

Sime Darby Berhad

(Company No. 752404-U)

NOTICE OF ANNUAL GENERAL MEETING



NOTICE IS HEREBY GIVEN that the Thirteenth Annual General Meeting (AGM) of Sime Darby Berhad (SDB or Company) will be held at the Grand Ballroom, First Floor, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur, Malaysia on Thursday, 14 November 2019 at 10.00 a.m. for the following businesses:

AS ORDINARY BUSINESS

- To receive the Audited Financial Statements for the financial year ended 30 June 2019 together with the Reports of the Directors and the Auditors thereon.
Refer to Explanatory Note 1
- To approve the payment of fees to the Non-Executive Directors up to an amount of RM4,200,000 from the Thirteenth AGM until the next AGM of the Company.
(Resolution 1)
Refer to Explanatory Note 2
- To approve the payment of benefits to the Non-Executive Directors up to an amount of RM1,500,000 from the Thirteenth AGM until the next AGM of the Company.
(Resolution 2)
Refer to Explanatory Note 3
- To elect the following Directors who retire pursuant to Rule 83.2 of the Constitution of the Company and who being eligible, offer themselves for election:
(i) Mohamad Idros Mosin **(Resolution 3)**
(ii) Dato' Abdul Rahman Ahmad **(Resolution 4)**
Refer to Explanatory Note 4
- To re-elect the following Directors who retire pursuant to Rule 104 of the Constitution of the Company and who being eligible, offer themselves for re-election:
(i) Tan Sri Samsudin Osman **(Resolution 5)**
(ii) Datuk Wan Selamah Wan Sulaiman **(Resolution 6)**
(iii) Dato' Sri Abdul Hamidy Abdul Hafiz **(Resolution 7)**
Refer to Explanatory Note 4
- To re-appoint Messrs PricewaterhouseCoopers PLT as Auditors of the Company for the financial year ending 30 June 2020 and to authorise the Directors to determine their remuneration.
(Resolution 8)
Refer to Explanatory Note 5

AS SPECIAL BUSINESS

7. To consider and, if thought fit, pass the following Ordinary/Special Resolutions:

(i) Proposed Renewal of Share Buy Back Authority for the Company to Purchase its Own Shares of up to Ten Percent (10%) of the Total Number of Issued Shares of the Company (Proposed Share Buy-Back)

"THAT the Directors be and are hereby authorised to purchase the ordinary shares of the Company through the stock exchange of Bursa Malaysia Securities Berhad at any time upon such terms and conditions as the Directors in their absolute discretion deem fit provided that:

- the aggregate number of shares purchased (which are to be treated as treasury shares) does not exceed ten per cent (10%) of the total number of issued shares of the Company; and
- the funds allocated for the purchase of shares shall not exceed its retained profits.

AND THAT the Directors be and are hereby further authorised to deal with the treasury shares in their absolute discretion (which may be distributed as dividends, resold, transferred, cancelled and/or in any other manners as prescribed by the Companies Act 2016, and the relevant rules, regulations and/or requirements).

AND THAT such authority shall continue to be in force until:

- the conclusion of the next Annual General Meeting (AGM); or
- the expiration of the period within which the next AGM is required by law to be held; or
- revoked or varied in a general meeting,

whichever is the earlier;

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient to implement, finalise and give full effect to the Proposed Share Buy-Back with full power to assent to any conditions, modification, variations and/or amendments as may be imposed by the relevant authorities." **(Resolution 9)**

Refer to Explanatory Note 6

(ii) Proposed Renewal of Shareholders' Mandate for Existing Recurrent Related Party Transactions and Proposed New Shareholders' Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature (Proposed Shareholders' Mandate)

"THAT, in accordance with Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Guidelines), and subject to the Companies Act 2016 (CA 2016), the Constitution of the Company, other applicable laws, guidelines, rules and regulations, and the approvals of the relevant governmental and/or regulatory authorities, approval be and is hereby given to the Company and/or its subsidiary companies to enter into recurrent related party transactions of a revenue or trading nature as set out in Section 2.3 of Part B of the Circular to Shareholders dated 16 October 2019 despatched together with the Annual Report, which are necessary for the day-to-day operations in the ordinary course of business of the Company and/or its subsidiary companies on normal commercial terms which are not more favourable to the related parties than those generally available to the public, undertaken on arm's length basis, and are not detrimental to the minority shareholders of the Company (Mandate);

THAT the Mandate shall continue to be in force until:

- the conclusion of the next Annual General Meeting (AGM) of the Company following this AGM at which such Mandate is passed, at which time it will lapse, unless by an ordinary resolution passed at that meeting whereby the Mandate is renewed; or
- the expiration of the period within which the next AGM is required to be held pursuant to Section 340(2) of CA 2016 (but shall not extend to such extensions as may be allowed pursuant to Section 340(4) of CA 2016); or
- the Mandate is revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting, whichever is the earlier;

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Mandate." **(Resolution 10)**

Refer to Explanatory Note 7

(iii) Proposed Adoption of the New Constitution of the Company (Proposed Adoption of New Constitution)

"THAT approval be and is hereby given to revoke the existing Constitution of the Company with immediate effect and in place thereof, the proposed new Constitution of the Company as set out in Part C of the Circular to Shareholders dated 16 October 2019 accompanying the Company's Annual Report for the financial year ended 30 June 2019 be and is hereby adopted as the new Constitution of the Company AND THAT the Directors of the Company be and are hereby authorised to assent to any modification, variation and/or amendment as may be required by the relevant authorities and to do all acts and things and take all such steps as may be considered necessary to give full effect to the foregoing." **(Resolution 11)**

Refer to Explanatory Note 8

- To transact any other business for which due notice shall have been given in accordance with the Companies Act 2016 and the Constitution of the Company.

FURTHER NOTICE IS HEREBY GIVEN THAT for the purpose of determining a member who shall be entitled to attend this Thirteenth AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with rule 65 of the Constitution of the Company and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 7 November 2019. Only a depositor whose name appears on the Record of Depositors as at 7 November 2019 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.

By Order of the Board

Noor Zita Hassan (MIA15073)
Group Secretary
Selangor Darul Ehsan, Malaysia
16 October 2019

NOTES :

Proxy and/or Authorised Representative

- A Member entitled to attend and vote at the above Meeting is entitled to appoint not more than two (2) proxies to exercise all or any of his/her rights to attend, participate, speak and vote at the Meeting on his/her behalf. Where a Member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy. A proxy may, but need not, be a Member of the Company.
- A Member may appoint any person to be his/her proxy without any restriction as to the qualification of such person.
- Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Listing Requirements), all resolutions set out in the Notice of the Thirteenth AGM of the Company shall be put to vote by way of a poll.
- Where a Member of the Company is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act 1991 (SICDA), he/she may appoint not more than two (2) proxies in respect of each Securities Account he/she holds with ordinary shares of the Company standing to the credit of the said Securities Account to attend and vote at a meeting of the Company instead of him/her.
- Where a Member of the Company is an Exempt Authorised Nominee as defined under SICDA which holds ordinary shares in the Company for multiple beneficial owners in one (1) Securities Account (Omnibus Account), there is no limit to the

number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds PROVIDED THAT each beneficial owner of ordinary shares, or where the ordinary shares are held on behalf of joint beneficial owners, such joint beneficial owners, shall only be entitled to instruct the Exempt Authorised Nominee to appoint not more than two (2) proxies to attend and vote at a general meeting of the Company instead of the beneficial owner or joint beneficial owners.

- The instrument appointing a proxy shall be in writing signed by the appointor or his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or signed by an officer or attorney so authorised. Any alteration to the instrument appointing a proxy must be initialled.

- The Form of Proxy and the Power of Attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, must be deposited at the office of the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn Bhd, at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia before 12.00 p.m. on 13 November 2019 or not less than 24 hours before the time appointed for the taking of the poll at the Thirteenth AGM, whichever is the later.

Explanatory Notes

1. Audited Financial Statements for the Financial Year Ended 30 June 2019

The Audited Financial Statements are laid in accordance with Section 340(1)(a) of the Companies Act 2016 (CA 2016) for discussion only. The Audited Financial Statements do not require shareholders' approval and as such, will not be put forward for voting to be formally approved by the shareholders.

2. Resolution 1 - Payment of Fees to the Non-Executive Directors up to an amount of RM4,200,000 from the Thirteenth AGM until the next AGM of the Company

Pursuant to Section 230(1) of CA 2016, fees and benefits payable to the Directors of the Company will have to be approved by shareholders at a general meeting. The Company is requesting for the shareholders' approval for the payment of Non-Executive Directors' (NEDs) fees up to an amount of RM4,200,000 from the Thirteenth AGM until the next AGM of the Company in accordance with the remuneration structure as approved by the shareholders at the Twelfth AGM of the Company held on 15 November 2018 as set out below:

Board/Board Committee	Chairman (RM/Year)	Member (RM/Year)
Board	560,000	240,000 ⁽¹⁾ 380,000 ⁽²⁾
Governance & Audit Committee	80,000	50,000
Other Committees	60,000	35,000
Subsidiary	150,000	-

Notes:

⁽¹⁾ Fee for Resident Director, ⁽²⁾ Fee for Non-Resident Director

The resolution, if passed, will give approval to the Company and the subsidiary to make the payment of fees to the NEDs on a quarterly basis instead of in arrears after every AGM. The Board is of the view that it is just and equitable for the NEDs to be paid such payment on a quarterly basis after they have discharged their responsibilities and rendered their services to the Company throughout the period as stated herein. The decision in respect of fees by the subsidiary will be made by the shareholders of the subsidiary in accordance with the laws applicable in its jurisdiction.

The fees of each NED for the financial year ended 30 June 2019 are set out in the Corporate Governance Overview Statement on page 96 of the Company's Annual Report 2019.

3. Resolution 2 - Payment of Benefits to the Non-Executive Directors up to an amount of RM1,500,000 from the Thirteenth AGM until the next AGM of the Company

The benefits payable to the NEDs comprising the following:

- Company car, petrol and driver for the Non-Executive Chairman
- Telecommunication devices/facilities
- Club membership subscription
- Medical and insurance coverage
- Discount on purchases of Group/Company products on terms not more favourable than those given to the public/employees
- Other claimable benefits including reimbursable expenses incurred in the course of carrying out their duties as Directors

The payment of benefits to the NEDs will be made by the Company on a monthly basis and/or as and when incurred.

4. Resolutions 3 to 7 - Election and re-election of Directors pursuant to Rules 83.2 and 104 of the Constitution of the Company

- Rule 83.2 of the Constitution of the Company expressly states that a Director appointed by the Board shall hold office until the conclusion of the next AGM of the Company and shall be eligible for election.

Encik Mohamad Idros Mosin and Dato' Abdul Rahman Ahmad were appointed during the year, being eligible, have offered themselves for election at the Thirteenth AGM pursuant to Rule 83.2 of the Constitution of the Company. The Directors have completed their Mandatory Accreditation Programme pursuant to the provision of the Listing Requirements.

- Rule 103 of the Constitution of the Company expressly states that at every AGM, at least one-third (1/3) of the Directors for the time being shall retire from office at each annual general meeting. A Director retiring at a meeting shall retain office until the conclusion of the meeting. In addition, Rule 104 of the Constitution of the Company states that all Directors shall retire from office at least once every three (3) years. A retiring Director shall be eligible for re-election.

Tan Sri Samsudin Osman, Datuk Wan Selamah Wan Sulaiman and Dato' Sri Abdul Hamidy Abdul Hafiz being eligible, have offered themselves for re-election at the Thirteenth AGM pursuant to Rule 104 of the Constitution of the Company. The Board recommends for the election and re-election of the Directors. All Directors standing for election and re-election have abstained from deliberations and decisions on their own eligibility to stand for election and re-election at the relevant Nomination & Remuneration Committee and Board meetings and will continue to abstain from deliberations and decisions on their own eligibility to stand for election and re-election at this AGM.

Dato Sri Lim Haw Kuang has informed the Board in writing of his intention to retire as a Senior Independent Non-Executive Director and therefore would not be seeking re-election at the AGM under Rule 104 of the Constitution of the Company. Hence, he will retire from office until the conclusion of this AGM in accordance with Rule 103 of the Constitution of the Company.

5. Resolution 8 - Re-appointment of Auditors

The Governance & Audit Committee (GAC) at its meeting held on 19 September 2019 undertook the annual assessment of the suitability and effectiveness of the external audit process, and the performance, suitability and independence of the external auditors, PricewaterhouseCoopers PLT (PwC). The following factors were taken into consideration:

- Dissemination of information about policies and processes for maintaining independence, objectivity and the monitoring of PwC's compliance with professional ethical standards;
- Communication of audit strategy and current developments in relation to accounting and auditing standards relevant to the Group's financial statements and the potential impact on the audit;
- Timeliness and quality of communication with regard to significant audit, accounting, related risks and control weaknesses and recommendations as well as effective use of meetings with the GAC without management presence;
- Competency in the coordination of resources and technical knowledge, and expertise in managing its engagement; and
- Reasonableness of the audit fees charged.

The GAC was satisfied with the suitability of PwC based on the quality of audit, performance, competency and sufficiency of resources that the external audit team had provided to the SDB Group as prescribed under Paragraph 15.21 of the Listing Requirements.

The Board at its meeting held on 25 September 2019 approved the GAC's recommendation that the shareholders' approval be sought at the Thirteenth AGM on the re-appointment of PwC as external auditors of the Company for the financial year ending 30 June 2020, under Resolution 8. The present external auditors, PwC, have indicated their willingness to continue their services for the next financial year.

Explanatory Notes on Special Business

6. Resolution 9 - Proposed Share Buy-Back

The proposed Resolution 9, if passed, will allow the Company to purchase its own shares through Bursa Malaysia Securities Berhad up to ten per cent (10%) of the total number of issued shares of the Company. Please refer to the Share Buy-Back Statement dated 16 October 2019 for further information

7. Resolution 10 - Proposed Shareholders' Mandate

The proposed Resolution 10, if passed, will enable the Company and/or its subsidiary companies to enter into recurrent transactions involving the interests of the related parties, which are of a revenue or trading nature and necessary for the Group's day-to-day operations, subject to the transactions being carried out in the ordinary course of business on terms not more favourable than those generally available to the public and are not detrimental to the minority shareholders of the Company. Detailed information on the Proposed Shareholders' Mandate is set out in Section 2.3, Part B of the Circular to Shareholders dated 16 October 2019 despatched together with the Company's Annual Report 2019.

8. Resolution 11 - Proposed Adoption of New Constitution

The proposed Resolution 11 is primarily for the purposes of facilitating effective communication via electronic means for the benefit of the shareholders and streamlining the Company's existing Constitution with the amendments made to the Act, the Malaysian Code on Corporate Governance 2017, the Listing Requirements and the prevailing statutory and regulatory requirements applicable to the Company. The proposed adoption is also undertaken to render greater clarity and consistency throughout the Constitution as well as to facilitate and further enhance administrative efficiency.

The proposed new Constitution is set out in the Circular to Shareholders dated 16 October 2019 accompanying the Company's Annual Report 2019.