a framework of remuneration for Directors, CEOs and key responsible persons of which should:-<ul style="list-style-type: none">(a) be documented and approved by the full Board and to be reviewed periodically. Any changes thereto should be subject to the endorsement of the full Board;(b) be in-line with the business and risk strategies, corporate values, long-term interests of the Group and reflect the experience and level of responsibility borne by individual Directors, the CEOs and key responsible persons;(c) promote prudent risk-taking behaviour and encourage individuals to act in the interests of the Group as a whole, taking into account the interests of its customers;(d) be sufficient to attract and retain Directors, CEOs and key responsible persons of calibre needed to manage

	<p>the Group successfully;</p> <ul style="list-style-type: none"> (e) be designed and implemented with input from the control functions and the RMC to ensure that risk exposures and risk outcomes are adequately considered; and (f) be balanced against the need to ensure that the funds of the insurer are not used to subsidise excessive remuneration packages. <p>(ii) recommending remuneration packages for Directors, CEOs and key responsible persons. The remuneration packages should be reviewed annually and:-</p> <ul style="list-style-type: none"> (a) be based on an objective consideration and approved by the full Board; (b) take due consideration of the assessments of the NRC the effectiveness and contribution of the Directors, CEOs and key responsible persons concerned; (c) not be decided by the exercise of sole discretion of any one individual or restricted group of individuals; and (d) be competitive and is consistent with the culture, objective and strategy of the Group. <p>(iii) reviewing and recommending the annual performance bonus and increment for the staff of the Group.</p> <p>Individual Directors shall abstain from discussion of their own remuneration.</p> <p>The composition of NRC as at 31 December 2018 is disclosed in Practice 4.7 of this CG Report.</p> <p>The terms of reference of the NRC is attached to the Board Charter which is available on the Company's website.</p> <p>The summary of activities carried out by the NRC in respect of the remuneration of Directors and other key responsible persons during the FY 2018 is stated in the NRC Report of the Annual Report 2018.</p>
<p>Explanation for departure :</p>	

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

Measure	:		
Timeframe	:		

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 7.1

There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

Application	:	Applied																																																					
Explanation on application of the practice	:	<p>The Directors' remuneration (excluding 6% Services Tax, where applicable) for the FY 2018, was detailed below:-</p> <p><u>Company</u></p> <table border="1"> <thead> <tr> <th rowspan="2">Non-Executive Director</th> <th colspan="3">(RM'000)</th> <th rowspan="2">Total</th> </tr> <tr> <th>Fees</th> <th>Other Emoluments *</th> <th>Benefit-in-kind</th> </tr> </thead> <tbody> <tr> <td>Tan Sri Datuk (Dr.) Rafiah Binti Salim</td> <td>155</td> <td>148</td> <td>4</td> <td>307</td> </tr> <tr> <td>Foo San Kan</td> <td>140</td> <td>61</td> <td>-</td> <td>201</td> </tr> <tr> <td>Dato' Dr Thillainathan A/L Ramasamy</td> <td>143</td> <td>61</td> <td>-</td> <td>204</td> </tr> <tr> <td>Tunku Zain Al-'Abidin Ibni Tuanku Muhriz</td> <td>138</td> <td>48</td> <td>-</td> <td>186</td> </tr> <tr> <td>Marzida Binti Mohd Noor</td> <td>78</td> <td>8</td> <td>-</td> <td>86</td> </tr> <tr> <td>Solmaz Altin</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Renate Wagner</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Tan Sri Razali Bin Ismail</td> <td>61</td> <td>13</td> <td>-</td> <td>74</td> </tr> <tr> <td>Goh Ching Yin ^</td> <td>-</td> <td>14</td> <td>-</td> <td>14</td> </tr> </tbody> </table> <p>^ Mr. Goh Ching Yin is an Independent Non-Executive Director of AGIC and ALIM, and he is the Chairman of the RMC. Fees payable by AMB to Mr. Goh Ching Yin was categorised under other emoluments in AMB's audited financial statements for the FY 2018 .</p> <p>* Other emoluments comprising Chairman's allowances and meeting allowances which vary from one Director to another, depending on their directorship, number of Board Committees they sit on and the number of meetings attended during the year.</p>	Non-Executive Director	(RM'000)			Total	Fees	Other Emoluments *	Benefit-in-kind	Tan Sri Datuk (Dr.) Rafiah Binti Salim	155	148	4	307	Foo San Kan	140	61	-	201	Dato' Dr Thillainathan A/L Ramasamy	143	61	-	204	Tunku Zain Al-'Abidin Ibni Tuanku Muhriz	138	48	-	186	Marzida Binti Mohd Noor	78	8	-	86	Solmaz Altin	-	-	-	-	Renate Wagner	-	-	-	-	Tan Sri Razali Bin Ismail	61	13	-	74	Goh Ching Yin ^	-	14	-	14
Non-Executive Director	(RM'000)			Total																																																			
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Goh Ching Yin ^	-	14	-	14																																																			

	<u>Group</u>				
		(RM'000)			
	Non-Executive Director	Fees	Other Emoluments *	Benefit-in-kind	Total
	Tan Sri Datuk (Dr.) Rafiah Binti Salim	435	272	8	715
	Foo San Kan	412	183	-	595
	Dato' Dr Thillainathan A/L Ramasamy	433	95	-	528
	Tunku Zain Al-'Abidin Ibni Tuanku Muhriz	372	85	-	457
	Marzida Binti Mohd Noor	78	8	-	86
	Solmaz Altin	-	-	-	-
	Renate Wagner	-	-	-	-
	Tan Sri Razali Bin Ismail	182	169	242	593
Goh Ching Yin	267	59	-	326	
	* Other emoluments comprising Chairman's allowances and meeting allowances which vary from one Director to another, depending on their directorship, number of Board Committees they sit on and the number of meetings attended during the year.				
Explanation for departure	:				
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>					
Measure	:				
Timeframe	:				

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 7.2

The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

Application	:	Applied		
Explanation on application of the practice	:	The remuneration of the top five Senior Management of the Group on a named basis for the FY 2018, as follows:-		
		RM	Senior Management	Position
		3,400,001 – 3,450,000	Joseph Kumar Gross	CEO of ALIM
		2,300,001 – 2,350,000	Zakri Bin Mohd Khir	CEO of AMB and AGIC
		1,700,001 – 1,750,000	Horst Hermann Habbig	Chief Sales Officer of AGIC
			Ong Pin Hean	Chief Sales Officer of ALIM
		1,600,001 – 1,650,000	Ong Eng Chow	CFO of AMB and ALIM
Explanation for departure	:			
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>				
Measure	:			
Timeframe	:			

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 7.3 - Step Up

Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

Application :	Not Adopted
Explanation on adoption of the practice :	

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 8.1

The Chairman of the Audit Committee is not the Chairman of the board.

Application	:	Applied
Explanation on application of the practice	:	<p>The AC consists of two Independent Non-Executive Directors and a Non-Independent Non-Executive Director.</p> <p>The AC is chaired by an Independent Non-Executive Director, Dato' Dr. Thillainathan A/L Ramasamy, who is a Fellow of the Institute of Bankers Malaysia and holds a PhD in Economics and a Master in Economics from the London School of Economics, and a Class 1 Honours in Bachelor of Arts (Economics) Degree from the University of Malaya.</p> <p>Dato' Dr. Thillainathan A/L Ramasamy was appointed as the Chairman of the AC on 1 April 2017 whilst the Chairman of the Board is Tan Sri Datuk (Dr.) Rafiah Binti Salim.</p> <p>This Practice has also been reflected in the terms of reference of the AC, which is attached to the Board Charter.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 8.2

The Audit Committee has a policy that requires a former key audit partner to observe a cooling-off period of at least two years before being appointed as a member of the Audit Committee.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises the potential threats which may arise when a former key audit partner is in a position to exert significant influence over the audit and preparation of the Company's financial statements. In this respect, a former key audit partner of the Group's shall not be appointed as a member of the AC unless a cooling-off period of two years has been observed prior to his/her appointment.</p> <p>For the FY 2018, none of the AC members were former key audit partners of the Group.</p> <p>This Practice has also been reflected in the terms of reference of the AC which is incorporated in the Board Charter.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 8.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board and the AC place great emphasises on suitability, objectivity and independence of the Group's external auditors.</p> <p>The Board is committed in ensuring the independence of the external auditors. Accordingly, significant attention is directed toward the appropriateness of the external auditors to perform services other than statutory/financial audit. The Board had on 17 August 2012 approved the Policy on Audit and Non-Audit Services Provided by External Auditors ("Policy") to ensure that the suitability, independence and objectivity of the external auditors are not compromised.</p> <p>The Policy sets forth the procedures with respect to the engagement of the external auditors to perform audit, audit-related and non-audit services for the Group. The Policy also stipulates the guidance on audit and non-audit services that may be undertaken by the external auditors as well as the prohibited services that may not be provided by the external auditors and the criteria and approval procedures in dealing with audit and non-audit services.</p> <p>The Policy is available on the Company's website (under the Corporate Governance section).</p> <p>In compliance with BNM's Guidelines on External Auditors, the AC is required to assess the qualifications, independence and performance of the external auditors. The AC is also required to recommend to the Board on the proposed appointment of the engagement partner and the concurring partner, and ensures that there is a rotation on the said partners at least once every five years.</p> <p>The appointment and re-appointment of the external auditors, engagement partner and concurring partner will be reviewed by the AC and the recommendation from the AC will be tabled to the Board for consideration. The appointment and re-appointment of the external auditors will be presented to the shareholders for</p>

approval.

Areas of assessment include, among others, the level of knowledge, capabilities, experience and quality of previous work, level of engagement, ability to perform the audit work within the agreed timeframe, adequacy in audit coverage, effectiveness in planning and conduct of audit, ability to provide constructive observations and independence (collective referred to as "Evaluation Criteria").

The AC also reviews the non-audit services rendered by the external auditors. The terms of engagement of the external auditors for their audit and non-audit services rendered are reviewed by the AC and approved by the Board.

The process for appointment and re-appointment of the external auditors, engagement partner and concurring partner are as follows:-

CFO and the Finance team will evaluate the external auditors, engagement and concurring partners using the Evaluation Criteria as prescribed by the relevant authorities.



Evaluation results of the CFO and the Finance team and their recommendation will be submitted to the AC.



The AC deliberates on the recommendation based on the Evaluation Criteria and make recommendation to the Board for consideration.

Through the AC, the Board has established a formal and appropriate relationship with the external auditors. The AC meets with the external auditors at least two times a year to review the audit plan, the audited financial statements and the audit observations. The AC also holds discussions with the external auditors without the presence of Management at least once annually, to allow external auditors to freely express concerns, problems and reservations, if any, arising from financial audits. The external auditors are invited to attend the AGM of the Company to address the concerns of the shareholders in relation to the audited financial statements of the Group.

In order to comply with the European Union Regulation's requirement on mandatory rotation of auditors in every ten years, PwC has been selected as the new External Auditors for Allianz SE Group for the FY 2018.

	<p>In February 2018, the AC reviewed the proposed appointment of PwC PLT, including its engagement partners and concurring partner. The assessment on the performance of PwC PLT based on the criteria prescribed by the relevant authorities had been performed by the CFO/Head of Finance (“Finance Team”) of the respective companies within the Group. The Finance Team of the Group was satisfied with the appointment of PwC PLT including the engagement partners and the concurring partner for the respective companies and recommended the appointment of PwC PLT as External Auditors for the FY 2018 based on the following rationales:-</p> <ul style="list-style-type: none"> (i) PwC PLT is familiar with the local insurance industry and they are also the External Auditors of the Allianz SE Group following the global rotation in External Auditors; (ii) PwC PLT was selected after a global tender process by Allianz SE Group and had been assessed to be able to provide effective co-ordination of the audits between companies within the Group as well as between the Group and the Allianz SE Group. Actuarial Team and the CFO/Head of Finance of the Group participated in the assessment process; and (iii) PwC PLT met the minimum criteria, as prescribed by BNM. <p>During the FY 2018, PwC PLT made a declaration to the Group that PwC PLT and its network firms, the engagement partners, engagement quality control reviewer and members of the engagement team in the audit were and had been, independent for the purpose of the audit in accordance with the terms of the relevant professional and regulatory requirements.</p> <p>The AC deliberated on the evaluation and recommendation of the Finance Team and concurred with the Management’s recommendation and justification to appoint PwC PLT as the External Auditors for the Group and recommended the appointment of PwC PLT as the External Auditors for the Group for the FY 2018 for the respective Boards’ approval.</p> <p>KPMG PLT were not seeking for re-appointment as a result of mandatory rotation of Allianz SE Group’s External Auditors and retired at the 44th AGM of the Company held on 22 May 2018.</p> <p>The appointment of PwC PLT as External Auditors in place of the retiring External Auditors, KPMG PLT was approved by the shareholders of the Company at the 44th AGM of the Company on 22 May 2018.</p>
<p>Explanation for departure :</p>	

<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 8.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application :	Not Adopted
Explanation on adoption of the practice :	

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 8.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

Application	: Applied								
Explanation on application of the practice	<p>The members of the AC are appointed by the Board, after taking into consideration the recommendations of the NRC. In determining the appropriate composition of the AC, the Board takes into consideration the necessary mix of skills and experience required for the AC to effectively discharge its responsibilities. The composition of the AC which consists of a majority of Independent Directors as at 31 December 2018, were as follows:-</p> <table border="1"><thead><tr><th>Director</th><th>Composition</th></tr></thead><tbody><tr><td>(i) Dato' Dr. Thillainathan A/L Ramasamy</td><td>Chairman, Independent Non-Executive Director</td></tr><tr><td>(ii) Foo San Kan</td><td>Member, Non-Independent Non-Executive Director</td></tr><tr><td>(iii) Tan Sri Datuk (Dr.) Rafiah Binti Salim</td><td>Member, Independent Non-Executive Director</td></tr></tbody></table> <p>The Chairman of AC, Dato' Dr. Thillainathan A/L Ramasamy, is a Fellow of the Institute of Bankers Malaysia and has many years of working experience in the fields of finance, banking as well as economics.</p> <p>The member of AC, Foo San Kan, has extensive and practical accounting, auditing, tax and financial management knowledge and experience. He is a Chartered Accountant of the Malaysian Institute of Accountants and a member of the Malaysian Institute of Certified Public Accountants. He is also a Fellow member of the Institute of Chartered Accountants in England and Wales and the Chartered Tax Institute of Malaysia. Accordingly, the Company complies with paragraph 15.09(1)(c)(i) of the Listing Requirements.</p>	Director	Composition	(i) Dato' Dr. Thillainathan A/L Ramasamy	Chairman, Independent Non-Executive Director	(ii) Foo San Kan	Member, Non-Independent Non-Executive Director	(iii) Tan Sri Datuk (Dr.) Rafiah Binti Salim	Member, Independent Non-Executive Director
Director	Composition								
(i) Dato' Dr. Thillainathan A/L Ramasamy	Chairman, Independent Non-Executive Director								
(ii) Foo San Kan	Member, Non-Independent Non-Executive Director								
(iii) Tan Sri Datuk (Dr.) Rafiah Binti Salim	Member, Independent Non-Executive Director								

	<p>The profiles of the members of the AC are set out in the Annual Report 2018.</p> <p>Collectively, the AC has a wide range of necessary skills to undertake its duties and responsibilities. Ideally, all AC members are able to understand the financial reporting process and be financially literate.</p> <p>In addition, in view of the important role of the AC in ensuring that there are adequate checks and balances within the operations of the Group, all AC members, either individually or collectively, are also expected to be familiar with areas included in the scope of internal insurance audits, including risk management, underwriting, investment and claims management.</p> <p>The members of the AC continuously keep abreast to the relevant development of accounting and auditing standards and practices. The list of training programmes, seminars and conferences attended by the members of the AC is set out in Practice 2.1 of this CG Report.</p>	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 9.1

The board should establish an effective risk management and internal control framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises the importance of internal controls and risk management in sustaining its business activities and strives to make it an essential component of the Group's business culture. The Group is committed to manage risks in line with the defined Risk Strategy and Risk Appetite through a systematic framework which identifies, analyses, assesses and manages risks that potentially have a material impact on the value of the Group or potentially hinder the Group in achieving its stated business objectives and goals in a consistent manner across the Group.</p> <p>The Group has in place the Risk Management Framework Manual ("RMFM") for all companies within the Group. The RMFM outlines the guiding principles of the risk management approach, structure, roles, responsibilities, accountabilities, reporting requirements as well as the risk identification, evaluation and monitoring process of the Group. It is designed to formalise the risk management functions and practices across the Group and to increase awareness of the Group's employees to risk identification, measurement, control, on-going monitoring and reporting.</p> <p>The RMFM is in compliance with the relevant BNM and Allianz SE Group's guidelines and policies.</p> <p>The system of risk governance process is integrated into the core management processes and forms part of the daily business process so that a value-added contribution in terms of sustainable competitive advantage and improved business performance can be established. Various standards are implemented by the Group, including organisational structure, risk strategy, written policies, authority limits, system documentation and reporting, to ensure accurate and timely flow of risk-related information and a disciplined approach towards decision making and execution.</p> <p>The Group also adopts the three lines of defence model where the "first line of defence" rests with the business managers. They are responsible in the first instance for both the risks and returns of their decisions.</p>

The “second line of defence” is made up of the oversight functions comprising Legal, Compliance, and Risk Management that are independent from business operations.

- The Legal function seeks to mitigate legal risks arising from legislative changes, major litigation and disputes, regulatory proceedings and unclear contractual terms.
- The compliance function assists the respective Board and Senior Management of the subsidiaries in managing and mitigating the compliance risks due to any non-compliance of the requirements of the law, regulations as well as regulatory and industry guidelines.
- The risk management function assists the respective Board and Senior Management of the subsidiaries to achieve its strategic goals and objectives by implementing risk management activities and controls across the organisation.

Both the compliance and risk management functions report to the RMC which assists the respective Board of the subsidiaries to discharge its oversight function effectively. As part of its responsibilities, the compliance and risk management functions advise the respective Board and Senior Management of the subsidiaries on compliance, risk and regulatory matters; and compliance awareness amongst the Group’s employees through trainings and workshops.

In addition to the above oversight functions, the actuarial function of the insurance operating entities constitutes additional components of the “second line of defence”. The actuarial function contributes towards assessing and managing risks in line with regulatory requirements and reports to the respective Board and Senior Management of the subsidiaries. Its scope of work includes coordination and calculation of technical reserves, providing oversight on product pricing and profitability and contribution to the effective implementation of the risk management system. An appropriate control framework has been established to avoid any potential conflict of interest to fulfil its role as the second line of defence.

The RMC drives the risk management framework of the Group and reports quarterly to the respective Board of the subsidiaries on its recommendations and/or decisions. The Risk Management Working Committee (“RMWC”) is established at the management level of the respective subsidiaries and serves as a platform for two way communications between the Management and the RMC on matters relating to risk strategy and management. Through the quarterly reporting from RMWC, the RMC consolidates the status

	<p>of the risks and presents them to the respective Boards of the subsidiaries for consideration.</p> <p>During the year, the Governance and Control Committee (“GOVCC”) had been set up to provide a platform for a structured and institutionalised interaction and collaboration on cross functional and control related topics to facilitate a consistent approach in terms of processes, methodologies, assessments, materiality and others. The GOVCC comprises of senior management from the governance and operations functions. The GOVCC will report to the AC on matters relating to internal control system while the governance related matters will be reported to the respective Senior Management Committee of the subsidiaries.</p> <p>The Internal Audit function of the Group, which reports to the AC, undertakes independent reviews or assessments of the Group’s operations and its system of internal controls. It provides monitoring of the controls and risk management procedures as well as highlights significant risks impacting the Group. The internal audit personnel form the “third line of defence” and are independent from the day-to-day activities of the Group and have unrestricted access to all activities conducted by the Group.</p> <p>Internal Audit Plan is developed based on annual risk assessment and approved by the AC. The audit scope covers auditable areas encompassing financial operations, underwriting and claims operation, sales operations, operations supports, corporate actuarial, customer service, internal and regulatory compliance audit such as business continuity management, replacement of policy, AML and information technology systems.</p> <p>Internal audit findings are discussed at management level. Senior and functional line management are tasked to ensure that management action plans are carried out in accordance with internal audit recommendations. All internal audit reports are submitted to the AC. The AC deliberates on key audit findings and management actions to address these findings during the AC meetings.</p> <p>Follow-up audits are also performed to monitor continued compliance and the internal auditors will provide quarterly updates to the AC on the progress of the management action plans as well as progress of the audit plan.</p> <p>Further information in regard to the risk management and internal control framework is presented in the SORMIC of the Annual Report 2018.</p>
<p>Explanation for departure :</p>	

<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company’s objectives is mitigated and managed.

Practice 9.2

The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

Application :	Applied
Explanation on application of the practice :	<p>Risk management is considered and managed as part of the daily process of managing and directing the business. These include the implementation of a limit system, various frameworks, manuals and policies.</p> <p>Besides the embedded process, the following risk management cycle to identify, assess, mitigate, monitor and report will also be carried out by the risk management function together with the respective risk owners:-</p> <div data-bbox="550 1081 1390 1518" data-label="Diagram"> </div> <p>(i) Top Risk Assessment (“TRA”)</p> <p>TRA approach is in place to periodically analyse all material quantifiable and non-quantifiable risks, including market, credit, underwriting, business, operational, liquidity, reputational and strategic risks.</p> <p>The Group identifies and remediates significant threats to financial results, operational viability or the delivery of key strategic objectives, regardless of whether they relate to quantifiable or non-quantifiable risks using the approved TRA Matrix. The identified top risks are assessed quarterly by the assigned risk owners; and the same is reviewed by the RMWC</p>

and the RMC and approved by the Board. Key risk indicators are also put in place to monitor changes in risk exposure or control effectiveness for the top risks on a quarterly basis. The key risks and their salient points on how the Group manages these risks are set out below:-

Key risks	Broad Definition	Risk Management Practices
Market	Unexpected losses arising due to changes in market prices or parameters influencing market prices, as well as the resultant risk from options and guarantees that are embedded in contracts or from changes to the net worth of assets and liabilities in related undertakings driven by market parameters. In particular, these include changes driven by equity prices, interest rates, real estate prices, exchange rates, credit spreads and implied volatilities. It also includes changes in market prices due to worsening of market liquidity.	<ul style="list-style-type: none"> • Investment activity is strictly governed by the preapproved limits and appetite and monitored through a front end system. Any exception requires pre-approval. • An asset and liability process has been put in place to manage the risks and returns expected from the insurance obligations. • Selectively using derivative to either hedge the portfolio against adverse market movements or reduce reinvestment risk.
Credit	Unexpected losses in the market value of the portfolio due to deterioration in the credit quality of counterparties including their failure to meet payment obligations or due to non-performance of instruments.	<ul style="list-style-type: none"> • Credit analyses are conducted prior to purchase and regular review on portfolio. • Investment activity is strictly governed by the limits to ensure the diversification of investment portfolio to minimise the impact of default by any single counterparty. • Only uses pre-

			approved reinsurance partners with strong credit profiles.
Underwriting	Unexpected financial losses due to inadequacy of premiums for catastrophe and non-catastrophe risks, due to the inadequacy of reserves or due to the unpredictability of mortality or longevity.	<ul style="list-style-type: none"> • Managed through a comprehensive and strict standard for underwriting limit guidelines. Where necessary, the risk will be surveyed by the loss control engineers. • Regular monitoring of products, assumptions used against actual industry statistics and re-pricing will be considered if necessary. • Adequate reinsurance is purchased and reviewed annually to ensure adequate continuous cover within acceptable appetite and costs. • New products undergo a robust product development process. 	
Business	Unexpected decrease in actual results as compared to business assumptions, which leads to a decline in income without a corresponding decrease in expenses; this includes lapse risk.	<ul style="list-style-type: none"> • Regular monitoring of actual experience. • New products undergo a robust product development. 	
Legal and compliance	Losses arising from a breach of relevant laws and regulations.	<ul style="list-style-type: none"> • Trainings will be provided and annual declarations required from all 	

			<p>staff.</p> <ul style="list-style-type: none"> • New guidelines will be published in the Group's staff e-portal and highlighted through e-mails. • Regular reviews are conducted to ensure compliance.
Cyber	<p>Business disruption, data loss and leakage and loss of availability of services due to:</p> <ul style="list-style-type: none"> • Cyber-attack performed by internal or external parties including but not limited to criminal gangs, nation states or hacker activists • Social engineering including phishing, inserting subversive into organisations, interpersonal manipulation • Resource depletion [Denial of Service ("DoS"), Distributed Denial of Service ("DDoS")] • Web site defacement • Inadequate response plan and procedures for security incidents <ul style="list-style-type: none"> - Malicious physical damage - attacks (include unauthorised physical access) or tampering with information system - Misuse of privileged access 	<ul style="list-style-type: none"> • Strict policy and disciplinary action for security breach • Staff awareness on IT Security • Access Control • Regular review on User ID access. • Use of virus protection software • Data Loss Prevention solution • Conduct of Annual Penetration Testing by independent party to detect possible external and internal vulnerabilities. • IT security controls in place, such as Firewall, Malware Protection and DDOS protection • Privilege Identity Management 	

		<p>rights and systems resulting in compensation payments, or Incremental operational costs, or legal costs, or reputation management costs.</p>	
<p>(ii) Operational Risk Management (“ORM”)</p> <p>ORM is a continuous process which includes operational risk identification, measurement, quantification, management and monitoring to mitigate the operational loss resulting from inadequate or failed internal processes, people, system or from external events.</p> <p>ORM is monitored through a combination of the following activities:-</p> <ul style="list-style-type: none"> • Integrated Risk and Control System. • Analysis of actual loss events reported into the Loss Data Capture database. • Periodic audits by the IAD and reviews by risk management function. • Other key indicators and feedback from subject matter experts (e.g. Business Continuity Management Officers, Anti-Fraud and Anti-Corruption Coordinators). <p>(iii) Reputational Risk Management</p> <p>All activities within Group can influence its reputation, which is determined by the perceptions and beliefs of its stakeholders. Hence, thorough management of reputational risks is required. Any risks that might have significant impact on Allianz operating entities or the Allianz SE Group will be escalated to Allianz SE.</p> <p>The Corporate Communications Function of the Group actively manage the reputational risk by assessing any potential risk arising from media press or any transaction relating to pre-defined sensitive areas. The Allianz Standard for Reputational Risk and Issues Management has been put in place to address the management of reputational risk and the methodology to assess reputational risk.</p>			

(iv) Liquidity Risk Management

Liquidity risk is a consequential risk, i.e. another adverse event has to happen before the Group runs into liquidity issues. On this background, the Group has identified various events that might lead to liquidity shortages. To mitigate this, limits on the cash position have been put in place and closely monitored.

In addition, as the Group is operating in insurance business, the following risk evaluation tools are also adopted as part of the Group's risk management framework:-

(i) Internal Capital Adequacy Assessment Process ("ICAAP")

ICAAP is an overall process by which the Group adopted to ensure it has adequate capital to meet its capital requirements which reflects its own risk profile on an on-going basis. The formal assessment is conducted at least on an annual basis and its results are reported to the Board.

The review of the ICAAP coincides with the annual planning process and any changes in the strategic directions of the respective companies and business plans will be updated into the Risk Strategy and accordingly all risks identified will also be taken into account when computing the Individual Capital Target Level ("ICTL").

The ICTL is validated by stress testing to ensure that it will still be above the Supervisory Target Capital Level even after the occurrence of a severe plausible event.

(ii) Stress Testing

Stress test is an effective risk management tool and the Group conducts such stress test regularly. The stress test process is designed based on the respective insurance subsidiaries' solvency position, lines of business, current position within the market, investment policy, business plan, and general economic conditions. The results of the stress test will then be incorporated into the respective insurance subsidiaries' capital management plan, in determining the extent of capital affected by the threats arising from adverse events and the actions required to mitigate such threats.

The Board and Management participated actively in providing feedback on its results and appropriateness of its methodology and assumptions.

Further information with regard to the risk management process is presented in the SORMIC of the Annual Report 2018.

Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 9.3 - Step Up

The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

Application	:	Adopted												
Explanation on adoption of the practice	:	<p>The Group had established the RMC, which comprises a majority of Independent Non-Executive Directors. The composition of the RMC as at 31 December 2018, were as follows:-</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #002060; color: white;"> <th style="text-align: center;">Director</th> <th style="text-align: center;">Composition</th> </tr> </thead> <tbody> <tr> <td>(i) Goh Ching Yin</td> <td>Chairman, Independent Non-Executive Director of AGIC and ALIM</td> </tr> <tr> <td>(ii) Foo San Kan</td> <td>Member, Non-Independent Non-Executive Director</td> </tr> <tr> <td>(iii) Dato' Dr. Thillainathan A/L Ramasamy</td> <td>Member, Independent Non-Executive Director</td> </tr> <tr> <td>(iv) Tan Sri Datuk (Dr.) Rafiah Binti Salim</td> <td>Member, Independent Non-Executive Director</td> </tr> <tr> <td>(v) Tunku Zain Al-'Abidin Ibni Tuanku Muhriz</td> <td>Member, Independent Non-Executive Director</td> </tr> </tbody> </table> <p>The RMC is responsible for driving the risk management framework of the Group and to report to the respective Boards on its recommendations and/or decisions. Through structured reporting from RMWC, the RMC will consolidate the status of the risks and present them to the Boards for consideration.</p> <p>The responsibilities of the RMC, among others, include the following:</p> <ul style="list-style-type: none"> (i) to address strategic and corporate level risks (including compliance risk) and recommend to the respective Boards of the Group the strategies to manage these risks and ensure its implementation; 	Director	Composition	(i) Goh Ching Yin	Chairman, Independent Non-Executive Director of AGIC and ALIM	(ii) Foo San Kan	Member, Non-Independent Non-Executive Director	(iii) Dato' Dr. Thillainathan A/L Ramasamy	Member, Independent Non-Executive Director	(iv) Tan Sri Datuk (Dr.) Rafiah Binti Salim	Member, Independent Non-Executive Director	(v) Tunku Zain Al-'Abidin Ibni Tuanku Muhriz	Member, Independent Non-Executive Director
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(iv) Tan Sri Datuk (Dr.) Rafiah Binti Salim	Member, Independent Non-Executive Director													
(v) Tunku Zain Al-'Abidin Ibni Tuanku Muhriz	Member, Independent Non-Executive Director													

	<ul style="list-style-type: none">(ii) to review and assess the adequacy of risk management policies and framework for identifying, measuring, monitoring and controlling risks as well as the extent to which these are operating effectively;(iii) to review and recommend risk management strategies, policies and risk parameters/tolerance levels, ICAAP result for the approval of the respective Boards of the Group and to ensure any changes and concerns are communicated to Senior Management effectively; and(iv) to review and assess the effectiveness of the overall management of compliance risk. <p>The duties and responsibilities of the RMC are detailed in the terms of reference of the RMC which is incorporated in the Board Charter.</p>
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Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 10.1

The Audit Committee should ensure that the internal audit function is effective and able to function independently.

Application :	Applied	
Explanation on application of the practice :	<p>The AC oversees the effectiveness of the internal audit function of the Group, among others:-</p> <ul style="list-style-type: none"> (i) reviewing and approving the internal audit plan including, amongst other, audit scope, procedures and frequency; (ii) ensuring the adequacy of the scope, budget, competency and resources of the internal audit functions and has the necessary authority to carry out its work; and (iii) reviewing the appointment, performance evaluation, transfer, succession planning and removal of the Head of Internal Audit. <p>The duties and responsibilities of the AC are detailed in the terms of reference of the AC which is incorporated in the Board Charter.</p>	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 10.2

The board should disclose–

- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The internal audit function of the Company is carried out by the IAD, which is independent of business operations. The IAD reports directly to the AC and to the CEO administratively.</p> <p>The primary objective of the IAD is to assist the Management, AC and the Boards of the Group in the effective discharge of their responsibilities. This is performed through the independent assessment and appraisal of the internal controls and the evaluation of the effectiveness of risk management system and CG process of the Group to ensure that organisational and management controls are adequate and effective, in line with the Group’s goals. These audits and assessment reviews are performed in line with the BNM’s guidelines with regard to Internal Audit Function, Professional Practice of Internal Auditing set by the Institute of Internal Auditors (“IIA”) and other relevant practices or guidelines from Allianz SE Group Audit. It includes promoting and recommending cost effective controls for safeguarding the Group’s assets and minimising the opportunities for error and fraud.</p> <p>During the FY 2018, the IAD carried out its duties in accordance with its Audit Charter and the Group’s Internal Audit Plan 2018. All internal audit reports which incorporated the Management of the respective companies’ responses and action plans were tabled for discussion at AC Meetings.</p> <p>All internal audit personnel had confirmed via annual declaration to the Head of IAD that they were free from any relationship or conflict of interest, which could impair their objectively and independence for internal audit activities carried out for the FY 2018. The Head of IAD has provided assurance to the AC via the annual declaration of independence for the FY 2018 that the internal audit activities carried out during the year has complied with the independence requirements of the IIA and other relevant practices or guidelines from Allianz SE Group Audit and there was</p>

	<p>no contravention of any applicable code of professional conduct in relation to the audit activities.</p> <p>Madam Ng Siew Leng, the Head of Internal Audit is responsible for the internal audit function of the Group. She is qualified under the Chartered Institute of Management Accountant. The profile of Madam Ng Siew Leng is set out in the Senior Management Team's Profile of the Annual Report 2018.</p> <p>There are a total of 17 internal auditors, including the Head of IAD. All internal auditors have completed tertiary education in the relevant fields related to the business of the Group and the level of expertise and professionalism within IAD at the end of 2018 was as follows:-</p> <table border="1" data-bbox="544 734 1390 1077"> <thead> <tr> <th data-bbox="544 734 1046 813">Expertise</th> <th data-bbox="1046 734 1390 813">Percentage of total internal auditors (%)</th> </tr> </thead> <tbody> <tr> <td data-bbox="544 813 1046 853">Finance</td> <td data-bbox="1046 813 1390 853">88</td> </tr> <tr> <td data-bbox="544 853 1046 887">IT</td> <td data-bbox="1046 853 1390 887">18</td> </tr> <tr> <td data-bbox="544 887 1046 927">Business/Economics</td> <td data-bbox="1046 887 1390 927">88</td> </tr> <tr> <td data-bbox="544 927 1046 965">Marketing</td> <td data-bbox="1046 927 1390 965">47</td> </tr> <tr> <td data-bbox="544 965 1046 1003">General/Others</td> <td data-bbox="1046 965 1390 1003">100</td> </tr> <tr> <td data-bbox="544 1003 1046 1043">Post Graduate</td> <td data-bbox="1046 1003 1390 1043"></td> </tr> <tr> <td data-bbox="544 1043 1046 1077">MBA and Masters</td> <td data-bbox="1046 1043 1390 1077">6</td> </tr> </tbody> </table> <p>Internal Audit staff are encouraged to take Certified Internal Auditor ("CIA") and/or Certified Information System Auditor ("CISA") examinations. Internal Auditors are provided with incentives such as study leave, reimbursement of registration/examination fees, study materials, review course fees and adjustment of remuneration upon passing of examination.</p> <p>As at 31 December 2018, one out of the total number of Internal Auditors have obtained CIA whilst two out of the total number of Internal Auditors are pursuing CIA/CISA.</p> <p>Annually, IAD performs Self-Assessment Review which is designed to evaluate its audit activity's efficiency, effectiveness and identifies opportunities for improvements.</p>	Expertise	Percentage of total internal auditors (%)	Finance	88	IT	18	Business/Economics	88	Marketing	47	General/Others	100	Post Graduate		MBA and Masters	6
Expertise	Percentage of total internal auditors (%)																
Finance	88																
IT	18																
Business/Economics	88																
Marketing	47																
General/Others	100																
Post Graduate																	
MBA and Masters	6																
<p>Explanation for departure :</p>																	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>																	

Measure	:		
Timeframe	:		

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 11.1

The board ensures there is effective, transparent and regular communication with its stakeholders.

Application :	Applied
Explanation on application of the practice :	<p>The Board acknowledges the need for shareholders and other stakeholders to be informed of all material information affecting the Group and is committed to maintain transparency and accountability to all of its shareholders and stakeholders.</p> <p>In maintaining the commitment to effective communication with shareholders and stakeholders, the Company adopts the practice of comprehensive, accurate and timely disclosures of information to its shareholders as well as to the general investing public in accordance with the requirements of the Listing Requirements, to enable them to make informed investment decisions.</p> <p>The Board is mindful that material information affecting the Group must be announced immediately via Bursa Securities to the shareholders and investing public and that price sensitive information must be handled in a strictly confidential manner within the Group. Internal procedures have been put in place to ensure that material information released to the shareholders and investing public are accurate, comprehensive and not misleading and that price sensitive information are handled properly to avoid any leakage and improper use of such information by the relevant parties. In addition, the Board also stresses on equal dissemination of information to shareholders and stakeholders.</p> <p>The Board is mindful that timely and easy accessibility to information are crucial for the shareholders and stakeholders to make informed decisions. The Group has leveraged on information technology to disseminate information where all levels of stakeholders are able to access information more effectively and conveniently.</p> <p>The Group disseminated information via the following avenues:-</p> <p>(i) Quarterly Financial Results</p> <p>Information in respect of the Group's financial results,</p>

business review, future prospect, corporate exercises and other material information in relation to the development of the Group are disclosed in the quarterly financial results (“Quarterly Report”) of the Group.

Immediately following the release of the Quarterly Report to Bursa Securities, a press release in respect thereto will be issued by the Group. The Quarterly Report, press release and analysts briefing presentation are subsequently published on the Company’s website.

(ii) Audited Financial Statements and Annual Report

The Company’s audited financial statements is released to Bursa Securities within 90 days from the financial year end and made available on the Company’s website.

The Group’s Annual Report provides a comprehensive report on, among others, the Group’s audited financial statements, review of the operational and financial performance, business development and strategy, industry outlook and future prospects, corporate responsibility activities and sustainability development, risk management and internal control activities and CG development.

Annual Reports are despatched to shareholders in CD ROM format and hard copy will be made available to shareholders upon request. It is also published on the Company’s website upon its issuance to the shareholders and release to Bursa Securities. The Annual Report 2018 will be despatched to shareholders in CD ROM format within four months from the close of the financial year end in compliance with the Listing Requirements.

(iii) Corporate Announcements

Corporate announcements contain material information that may affect the interest of the shareholders and other announcements as may be required by the Listing Requirements will be released to Bursa Securities on a timely manner. Such announcements are also disseminated to Senior Management via email and made available on the Company’s website immediately after released to Bursa Securities.

(iv) Investor Relations

The Senior Management comprising the CEO and CFO of the Group holds quarterly briefing for fund managers and research analysts to report on the quarterly performance, business development and progress of the Group. Such

briefing is normally conducted on the next working day after the release of the Group's Quarterly Report to Bursa Securities.

The quarterly briefing also serves as a platform of dialogue between the fund managers and research analysts with the Senior Management of the Group, where the fund managers and research analysts are able to raise questions and seek clarification from the Senior Management on pertinent issues relating to the Group.

In order to ensure that shareholders and investing public have equal access of the presentation slides for the briefing, the presentation slides are published on the Company's website immediately after the Group released its Quarterly Report to Bursa Securities.

In addition, the Senior Management also holds separate meetings with the potential investors and fund managers throughout the year to provide the overview of the operation and business prospects of the Group.

(v) Designated Person to handle Investor Relations

The Group established the Investor Relation function under the Corporate Communications Department. The Investor Relation function manages the relationship between the Group and its investors and controls the flow of information in relation to strategy, finance, communication and marketing of the Group.

Any inquiries in regard to investor relations matters can be referred to the following designated person of investor relations:-

Shamala Gopalan Head of Corporate Communications Tel : 03-2264 1157 Fax : 03-2264 1186 E-mail : shamala.gopalan@allianz.com.my
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(vi) Press Releases

Press releases on corporate developments and initiatives are also issued by the Group to provide all stakeholders with the up-to-date information in respect of the Group.

Media meetings and interviews are also initiated to provide wider publicity and understanding of the Group's business activities and strategies.

	<p>(vii) Website (www.allianz.com.my)</p> <p>The Company's website provides the avenue for all stakeholders to access information in relation to the Group, covering the areas of business products, services, corporate responsibility initiatives, announcements released to Bursa Securities, press releases, financial statements of the Company and its insurance subsidiaries, presentations made during the analyst briefings and AGM as well as minutes of AGM.</p> <p>The Company continues to review and make improvements to its website to ensure that information are relevant, updated and easily accessible.</p> <p>In addition, an enquiry tab is also provided on the website to enable visitors to make enquiries online.</p> <p>(viii) Social Media Platforms</p> <p>The Group's social media platforms are other avenues for the Group to engage with all stakeholders in an interactive way. Through these platforms, latest information and updates of the Group are made available to all stakeholders. These avenues also allow customers or the general public to post their opinions, reviews, comments, suggestions and feedbacks to the Group. The following social media platforms of the Group are available for stakeholders:-</p> <ul style="list-style-type: none"> (a) facebook.com/AllianzMalaysia (b) linkedin.com/company/allianz-malaysia-berhad (c) instagram.com/allianzmalaysia (d) youtube.com/allianzmalaysia <p>Despite having various communication avenues, the Chairman also encourages feedbacks from all stakeholders which are reachable via e-mail at rafiah.salim@allianz.com.my.</p> <p>As part of the stakeholder engagement process, the Allianz Malaysia Sustainability Survey 2018 was circulated to eight stakeholder groups in January 2019, i.e. customers, employees, investors/shareholders, agents/business partners, industry associations, community partners, public and media, via physical and online survey distribution.</p>
<p>Explanation for departure</p>	<p>:</p>

<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 11.2

Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	The Board endeavours to adopt Integrated Reporting, in line with Practice 11.2. Training had been conducted for Directors in respect of Integrated Reporting. Given that the preparation of Integrated Reporting requires integrated thinking of the relationship between various functions within the Group, discussion to develop a strategic plan will be commenced during the FY 2019.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	The Management will commence the discussion to develop a strategic implementation plan in the FY 2019.
Timeframe	:	Others

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 12.1

Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

Application	:	Applied
Explanation on application of the practice	:	<p>The Notice of 44th AGM of the Company was issued to the shareholders on 23 April 2018 with at least 28 days of notice period prior to the AGM held on 22 May 2018.</p> <p>Similarly, the Notice of 45th AGM of the Company will be issued to the shareholders on 30 April 2019 for the AGM to be held on 30 May 2019, being at least 28 days of notice period prior to the AGM.</p> <p>The notice of AGM is also advertised in the local English newspaper, namely New Straits Times for the benefit of shareholders and was accompanied by explanatory notes on special business requiring shareholders' approval. The notice of AGM will also be made available on the Company's website at www.allianz.com.my for easy access and the said notice will be accompanied by explanatory notes for each agenda item which requires shareholders' approval.</p> <p>Administrative details for the AGM ("Guide") aims to facilitate preparation of shareholders for present at the meeting, is distributed to shareholders together with the Annual Report. The Guide sets out information with regard to the AGM, among others, location address and map, logistic and refreshment, registration details, entitlement to attend and vote, appointment of proxy, voting procedure and door gift entitlement.</p> <p>A hotline is set-up specifically for the AGM to address any enquiry from the shareholders.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 12.2

All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

Application	:	Applied
Explanation on application of the practice	:	<p>All members of the Board and Board Committees, Senior Management comprising the CEO of the Company and the insurance subsidiaries, Heads from various Departments and the External Auditors, are present at the AGM to engage directly with the shareholders and to address concerns that may be raised by the shareholders.</p> <p>Suggestions received from the shareholders during the AGM, where applicable, will be evaluated and considered for implementation by the Board.</p> <p>The Management also shared with the shareholders the questions submitted in advance of the AGM by the Minority Shareholder Watch Group and the Company's response in relation thereto during the AGM. The questions from the Minority Shareholder Watch Group and the Company's response will be published on the Company's website after the AGM.</p> <p>Shareholders are encouraged to raise questions or seek clarification pertaining to the operations, financial and business related issues and any other related matters to the agenda of the AGM.</p> <p>In the Company's effort to promote engagement and interaction with shareholders, information counters featuring the Group's insurance products, corporate responsibilities activities and other initiatives are set up during the AGM where shareholders' are able to understand more about the Group's product and at the same time to have hands-on experience on the various activities carried out by the Group.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		

Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 12.3

Listed companies with a large number of shareholders or which have meetings in remote locations should leverage technology to facilitate–

- including voting in absentia; and
- remote shareholders' participation at General Meetings.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Board leverages on technology to improve conduct of AGM. The Board had at the 44th AGM held on 22 May 2018 conducted the meeting via poll voting electronically, in compliance with Paragraph 8.29A of the Listing Requirements. The poll voting was carried out electronically with the assistance from Tricor Investor & Issuing House Services Sdn Bhd as Poll Administrator. The poll voting results generated from the votes casted by shareholders and proxies were validated by BDO Governance Advisory Sdn Bhd, the independent scrutineer appointed by the Company.</p> <p>The Board noted that the conduct of general meetings would be more efficient and able to encourage greater participation of shareholders by leveraging on technology. In view of the above Practice was newly introduced locally, the source for technology to facilitate the voting in absentia and remote shareholders' participation at general meetings was a challenge for implementation at the next general meeting. Nonetheless, the Board will continue the effort to source for a reliable and practical system for the benefit of shareholders at large.</p> <p>The Board takes cognisant that a convenient and consistent location for general meetings is part of the key concerns to encourage the presence of shareholders. At the best effort of the Board, the past general meetings of the Company were held in the centre area of Kuala Lumpur which was conveniently accessible through public transportations.</p> <p>Further, the venue of the past general meetings were not changed frequently, as frequent changes of general meeting venue may discourage shareholders' participation.</p> <p>In the event the shareholders are unable to attend the general meeting, the entitled shareholders are allowed to appoint proxy/proxies to attend and vote in his/her stead.</p>

<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure</p>	<p>: In view of the above Practice was introduced following the implementation of the Code, the Board will continue the effort to source for practical solution for the benefit of shareholders at large.</p>
<p>Timeframe</p>	<p>: The Board will review this Practice on an annual basis.</p>

**SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT
CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA**

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

Not applicable
