ALLIANZ MALAYSIA BERHAD (12428-W) ("AMB" or "Company")

Minutes of the 43rd Annual General Meeting ("Meeting") of the Company held at Grand Ballroom, Level 2, Aloft Kuala Lumpur Sentral, 5, Jalan Stesen Sentral, Kuala Lumpur Sentral, 50470 Kuala Lumpur on Wednesday, 24 May 2017 at 10.00 a.m.

PRESENT	:	As per Attendance List
CHAIRMAN	:	Y. Bhg. Tan Sri Razali Bin Ismail ("Chairman")
IN ATTENDANCE	:	Madam Ng Siew Gek (Company Secretary)

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

1. QUORUM

There being a quorum, the Meeting was duly convened.

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

The Chairman welcomed the representative from the external auditors, KPMG PLT, namely Mr. Arthur Chin Shoon Chong to the Meeting.

The Chairman informed that based on the Record of Depositors as at 16 May 2017, being the cut-off date for determining who shall be entitled to attend the Meeting, there were 2,225 shareholders holding 173,815,088 ordinary shares in the Company. The Chairman further informed that the Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd ("TIIH") confirmed that there are 309 members present in person or by proxy at the Meeting.

The Chairman informed that the voting at the 43rd Annual General Meeting would be conducted on a poll in accordance with Paragraph 8.29A of Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The Chairman further informed that pursuant to Article 69 of the Articles of Association of the Company, a poll could be demanded by the Chairman of the Meeting or by at least 5 members or by a member or members holding or representing by proxy or entitled to vote in respect of at least one-fifth part of the capital represented at the Meeting. He therefore exercised his right as the Chairman of the Meeting to demand for a poll pursuant to Article 69 of the Articles of Association of the Company in respect of all resolutions put forth in the Meeting.

The Chairman further informed that the Company had appointed TIIH as the poll administrator to conduct the poll by way of electronic voting and Asia Securities Sdn Bhd ("ASSB") as scrutineer to verify the poll results.

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

2. NOTICE OF MEETING

The Chairman with the permission of the members present at the Meeting declared that the Notice of Meeting dated 25 April 2017 was taken as read.

3. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 AND THE DIRECTORS' AND AUDITORS' REPORTS

The Chairman tabled the Audited Financial Statements for the financial year ended ("FYE") 31 December 2016 and the Directors' and Auditors' Reports.

The motion on the receipt of the Audited Financial Statements for the FYE 31 December 2016 and the Directors' and Auditors' Reports was proposed by Mr. Mok Kian Tong and seconded by Mr. Chiew Sing Cheong.

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

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

(a) 2016 financial highlights of the Group and dividend and capital requirement presented by Mr. Ong Eng Chow ("Charles"), the CFO of the Company;
(b) Strategic priorities, financial highlights of the general insurance business and de-tariffication roadmap presented by Mr. Zakri Bin Mohd Khir ("Zakri"), the Executive Director and Chief Executive Officer ("CEO") of the Company and Allianz General Insurance Company (Malaysia) Berhad ("Allianz General"); and
(c) Financial highlights of the life insurance business and Life Insurance and Family Takaful Framework presented by Mr. Joseph Kumar Gross ("Joe"), CEO of Allianz Life Insurance Malaysia Berhad ("Allianz Life").

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

<u>MSWG Question 1</u>

Given the financial liberalisation of the sector together with the imminent deregulation and removal of tariff structure, please share on the measures that the Group has embarked for the last two years to address and mitigate the impact as well as competition in the industry.

How would the Group address the risk pricing of the products to remain competitive vis-a-vis its competitors and to ensure good and loyal customers with minimum or no claims records are rewarded under the risk pricing approach? Would the benefits of competitive premium price adjustments be passed on to the Company's customers?

<u>Answer by Zakri</u>

Preparations for tariff liberalisation began many years ago with key initiatives including:-

- Project Angkasa which started from 2012 to 2014 to reach economies of scale in preparation for de-tariff;

- Building and enhancing technical pricing models for transition into risk based pricing;
- Active portfolio and claims management to improve underwriting profitability;
- Disciplined expense management for competitive advantage; and
- Focus on service delivery and customer service (Allianz Road Rangers, express claims service).

Zakri informed that under a risk based pricing approach, the premium charged is dependent on the risk profile of a customer which can vary according to insured's age, driving experience, location, type of car driven etc, in addition to whether the insured has had any claims in the past. Each company would have a different pricing model depending on the data credibility, expense and profit loading assumptions. The Management believes that Allianz's strong technical expertise, continuous efforts in providing service excellence and expense discipline will be a competitive advantage moving into a liberalised environment.

Mr. Quah Ban Aik, a representative of MSWG, enquired whether Allianz General had in the past priced its product lower than the risk premium for those customers that do not have any claim.

Zakri replied that first of all, motor tariff has been implemented since 1985. The tariff merely based on the value of the car and did not take in the driver's driving experience. The higher value of the car, the higher the premium paid. However, this will be changed with effect from 1 July 2017. The driver behavior will take into consideration when calculating the premium. Nevertheless, Bank Negara Malaysia implements the de-tariffication on phases approach. Customers will be rewarded by their better driving behavior.

Mr. Quah Ban Aik enquired on Allianz's de-tariffication experience in other countries, whether it will translate into better pricing or otherwise.

Zakri responded that many general insurance markets in the world have moved out from tariff market. He quoted few examples, as follows:-

(a) India has moved away from tariff and premium fell significantly because their tariff was very high.
(b) China had de-tariffed and premium went up.
(c) Indonesia had de-tariffed, but reverted to tariff.

He further explained that it depends on market perception. Given that Malaysia is in a regulated market, it was anticipated that there will be slight movement upward on the premium. In addition, given that the amount of capital that Allianz General required in order to write motor business efficiently, it insinuated that additional increase of premium is required, for now. This is in terms of financial, but in terms of customer behavior, it will drive the prices down, which he opined that the prices will be neutralised within the next 1 or 2 years.

Under the de-tariff environment, he informed that if the customers have good record such as no claims record, no summon, logically he or she will enjoy lower premium.

<u>MSWG Question 2</u>

The Company has secured a 15-year partnership agreement with Standard Chartered Bank ("SCB") in several parts of Asia. Please elaborate on the arrangement and anticipated returns/ savings and upside future potentials from the collaboration in these markets.

Answer by Zakri

Allianz entered into a 15-year partnership agreement with SCB in 5 key markets in Asia, namely Singapore, Hong Kong, Malaysia, Indonesia and China, to be implemented during the course of 2017. The partnership allows Allianz to distribute general insurance products, including travel, Personal Accident ("PA"), Fire and motor insurance, to SCB's Personal, Priority and Business Banking customers. In addition to SCB's branch network, Allianz products will also be made available for distribution via a proprietary digital bancassurance platform for an integrated, data-driven and highly tailored customer proposition.

MSWG Question 3

One of the Group's key drivers going forward would be the digital asset and in line with its three year transformation plan, please share on the preparation and the budget allocation towards achieving the goal.

Answer by Joe

For Digital Transformation, a budget in excess of RM32 million has been allocated for new initiatives in 2017 and for 2018 and 2019, RM22 million and RM17 million have been earmarked respectively for digital investments. Several key projects are under way in the areas of digital distribution (launched several online distribution products for Allianz General and Allianz Life), digital communication (change to paperless communication for Allianz Life customers) and digital partnerships. More details on some of these projects can be found in the Sustainability Report 2016, which is available on the Corporate Website. The Management are also planning to move ahead in more data driven analytics projects and a more flexible system architecture to allow fast and easy integration with the Group's business partners. Overall, the Group is progressing very well in the Digital Transformation journey and the Management is confident that the Group is making the right investments to further future-proof of the Group's business.

Mr. Quah Ban Aik commented that from the policyholder's point of view, life insurance company should disclose what is not covered under the policy rather than what is covered under the policy. He enquired whether with digitalisation, this feature can be enhanced. He further commented that this is important especially during claims, to avoid dispute if the policyholder is aware what can be claimed. He believes that with the said disclosure, it could satisfy both policyholders and insurers.

Joe concurred with Mr. Quah. He suggested that in order to have a better understanding of the business of Allianz Life, he would like to sell an insurance product to Mr. Quah so that Mr. Quah could understand the process of selling of Allianz Life's insurance product.

He explained that the process of selling a life insurance product starts when a customer goes to an agent to buy life insurance policy and such process of selling a life insurance policy could be quite complex.

In order to simplify the process of selling, Allianz Life is currently in the process of testing on an expert underwriting system, which simplifies questions that customers need to answer and make the medical terms easier to understand, so that customers understand what they are buying and what they can do after they have purchased the insurance policy. Joe further informed that his vision is to provide the customers with a cover page that summarise the coverage of the insurance policy purchased by the customers.

In terms of the claims process, Joe envisaged to move towards a claim process which is hassle free for the customers. Customers only need to swipe the Allianz medical card for hospital admission, get treatment and thereafter discharge from hospital, all dealings with doctors and hospital will be handled by Allianz Life. He mentioned that it does sound trivial, but it could be implemented and remains profitable.

MSWG Question 4

We noted that the under the asset allocation review, the Group has increased its portfolio in unquoted bonds to RM3.89 billion, up by 29.9% and the second largest investments in the overall portfolio in FYE 2016. Please share on the policy criteria and basis to invest in these assets.

Answer by Charles

The increase in unquoted bonds size is in tandem with the approved strategic asset allocation exposure and driven also by higher investment asset size.

The rationale for the higher asset allocation to such fixed income securities is to provide stable long term income to meet the liability obligations; and the income is enhanced by the credit premium spread via holdings in corporate bonds.

On the risk policies, the Group have investment limits control on individual and group counterparty; and sector of the counterparty. For the selection of corporate credits, the Group adopts a stringent credit risk assessment process, applying internal credit scoring system to assess the credit risk profile.

The Chairman invited questions from the floor.

Mr. Quah made reference to the slide presentation of Allianz General which highlighted that sales were impacted by adverse motor sales and enquired whether Allianz General has implemented customer retention strategy.

Zakri replied that from the review of customers' renewal ratio in 2016, there were reduction in the number of customers from the smaller/low value segment such as POS Malaysia Berhad.

He further informed that in terms of premium, the impact is not so significant. This is due to the structure of the current tariff. In the last couple of years, the value of cars dropped significantly. He quoted an example, in 2016, car bought in January and disposed of in December experienced a 30% drop in value. Given that motor insurance premium is depending on the car value, when the value of car drops, premium will be reduced accordingly. He further informed that if everything being equal year-on-year on the assumption that there is 100% renewal on motor insurance and no new customer, the motor portfolio will still be reducing due to reduction in value of cars and no claims bonus ("NCB").

Mr Quah quoted a scenario on motor insurance. For example, a new customer purchased his first car from a reputable brand. Thus, he needs to pay the full premium for his car given that he does not have the NCB. He will be entitled for the NCB in the subsequent years, provided that he did not make any claims. When the car reaches 7 years, the insurer will start to charge risk pricing although the customer is a good customer with clean records. Hence, when the insurer starts to charge risk pricing, it will be a disadvantage to the said customer.

He commented that with the risk pricing and de-tariffication, he would appreciate if Allianz General could flow back the profit earned to long term customers and shareholders.

Zakri highlighted that the situation as described by Mr Quah is indeed what happened in the current tariff market. General insurers are not allowed to price the motor premium differently. When the car reaches 7 or 8 years, the value of the car depreciated. When the value of the car drop below the risk price, the insurer will need to increase the risk price as this segment is no longer profitable. Nevertheless, beginning 1 July 2017, under the de-tariff environment, premium will be priced based on the behaviour or risk profile of the driver. However, there will not be drastic changes as Bank Negara Malaysia ("BNM") only allows for certain limitation.

Mr. Chiew Sing Cheong, a shareholder, complemented the presentation made by the Management. He mentioned that he does not have much complaint on the Company except for dividend. He commented that even though the proposed dividend payout has increased, he is not satisfied with the amount declared. As an investor, the yield from the investment is important.

Mr. Chiew further commented that for the past few years, free PA insurance was given to the shareholders who attended the Meeting, however, such insurance is no longer given to the shareholders for this year. He enquired on how much claims were made by the shareholders who received the free PA in last year.

With regard to Mr. Chiew's comment on dividend, Charles replied that it is the aspiration of the Board to step-up the dividend payout. The Company endeavors to increase the dividend payout ratio to 20% or 30% over medium term. As mentioned earlier, the Group also investing a lot and needs to reposition and tackle all the challenges such as de-tariffication and Life Framework. The Management hopes that the dividend payout ratio would be increased moving forward.

With regard to the comment on free PA, Zakri took note and will consider giving free PA in next year. He mentioned that the decision not to distribute free PA this year is not due to the claims. He further mentioned that shareholders are welcomed to buy insurance from Allianz and they will be given a discount.

Mr. Wong Chin Won, a shareholder, raised the following issues:-

(a) Malaysia Competition Commission ("MyCC") has imposed penalty to all general insurers in Malaysia, of which Allianz General is required to pay penalty amounting to RM27.48 million. He enquired on the status of the said penalty and whether Allianz General has requested for waiver from MyCC.

(b) On the dividend payout, he noted that there is an increase, but the Management also explained that they need to reserve some for expansion. However, the earning per share ("EPS") of the Company is very impressive, at 182.27 sen per share. He suggested the Company to utilise 10% of the EPS to pay out dividend to the long term shareholders.

(c) Starting 1 July 2017, all general insurers will have different set of pricing. He noticed that some of the general insurers even enquired on type of car used by him, his claims history and insurance purchased. He enquired whether Allianz General practices the same.

(d) The general takaful insurer gives cash rebate on top of the maximum NCB of 55% to the careful drivers. Hence, he enquired whether Allianz General will follow the same after the implementation of de-tariffication.

Zakri replied as follows:-

(a) With regard to MyCC, he clarified that Allianz General has never infringed the Competition Act 2010. Allianz General conducts its business in accordance with BNM's regulations and Persatuan Insurans Am Malaysia's guidelines. MyCC has the right to question the industry. However, he opined that MyCC should have examined the current regulatory environment that the general insurer operates as dictated by BNM. He explained that the penalty imposed by MyCC was a proposed penalty. Allianz General will take such appropriate actions to defend its position.

(b) With regard to type of car to be insured, he informed that there is a syndicate in Malaysia steal a certain type of car, for example Toyota Hilux. Hence, it will be difficult for the owner of the said car to purchase insurance. General insurers have certain criteria on type of cars to be insured, in order to keep the profit margin. However, Allianz General does write insurance for this type of car for its loyal customers, but for new customer, Allianz General may reject such risk.

(c) With regard to discount offered to loyal customers, BNM imposed a different set of rules for general takaful insurer and general conventional insurer. For general takaful insurer, they are allowed to give rebate to their customers, whereas, the general conventional insurer such as Allianz General, is not allowed to do so.

In response to the question on dividend, Charles explained that last year, the Company paid a total interim dividend of RM34.3 million for both ordinary shareholders and preference shareholders. This is equivalent to 11% payout ratio from profit after tax of the Group of approximately RM312 million. The Board understand that the yield is approximately 1%, nevertheless, the Board will continue to step-up the dividend payout ratio.

Mr. Anselm Richter, a shareholder, highlighted that as an insurance company, the Group has invested a lot in bonds. In previous years, the Group has invested in oil and gas ("O&G") sector. He highlighted that recently in the Singapore market, some of the O&G bonds have been defaulted. He enquired of the Group's exposure in the O&G sector in Malaysia.

He further enquired on the Group's exposure in 1Malaysia Development Berhad ("1MDB"). He assumed that the Group probably has zero exposure given that most of the Group's bonds are in Ringgit Malaysia, whereas 1MDB is in US dollar.

Mr. Richter quoted on the issue of dividend which was highlighted by few of the shareholders a moment ago. He informed the Board that he is also shareholder of other insurers, amongst others, Great Eastern, which is listed in Singapore, Allianz SE in Munich, Prudential Aviva and AXA. The dividend yield of these insurers is around 4%, even though insurance business faced challenging times. He believes the Group is in the right track and will be able to improve the dividend yield moving forward.

Charles in response to the question on bonds, informed that the Group has no exposure in lending to O&G sector. The Group have small equity invest in O&G section. As for 1MDB, Allianz Life holds RM60 million nominal value of government guaranteed 1MBD 30-year bonds (Issued as "Terengganu Investment Authority" before name changed), maturing in

May 2039. He further informed that the exposure in 1MDB is very minimal as compared to the total assets size.

On the dividend yield, Charles explained that the Group is relatively young as compared to other established insurance group quoted by Mr. Richter. In 2010, the Group's gross written premium was around RM2.4 billion and it has grown to RM4.2 billion in 2016. The Group's portfolio is also different from the said established insurers in Europe and Singapore. These insurers have over 100 years history with strong in-force profit. The Group generated some growth in new business which will have new business strain, hence, requires capital to support the growth. When business continues to develop, it will release capital over the years and in-force profit will contribute to better dividend yield. He hoped the shareholders understand and support the Group during this period of a gestation. He mentioned that the 4% yield is achievable and hope it could be achieved over time.

Mr. Au Yong Chee Hoong, a shareholder, thanked the Board for the explanation and well-presented chart. He enquired on the following:-

(a) For Allianz Life, moving forward, whether customers with healthy lifestyle behaviour will be rewarded with lower premiums.

(b) Will the Group pursue any merger and acquisition ("M&A") or organic growth in 1 or 2 years' time and whether there is any plan of valuation.

(c) The reason of reduction in the Group's market capitalisation. Whether the said decline was due to the redemption of preference shares.

In response to the question on healthy lifestyle, Joe replied that Allianz Life will be introducing an expert underwriting system, which will refine the risk selection in order to be able to price risk according to the risk profile of the customers. Nevertheless, to the best of his knowledge, it has not be proven yet that having a healthy lifestyle can lead to better underwriting and pricing. There are marketing gimmicks on healthy lifestyle or wellness program rolled out by life insurers, but to turn it into better insurance pricing, life insurers probably will not be sacrificing the underwriting and risk selection over a marketing guide. However, he was of the view that there is a possibility in the future, especially with the ability to drive analytic much better, life insurers could understand the customers' lifestyle, eating habits and behaviour better, and therefore would be able to put in place proper risk selection methodology.

With regard to the question on M&A, Zakri informed that the Group is always on the lookout for opportunities and options for good deal. He informed that when reviewing potential deal, the Management would focus on the present value of the target company rather than factoring in the future value of the same as he opined that future value should be the value that the Management will bring into the target company. Therefore, it will not be fair to pay for future profit which is to be generated by the Management. He opined that the acquisition price could factor in some strategic premium but not the future profit element, which is commonly factored into the M&A deals in Malaysia. He further informed that the acquisition price for M&A deal is now almost 4 times of the book value.

Joe informed that with regard to the Takaful acquisition opportunity with HSBC, the Company has decided to discontinue the negotiation based on the rationale as outlined by Zakri earlier. The Management was of the view that the takaful segment remains attractive and will continue look out for opportunities that made financial sense.

With regard to the question on market capitalisation, Charles explained that the ordinary share price of the Company was RM10.50 at the end of 2015 and at the end of 2016, the ordinary share price was RM10.20. Today, the ordinary share price was RM12.00. Hence, the lower market capitalisation was due to the share price as at 31 December 2016. He further informed that the conversion of preference shares has no impact on the market capitalisation or shareholders' fund.

Mr. Kanajan Samypullay, a proxy, informed that he would like to readdress on the proposed acquisition of HSBC Takaful. He highlighted that the CEO has mentioned earlier that the acquisition price was based on price to book and the acquisition price of a takaful license is 4 times of the book value. He would like to share his view on the said matter. He mentioned that using a conventional valuation measures and price value to earnings before interest, tax, depreciation and amortisation ("EBITDA") or price to earnings ratio is suitable in a non-dynamic situation. However, when the Company faces a particular sector, in this example, Takaful, which could potentially be a dominant sector in the insurance field in Malaysia, the conventional valuation does not capture the optionality these severe. He quoted an example, Digi Telecommunications ("Digi") was facing a problem of not having a 3G spectrum, hence, Digi paid RM750 million to Time dotCom ("Time") to acquire the 3G licence, which was given to Time for free. If the Board of Digi felt that they are over paying for the said license and follow conventional valuation measures, they would not have paid RM750 million. Today, Digi has the highest number of subscribers, overtaking Maxis and Celcom, in spite of the price they have made. He suggested that the Board to consider that sometimes, the conventional measures, such as price to book, may be a deterrent to the long term future of the Group. The reason that Digi succeeded was that they have a Board that was confident that it can manage the price paid and it can grow the business. Hence, unless the Group invests into long term strategic growth, the Group may be left behind competition.

Joe mentioned that he fully agreed with Mr. Kanajan's view. He explained that the Group applied the same mechanism as mentioned by Mr. Kanajan in the acquisition process. The overall business case including future expansion gave the Group certain parameters against what the Group could pay. In this specific case, both parties were not able to reach an agreement on the terms and conditions.

Mr. Ngooi Chiu Sein, a shareholder, commented on the share price of the Company that in late 2014, the share price was around RM13.10 and now it is about RM12.10. There were times when the share price dropped to RM10.30. He highlighted that as compared to the competitors, the Company's share prices were down by 6% within 2 years, whereas, the share price of LPI Capital Berhad ("LPI"), went up by 31% and Syarikat Takaful Malaysia Berhad ("STM") increased by 23% during the same period.

He further commented on the Independent Director ("ID")s' fees. He mentioned that the Company is paying RM2.7 million for 5 IDs, as compared to LPI of RM1.8 million for 4 IDs whilst STM paid RM1.3 million for 9 IDs. He sought the reason for paying such high fees to the IDs.

Zakri explained that the insurance subsidiaries are governed by the Financial Services Act, 2013 and the Company is a listed entity under the Bursa Securities. Hence, the Boards have onerous duties and liabilities. The Management takes guidance in respect of IDs' remuneration from the Financial Institutions Directors' Education Forum ("FIDE Forum"). FIDE Forum had in 2015, issued the Directors' Remuneration Report ("FIDE Remuneration Report"). Based on the FIDE Remuneration Report, the remuneration of the IDs of the Group was much below the benchmark. Hence, the Remuneration Committee had in 2016 reviewed the recommendations of the FIDE Remuneration Report and recommended a proposed 3-year step-up plan (2016 to 2018) for the IDs' remuneration to commensurate with the responsibilities and risks assumed by the IDs and to retain the IDs. He added that the current Board of the Group is made up of credible and highly professional Directors, with good reputation an extensive experience locally and globally in their areas of expertise.

Zakri informed that from the point of view of the major shareholder, Allianz SE is of the view that the remuneration of the IDs is reasonable based on the market benchmark.

With regard to the question on share price, Charles replied that the share price was RM13.00 some time ago. Nevertheless, many analysts are recommending to buy the Company's shares at a target price in the range of RM13.00. The drop in share price possibly was during the 2-year period that the stock market has been very soft but it has recovered this year. The share price has increase significantly in the first 4 months of 2017. He believes that the Group's fundamentals is strong and hope this will be reflected in the share price.

Mr. Ngooi further enquired on the Directors' remuneration. He commented that based on the benchmark on some of the industry standard, the highest paid Director is from Malakoff, who received RM500,000 while other companies paid less than RM200,000. He quoted Ambank and Sime Darby. He sought clarification in respect thereto.

Zakri responded that the Directors of the Company also sit in the subsidiary companies. The other companies quoted by Mr. Ngooi such as LPI only sit in 1 company. He added that it is not easy to manage an insurance company due to onerous liability that the Directors carry. He reiterated that the IDs' remuneration is benchmark against the FIDE Remuneration Report.

Mr. Chiew Sing Cheong enquired whether Allianz General impose loading for driver age 75 years and above.

Zakri replied that he is not aware of such loading given that Allianz General does not have many customers age 75 years and above. He stressed that Allianz General try to give fair value and fair pricing and does not discriminates the customers. He requested the shareholders who face this issue to alert him and he will ensure that their car will be insured.

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

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

The Chairman tabled the Ordinary Resolution 1 under item 2(a) of the agenda on payment of Directors' fees for the Company and its insurance subsidiaries of RM1,966,764 for the FYE 31 December 2016 for the shareholders' approval.

The Ordinary Resolution 1 was duly proposed by Ms. Manogari S. Murugiah and seconded by Mr. Mok Kian Tong.

The Chairman invited question from the floor.

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

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

The Chairman tabled the Ordinary Resolution 2 under item 2(b) of the agenda on payment of Directors' remuneration (excluding Directors' fees) to the Non-Executive Directors of the Company and its insurance subsidiaries up to an amount of RM1,613,360 from 1 January 2017 until the next Annual General Meeting of the Company.

The Ordinary Resolution 2 was duly proposed by Madam Chin Yien Ping and seconded by Mr. Mok Kian Tong.

The Chairman invited question from the floor.

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

6. RE-ELECTION OF DIRECTORS WHO RETIRE BY ROTATION IN ACCORDANCE WITH ARTICLE 96 OF THE ARTICLES OF ASSOCIATION OF THE COMPANY

The Chairman tabled item 3 of the agenda which was to consider the re-election of the Directors who retire by rotation in accordance with Article 96 of the Articles of Association of the Company.

6.1 Re-election of Mr. Foo San Kan

The Chairman tabled Ordinary Resolution 3 in respect of the re-election of Mr. Foo San Kan who retired by rotation in accordance with Article 96 of the Articles of Association of the Company and being eligible, offers himself for re-election, for the shareholders' approval.

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

The Chairman invited question from the floor.

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

6.2 Re-election of Mr. Ong Eng Chow

The Chairman informed that Mr. Ong Eng Chow has indicated that he will not seek for re-election as a Director of the Company at the Meeting.

7. RE-APPOINTMENT OF DIRECTORS

The Chairman informed that item 4 of the agenda was to consider the re-appointment of the Directors of the Company. The Chairman explained that Section 129(2) of the Companies Act, 1965 required Director who attains the age of 70 to submit himself/herself for re-appointment annually. However, with the enforcement of the Companies Act 2016 with effect from 31 January 2017, there is no longer a requirement on age limit for Directors.

The Chairman further informed that at the 42nd Annual General Meeting held on 25 May 2016, Y. Bhg. Dato' Dr. Thillainathan A/L Ramasamy and himself were re-appointed as Directors of the Company until the conclusion of this Meeting. Hence, their appointments shall lapse at the conclusion of this Meeting. The proposed Ordinary Resolutions 4 and 5 if passed, will enable Y. Bhg. Dato' Dr. Thillainathan A/L Ramasamy and himself respectively to continue in office as Directors of the Company.

7.1 Re-appointment of Y. Bhg. Tan Sri Razali Bin Ismail

The Chairman informed that Ordinary Resolution 4 was to consider his re-appointment as the Director of the Company. Since he is the interested party to the motion, the Chairman proposed that Y. Bhg. Tan Sri Datuk (Dr.) Rafiah Binti Salim ("Tan Sri Rafiah") to chair the proceedings of Ordinary Resolution 4.

The Chairman with the permission of the Meeting handed the chairmanship of the Meeting to Tan Sri Rafiah.

Tan Sri Rafiah tabled the Ordinary Resolution 4 for the shareholders' approval.

The Ordinary Resolution 4 was duly proposed by Ms. Manogari S. Murugiah and seconded by Madam Joannica Dass.

Tan Sri Rafiah invited question from the floor.

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

Tan Sri Rafiah handed over the chair of the Meeting to Y. Bhg. Tan Sri Razali Bin Ismail.

7.2 Re-appointment of Y. Bhg. Dato' Dr. Thillainathan A/L Ramasamy

The Chairman tabled the Ordinary Resolution 5 in respect of the re-appointment of Y. Bhg. Dato' Dr. Thillainathan A/L Ramasamy as Director of the Company for the shareholders' approval.

The Ordinary Resolution 5 was duly proposed by Mr. Mok Kian Tong and seconded by Ms. Malathi Muniandy.

The Chairman invited question from the floor.

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

8. RE-APPOINTMENT OF AUDITORS

The Chairman tabled the Ordinary Resolution 6 under the item 5 on the re-appointment of KPMG PLT as auditors of the Company for the financial year ending 31 December 2017 and to authorise the Directors to fix their remuneration, for the shareholders' approval.

The Ordinary Resolution 6 was duly proposed by Mr. Mok Kian Tong and seconded by Madam Chin Yien Ping.

The Chairman invited question from the floor.

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

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

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

"THAT pursuant to the Main Market Listing Requirements of Bursa Securities, approval be and is hereby given to the Company and/or its subsidiaries to enter into the recurrent related party transactions with Allianz SE Group as specified in Section 2.2 (A) of the Company's Circular to Shareholders dated 25 April 2017, provided that the transactions are in the ordinary course of business and are on terms not more favourable than those generally available to the public and not to the detriment of the minority shareholders.

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

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

(b) the expiration of the period within which next Annual General Meeting is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or

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

whichever is the earlier;

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

The Ordinary Resolution 7 was duly proposed by Madam Malathy Ramakrishnan and seconded by Madam Chan Miew Sum.

The Chairman invited question from the floor.

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

10. PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS WITH SHOOK LIN & BOK

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

"THAT pursuant to the Main Market Listing Requirements of Bursa Securities, approval be and is hereby given to the Company and/or its subsidiaries to enter into the recurrent related party transactions with Shook Lin & Bok as specified in Section 2.2 (B) of the Company's Circular to Shareholders dated 25 April 2017, provided that the transactions are in the ordinary course of business and are on terms not more favourable than those generally available to the public and not to the detriment of the minority shareholders.

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

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

(b) the expiration of the period within which next Annual General Meeting is required to be held Section 340(2) of the Companies Act 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or

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

whichever is the earlier;

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

The Ordinary Resolution 8 was duly proposed by Madam Chan Miew Sum and seconded by Ms. Malathi Muniandy.

The Chairman invited question from the floor.

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

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

The Chairman tabled the following Ordinary Resolution 9 for the shareholders' approval:-

"THAT pursuant to the Main Market Listing Requirements of Bursa Securities, approval be and is hereby given to the Company and/or its subsidiaries to enter into the recurrent related party transactions with Rapidpro Consulting Sdn Bhd as specified in Section 2.2 (C) of the Company's Circular to Shareholders dated 25 April 2017, provided that the transactions are in the ordinary course of business and are on terms not more favourable than those generally available to the public and not to the detriment of the minority shareholders.

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

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

(b) the expiration of the period within which next Annual General Meeting is required to be held Section 340(2) of the Companies Act 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or

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

whichever is the earlier;

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

The Ordinary Resolution 9 was duly proposed by Madam Chin Yien Ping and seconded by Ms. Manogari S Murugiah.

The Chairman invited question from the floor.

Since there was no question raised, the Chairman informed that the poll vote on Ordinary Resolution 9 would be conducted upon completion of the remaining business of the Meeting.

12. <u>OTHER BUSINESS</u>

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

13. <u>ELECTRONIC POLLING PROCEDURES</u>

The Chairman declared that the registration for the attendance at the Meeting is closed at 11.42 a.m.. He called upon Ms. Lilian Low ("Ms. Lilian"), representative from TIIH, the poll administrator, to brief the members on the electronic polling process.

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

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

The Chairman adjourned the Meeting at 11.45 a.m for 20 minutes to facilitate the polling process and poll vote count and the Meeting shall resume at 12.10 p.m for the declaration of poll results.

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

14. ANNOUNCEMENT OF POLL RESULTS

The Chairman called the Meeting to order at 12.03 p.m. for the declaration of poll results. He informed that the poll results as projected on the screen have been verified by the scrutineer, ASSB. The poll voting results are attached per Annexure D.

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

Ordinary Resolution 1
Payment of Directors' fees of RM1,966,764 for the FYE 31 December 2016.

Ordinary Resolution 2
Payment of Directors' remuneration (excluding Directors' fees) of up to an amount of RM1,613,360 from 1 January 2017 until the next Annual General Meeting of the Company.

Ordinary Resolution 3
Re-election of Mr. Foo San Kan as Director of the Company in accordance with Article 96 of the Articles of Association of the Company.

Ordinary Resolution 4
Re-appointment of Y. Bhg. Tan Sri Razali Bin Ismail as Director of the Company.

Ordinary Resolution 5
Re-appointment of Y. Bhg. Dato' Dr. Thillainathan A/L Ramasamy as Director of the Company.

Ordinary Resolution 6
Re-appointment of KPMG PLT as the Auditors of the Company for the financial year ending 31 December 2017 and authority to the Directors to fix their remuneration.

Ordinary Resolution 7
Proposed Shareholders' Mandate for Recurrent Related Party Transactions with Allianz SE Group.

Ordinary Resolution 8
Proposed Shareholders' Mandate for Recurrent Related Party Transactions with Shook Lin & Bok.

Ordinary Resolution 9
Proposed Shareholders' Mandate for Recurrent Related Party Transactions with Rapidpro Consulting Sdn Bhd.

15. CLOSE OF MEETING

There being no other business to be transacted, the Chairman declared the Meeting closed at 12.04 p.m. and the Chairman thanked shareholders or proxies for present at the Meeting and their participation and continuing support to the Company.

SIGNED AS A CORRECT RECORD

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CHAIRMAN