

Risk, Governance and Accounting Policy Division,
Central Bank of Ireland,
P.O. Box 559,
Dame Street,
Dublin 2.

27th September 2013

**Re. Consultation Paper 'CP69'
Consultation on the Review of the Corporate Governance Code for
Credit Institutions and Insurance Undertakings**

Dear Sir / Madam,

We refer to Consultation Paper 'CP69'. The Allianz Group is committed to the highest standards of corporate governance and also to a strong compliance culture. 'Allianz plc' considers the Central Bank of Ireland Corporate Governance Code for Credit Institutions and Insurance Undertakings to be one of the most significant contributions to Irish corporate governance. We very much welcome and support the review of the Code at this time and also the opportunity to give our feedback on the application of the Code.

Accordingly, please find attached our response to the consultation paper which is submitted for and on behalf of 'Allianz plc'. We hope that this feedback will be of assistance to you.

Please do not hesitate to contact me should you wish to discuss our response further or should you require any clarification.

Yours sincerely



John Dolan
Company Secretary

Re. Consultation Paper 'CP69'

Consultation on the Review of the Corporate Governance Code for Credit Institutions and Insurance Undertakings

Board Meetings (Section 16)

Allianz plc welcomes the opportunity to comment on this particular requirement. We consider the current requirement of eleven board meetings per annum for high impact companies to be excessive and disproportionate.

We also note that in the UK, the generally accepted industry and regulatory view is that six meetings per annum is adequate unless there are particular reasons why more frequent meetings should take place. Furthermore, as financial and actuarial data is best viewed on a quarterly basis, it is our view that four meetings is the minimum requirement with a further two meetings for strategy/year end closing purposes.

Accordingly, we suggest that one Board meeting every two months would be more than adequate. Obviously, in certain circumstances, there needs to be scope for Board meetings to occur more frequently, and the CBI should have the authority to insist on this and apply a higher standard where the CBI deems it necessary. We further suggest that the current CBI Risk Assessment Framework could be utilised in this regard. Where, for example, a company is classified under the CBI Probability Risk Assessment Framework as being of High Risk, such a company should be required to hold more frequent meetings for an appropriate period of time.

Chairman (Section 8)

We note that it is proposed to allow the Chairman of subsidiaries of groups which are designated as Medium-High, Medium-Low or Low Impact institutions, to hold a Chairman position in another credit institution or insurance undertaking provided that the institution resides within the same group and the Chairman has sufficient time available to fulfil his or her role. The approval of the Central Bank shall be obtained prior to the Chairman assuming any such additional roles. We also note that while the existing requirement will remain in place for High Impact designated institutions, derogation requests will be considered by the Central Bank on a case-by-case basis. We are broadly in agreement with these proposals. However, we suggest that in Group situations, a favourable view on such applications should be encouraged, particularly where Groups have a support system in place to assist directors.

Remuneration and Nomination Committees (Section 24 and 25)

Under the current Code, High Impact institutions are required to establish both a Remuneration Committee and a Nomination Committee. Given the similarity and overlap between the two Committees, we suggest that it would be appropriate to allow High Impact institutions to combine the functions of these two committees into one single committee.

Composition of the Board (Section 7)

We note that the Central Bank is seeking specific feedback from respondents as to whether a provision in relation to diversity requirements should be introduced into the Code and, if so, the nature of any such requirement.

Whilst we are in favour of encouraging diversity on the Board, we are not in favour of making this a mandatory requirement.

Directorships limits (Section 7 & Appendix 1 Additional obligations on High Impact institutions)

We note that under the existing Code, subject to certain exceptions, the number of directorships held by directors of institutions is limited. The Central Bank requires that the number of directorships of credit institutions and insurance undertakings held by a director shall not exceed five and that the number of directorships of other entities shall not exceed eight. We further note that in the case of High Impact designated institutions, the Central Bank requires that the number of directorships of credit institutions and insurance undertakings held by a director shall not exceed three and that the number of directorships of other entities shall not exceed five.

We suggest that the CBI should have the power to grant a derogation depending on the circumstances or on the individual director concerned as from a Group perspective this requirement can be overly restrictive in its application.