

**NOTICE IS HEREBY GIVEN** that the **Twelfth Annual General Meeting (“AGM”)** of Sime Darby Berhad (“Sime Darby” 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, 15 November 2018 at 10.00 a.m. for the following businesses:



Thursday, 15 November 2018 at 10.00 a.m



Grand Ballroom, First Floor, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur, Malaysia

# NOTICE OF ANNUAL GENERAL MEETING

## AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 30 June 2018 together with the Reports of the Directors and the Auditors thereon.  
*Refer to Explanatory Note 1*
2. To approve the payment of Directors’ fees to the Non-Executive Directors based on the remuneration structure as disclosed in Explanatory Note 2 for the financial year ended 30 June 2018.  
*Refer to Explanatory Note 2* **Resolution 1**
3. To approve the payment of Directors’ fees to the Non-Executive Directors based on the proposed remuneration structure as disclosed in Explanatory Note 3 for the period from 1 July 2018 until the next AGM of the Company.  
*Refer to Explanatory Note 3* **Resolution 2**
4. To approve the payment of benefits to the Non-Executive Directors up to an amount of RM2.0 million from the Twelfth AGM until the next AGM of the Company.  
*Refer to Explanatory Note 4* **Resolution 3**
5. 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) Tan Sri Dato’ Mohamed Azman Yahya **Resolution 4**
  - (ii) Dato’ Sri Abdul Hamidy Abdul Hafiz **Resolution 5**
  - (iii) Dato’ Ahmad Pardas Senin **Resolution 6**
  - (iv) Thayaparan Sangarapillai **Resolution 7**
  - (v) Jeffri Salim Davidson **Resolution 8**
  - (vi) Dato’ Lawrence Lee Cheow Hock **Resolution 9**
  - (vii) Moy Pui Yee **Resolution 10***Refer to Explanatory Note 5*
6. 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 Dato’ Sri Dr Wan Abdul Aziz Wan Abdullah **Resolution 11**
  - (ii) Datuk Wan Selamah Wan Sulaiman **Resolution 12***Refer to Explanatory Note 5*
7. To re-appoint Messrs PricewaterhouseCoopers PLT as Auditors of the Company for the financial year ending 30 June 2019 and to authorise the Directors to determine their remuneration.  
*Refer to Explanatory Note 6* **Resolution 13**

## AS SPECIAL BUSINESS

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

(i) **Proposed 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:

- (a) the aggregate number of shares purchased (which are to be treated as treasury shares) does not exceed ten percent (10%) of the total number of issued shares of the Company; and
- (b) 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:

- (a) the conclusion of the next Annual General Meeting (“AGM”); or
- (b) the expiration of the period within which the next AGM is required by law to be held; or
- (c) 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.”

*Refer to Explanatory Note 7*

**Resolution 14**

(ii) **Proposed Shareholders’ Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

“THAT, in accordance with Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”), 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 17 October 2018 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:

- (a) 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
- (b) 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
- (c) 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 and/or any of them be and are/is 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.”

*Refer to Explanatory Note 8*

**Resolution 15**

**(iii) Proposed Grant to Jeffri Salim Davidson pursuant to the Performance-Based Employee Share Scheme for the Eligible Employees (including Executive Directors) of Sime Darby Berhad and Its Subsidiaries (excluding subsidiaries which are dormant) (“Scheme”)**

“THAT pursuant to the Scheme as approved by the shareholders at the Extraordinary General Meeting held on 8 November 2012, authority be and is hereby given to the Board of Directors of the Company to, at any time and from time to time, cause/procure the offering and allocation to Jeffri Salim Davidson, the Group Chief Executive Officer of the Company, of up to 2,500,000 ordinary shares in the Company (“Sime Darby Shares”) which will be vested in him at a future date and to procure the transfer of such number of Sime Darby Shares to him, all in accordance with the By-Laws of the Scheme.”

*Refer to Explanatory Note 9*

**Resolution 16**

9. 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 Twelfth Annual General Meeting, 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 2018. Only a depositor whose name appears on the Record of Depositors as at 7 November 2018 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  
17 October 2018

## NOTES:

### Proxy and/or Authorised Representative

1. 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 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.
2. A Member may appoint any person to be his/her proxy without any restriction as to the qualification of such person.
3. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the Twelfth Annual General Meeting ("AGM") of the Company shall be put to vote by way of a poll.
4. 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.
5. 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.
6. 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.
7. 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 14 November 2018 or not less than 24 hours before the time appointed for the taking of the poll at the Twelfth AGM, whichever is the later.

### Explanatory Notes

#### **1. Audited Financial Statements for the Financial Year Ended 30 June 2018**

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 Directors' Fees to the Non-Executive Directors for the Financial Year Ended 30 June 2018**

Pursuant to Section 230(1) of CA 2016 which came into force on 31 January 2016, fees and benefits payable to the Directors of a listed company and its subsidiaries shall be approved by shareholders at a general meeting. The Company is requesting for the shareholders' approval for the payment of fees to the Non-Executive Directors ("NEDs") of RM3.74 million for the financial year ended 30 June 2018 in accordance with the remuneration structure set out below:

Board/Board Committees	Pre Pure-play		Post Pure-play	
	Chairman (RM/Year)	Member (RM/Year)	Member (RM/Year)	Member (RM/Year)
Board	600,000	180,000 <sup>1</sup> 360,000 <sup>2</sup>	540,000	220,000 <sup>1</sup> 360,000 <sup>2</sup>
Governance & Audit Committee	40,000	30,000	80,000	50,000
Other Committees	40,000	30,000	60,000	35,000
Flagship Subsidiaries	150,000	100,000	-	-
Subsidiary	-	-	150,000	-

Notes:

<sup>1</sup> Fee for Resident Director

<sup>2</sup> Fee for Non-Resident Director

The pure-play exercise of the Sime Darby Group was completed on 30 November 2017.

The fees of each Director are set out in the Corporate Governance Overview Statement on page 82 of the Company's Annual Report 2018.

### 3. Resolution 2 - Payment of Directors' Fees to the Non-Executive Directors from 1 July 2018 to the next AGM of the Company

The Company is requesting for the shareholders' approval for the payment of fees to the NEDs for the period from 1 July 2018 to the next AGM of the Company in 2019 in accordance with the proposed remuneration structure set out below:

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

Notes:

<sup>1</sup> Fee for Resident Director

<sup>2</sup> 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 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.

### 4. Resolution 3 - Payment of Benefits to the Non-Executive Directors up to an amount of RM2.0 million from the Twelfth 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.

**5. Resolutions 4 to 12 - Election and re-election of Directors Pursuant to Rules 83.2 and 104 of the Constitution of the Company**

- (i) 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.

Tan Sri Dato' Mohamed Azman Yahya, Dato' Sri Abdul Hamidy Abdul Hafiz, Dato' Ahmad Pardas Senin, Mr Thayaparan Sangarapillai, Encik Jeffri Salim Davidson, Dato' Lawrence Lee Cheow Hock and Ms Moy Pui Yee were appointed during the year, being eligible, have offered themselves for election at the Twelfth AGM pursuant to Rule 83.2 of the Constitution of the Company.

Tan Sri Mohamed Azman, Dato' Sri Abdul Hamidy, Dato' Ahmad Pardas, Mr Thayaparan, Encik Jeffri, Dato' Lawrence Lee and Ms Moy have completed their Mandatory Accreditation Programme pursuant to the provision of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR").

- (ii) 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 Dato' Sri Dr Wan Abdul Aziz Wan Abdullah and Datuk Wan Selamah Wan Sulaiman, being eligible, have offered themselves for re-election at the Twelfth 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 ("NRC") 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.

Datin Paduka Kartini Hj Abdul Manaf has informed the Board in writing of her intention to retire as a Non-Independent Non-Executive Director and therefore would not be seeking election at this AGM under Rule 83.2 of the Constitution of the Company. Hence, she will retain office until the conclusion of this AGM in accordance with Rule 103 of the Constitution of the Company.

**6. Resolution 13 - Re-appointment of Auditors**

The Governance & Audit Committee ("GAC") at its meeting held on 21 September 2018 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:

- (i) Dissemination of information about policies and processes for maintaining independence, objectivity and the monitoring of PwC's compliance with professional ethical standards;
- (ii) 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;
- (iii) 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;
- (iv) Competency in the coordination of resources and technical knowledge, and expertise in managing its engagement; and
- (v) 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 Sime Darby Group as prescribed under Paragraph 15.21 of the MMLR.

The Board at its meeting held on 25 September 2018 approved the GAC's recommendation that the shareholders' approval be sought at the Twelfth AGM on the re-appointment of PwC as external auditors of the Company for the financial year ending 30 June 2019, under Resolution 13. The present external auditors, PwC, have indicated their willingness to continue their services for the next financial year.

**Explanatory Notes on Special Business**

**7. Resolution 14 - Proposed 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**

The proposed Resolution 14, if passed, will allow the Company to purchase its own shares through Bursa Malaysia Securities Berhad of up to ten percent (10%) of the total number of issued shares of the Company. Please refer to the Share Buy-Back Statement dated 17 October 2018 for further information.

**8. Resolution 15 - Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

The proposed Resolution 15, 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 for Recurrent Related Party Transactions of a Revenue or Trading Nature is set out in Section 2.3 of Part B of the Circular to Shareholders dated 17 October 2018 despatched together with the Company's Annual Report 2018.

**9. Resolution 16 - Proposed Grant to Jeffri Salim Davidson pursuant to the Performance-Based Employee Share Scheme for the Eligible Employees (including Executive Directors) of Sime Darby Berhad and Its Subsidiaries (excluding subsidiaries which are dormant) ("Scheme")**

The establishment of the Scheme was approved by shareholders at the Extraordinary General Meeting of the Company held on 8 November 2012.

The proposed Resolution 16, if passed, will enable the Company to grant to Encik Jeffri Salim Davidson, the Group Chief Executive Officer of the Company, under the Scheme, up to 2,500,000 Sime Darby Shares under the Scheme. The number of Sime Darby Shares proposed to be granted to Encik Jeffri will be determined by the NRC in accordance with the By-Laws as approved by the shareholders of the Company.

Encik Jeffri has abstained and will continue to abstain from voting and/or deliberating on his entitlement under the Scheme at the relevant Board meetings of the Company and will also abstain from voting and/or deliberating in respect of his direct and/or indirect shareholdings in the Company (if any) on the resolution pertaining to his entitlement under the Scheme at the Company's Twelfth AGM to be convened. Encik Jeffri has also undertaken to ensure that all persons connected with him will abstain from voting and/or deliberating in respect of their direct and/or indirect shareholdings in the Company (if any) on the resolution pertaining to his entitlement under the Scheme at the Company's Twelfth AGM to be convened.

# STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(PURSUANT TO PARAGRAPH 8.27(2) OF THE MAIN MARKET LISTING REQUIREMENTS OF  
BURSA MALAYSIA SECURITIES BERHAD)

The profile of the Directors who are standing for election and re-election (as per Resolutions 4 to 12 as stated above) at the Twelfth AGM of Sime Darby are set out in the "Profile of Directors" section on pages 70 to 73 of the Company's Annual Report 2018.

The details of any interest in securities held by the said Directors are set out in the "Directors' Report" section on pages 111 to 115 of the Company's Annual Report 2018.