

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT THE TWELFTH ANNUAL GENERAL MEETING ("AGM") OF **MALAKOFF CORPORATION BERHAD** ("THE COMPANY") WILL BE HELD AT THE **MAHKOTA BALLROOM, HOTEL ISTANA, 73, JALAN RAJA CHULAN, 50200 KUALA LUMPUR, MALAYSIA ON THURSDAY, 26 APRIL 2018 AT 10.00 A.M.** FOR THE PURPOSE OF CONSIDERING AND, IF THOUGHT FIT, PASSING THE FOLLOWING RESOLUTIONS:

ORDINARY BUSINESS

1. "THAT the Audited Financial Statements of the Company for the financial year ended 31 December 2017 and the Directors' Report and Auditors' Report thereon be and are hereby received."

(Please refer to Explanatory Note 1)

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2. "THAT a final single-tier dividend of 3.7 sen per share for the financial year ended 31 December 2017 be and is hereby approved." **Resolution 1**

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3. "THAT the following Directors who retire in accordance with Article 105 of the Company's Constitution be and are hereby re-elected as the Directors of the Company:-

- (i) Dato' Sri Che Khalib Mohamad Noh
(ii) Madam Tan Ler Chin

Resolution 2
Resolution 3

(Please refer to Explanatory Note 2)

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4. "THAT the following Directors who retire in accordance with Article 111 of the Company's Constitution be and are hereby re-elected as the Directors of the Company:-

- (i) Datuk Haji Hasni Harun
(ii) Datuk Seri Johan Abdullah
(iii) Datuk Rozimi Remeli

Resolution 4
Resolution 5
Resolution 6

(Please refer to Explanatory Note 2)

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5. "THAT the payment of the following Directors' remuneration to the Non-Executive Directors ("NED") for the financial year ended 31 December 2017 ("the Incurred Period") be and is hereby approved:-

- (i) Directors' remuneration of up to RM1,571,146 to all NEDs;
(ii) Subsidiaries Chairman's allowances and meeting allowances totalling RM56,650 by four subsidiaries of the Company to a NED.

Resolution 7
Resolution 8

(Please refer to Explanatory Note 3)

6. "THAT the payment of the following Directors' fees to the NEDs from 1 January 2018 until the next AGM of the Company in 2019 ("Relevant Period") and Directors' remuneration (excluding Directors' fees) to the NEDs from the conclusion of the 12th AGM until the next AGM of the Company ("2nd Relevant Period") be and are hereby approved:-

Resolution 9

Items	Fees for the Relevant Period		Meeting allowances/ other remuneration for the 2 nd Relevant Period	
	Non-Executive Chairman (NEC)/ per month (RM)	NED/ per month (RM)	NEC/ per meeting (RM)	NED/ per meeting (RM)
(i) Board	30,000	7,500	2,500	2,500
(ii) Board Audit Committee	4,000	2,500	2,500	2,500
(iii) Board Nomination & Remuneration Committee	3,000	2,000	2,000	2,000
(iv) Board Risk & Investment Committee	3,000	2,000	2,000	2,000
(v) Board Procurement Committee	-	-	3,000	2,000
(vi) Annual leave passage & annual supplemental fees	-	-	25,000 per annum	25,000 per annum
(vii) Estimated benefits-in-kind (Board only)	-	-	up to 3,500 per month (as claimed)	-

(each of the foregoing payments being exclusive of the others)

(Please refer to Explanatory Note 3)

7. "THAT Messrs. KPMG PLT, who are eligible and have given their consent for re-appointment, be and are hereby re-appointed as Auditors of the Company until the conclusion of the next AGM, AND THAT the remuneration to be paid to them be fixed by the Board."

Resolution 10

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SPECIAL BUSINESS

8. To consider and, if thought fit, to pass the following Ordinary Resolution:-

Proposed Renewal of Authority for the Company To Purchase Its Own Shares

Resolution 11

“THAT subject to provisions of the Companies Act 2016 (**“Act”**), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (**“Bursa Securities”**) and all prevailing laws, rules, regulations, orders, guidelines and requirements for the time being in force, approval and authority be and are hereby given to the Directors of the Company (**“Directors”**), to the extent permitted by law, to purchase such number of ordinary shares in the Company (**“Shares”**) as may be determined by the Directors from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit, necessary and expedient in the best interest of the Company, provided that:

- (i) the maximum aggregate number of Shares purchased or held by the Company pursuant to this resolution shall not exceed 10% of the total number of issued shares of the Company at any point in time;
- (ii) the maximum amount of funds to be allocated by the Company for the purpose of purchasing its shares shall not exceed the amount of the retained profits of the Company at the time of purchase; and
- (iii) the authority conferred by this resolution shall be effective immediately after the passing of this resolution and shall continue to be in force until:
 - (a) the conclusion of the next AGM of the Company at which time the authority will lapse unless the authority is renewed by a resolution passed at that meeting, either conditionally or subject to conditions;
 - (b) the expiration of the period within which the next AGM of the Company is required by law to be held; or
 - (c) the authority is revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting of the Company,

whichever occurs first;

THAT the Directors be and are hereby authorised to deal with the Shares so purchased, at their discretion, in the following manner:

- (i) cancel the Shares so purchased;
- (ii) retain the Shares so purchased as treasury shares; or
- (iii) retain part of the Shares so purchased as treasury shares and cancel the remainder of the Shares;

THAT where such Shares are held as treasury shares, the Directors be and are hereby authorised to deal with the treasury shares in their absolute discretion, in the following manner:

- (i) distribute the Shares as dividends to shareholders, such dividends to be known as “shares dividends”;
- (ii) resell the Shares or any of the Shares in accordance with the relevant rules of Bursa Securities;
- (iii) transfer the Shares or any of the Shares for the purposes of or under an employees’ share scheme;
- (iv) transfer the Shares or any of the Shares as purchase consideration;
- (v) cancel the Shares or any of the Shares; or
- (vi) sell, transfer or otherwise use the Shares for such other purposes as the Minister charged with the responsibilities for companies, currently the Minister of Domestic Trade, Co-operatives and Consumerism may by order prescribe;

AND THAT the Directors be and are hereby authorised and empowered to do all acts and things and to take all such steps as necessary or expedient (including opening and maintaining a Central Depository System account) and to enter into and execute, on behalf of the Company, any instrument, agreement and/or arrangement with any person, and with full power to assent to any condition, modification, variation and/or amendment as may be imposed by Bursa Securities or any relevant regulatory authority, and/or as may be required in the best interest of the Company and to take all such steps as the Directors may deem fit, necessary and expedient in the best interest of the Company in order to implement, finalise and give full effect to the purchase by the Company of its Shares."

(Please refer to Explanatory Note 4)

9. To transact any other business of which due notice shall have been given in accordance with the Act and the Company's Constitution.

NOTICE OF BOOK CLOSURE AND NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT shareholders who are registered in the Record of Depositors at the close of business on 11 May 2018 shall be entitled to the final dividend which will be paid on 1 June 2018.

A depositor shall qualify for dividend entitlement only in respect of:

- a) Shares transferred into the Depositor's securities account before 4.00 p.m. on 11 May 2018 in respect of ordinary transfers; and
- b) Shares bought on Bursa Securities on a cum entitlement basis according to the Rules of Bursa Securities.

BY ORDER OF THE BOARD

Yeoh Soo Mei (MAICSA 7032259)

Sharifah Ashtura Jamalullail Syed Osman (LS0009113)

Company Secretaries

Kuala Lumpur

28 March 2018

Notes:

1. The proxy form, to be valid, must be deposited at the office of Symphony Share Registrars Sdn Bhd, Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time appointed for the meeting or any adjournment thereof.
2. A member of the Company entitled to attend and vote at this meeting is entitled to appoint a proxy or proxies or attorney or other duly authorised representative to attend and vote at his stead. A member of the Company may appoint up to two (2) proxies to attend the same meeting. Where the member of the Company appoints two (2) proxies, the appointment shall be invalid unless the member specifies the proportion of his shareholding to be represented by each proxy.
3. In case of a corporation, the proxy form should be under its common seal or under the hand of an officer or attorney duly authorised on its behalf. A proxy need not be a member of the Company and a member may appoint any person to be his proxy. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
4. In the case of joint holders, the signature of any one of them will suffice.
5. Where a member is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one 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. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless it specifies the proportion of its shareholding to be represented by each proxy.
6. Only depositors whose names appear on the Record of Depositors as at 18 April 2018 shall be entitled to attend the AGM or appoint proxies to attend and/or vote on their behalf.
7. Unless voting instructions are indicated in the spaces provided in the proxy form, the proxy may vote as he/she thinks fit.
8. Registration of members/proxies attending the meeting will commence at 8.00 a.m. on the day of the meeting and shall remain open until the conclusion of the AGM or such a time as may be determined by the Chairman of the meeting. Members/proxies are required to produce identification documents for registration.

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Explanatory Notes on Ordinary Business:-

1. Audited Financial Statements for the financial year ended 31 December 2017

This agenda item is meant for discussion only as under the provisions of Section 340(1) of the Act and the Company's Constitution, the audited financial statements do not require the formal approval of shareholders and hence, the matter will not be put forward for voting.

2. Re-election of Directors retiring in accordance with Article 105 and 111

The proposed ordinary resolutions 2 & 3 under Agenda 3 and 4, 5 & 6 under Agenda 4 of the 12th AGM are to seek the shareholders' approval on the re-election of the Directors standing for re-election in accordance with the Company's Constitution. The Board, after having received their consent for re-election, recommends the re-election of the following directors for the following reasons:-

(i) **Dato' Sri Che Khalib Mohamad Noh retires in accordance with Article 105**

He possesses invaluable knowledge, expertise and vast experience especially in the power business as well as conglomerate business with a diverse business portfolio. He has brought to the Board insights of how the business should be managed and operated within the confines of the regulatory environment in which the Group operates. Dato' Sri Che Khalib is also a member of the Board Nomination and Remuneration Committee ("BNRC").

(ii) **Madam Tan Ler Chin retires in accordance with Article 105**

She possesses vast experience and in-depth knowledge in the finance and investment aspects of business operations. She is the only woman director on the Board and had brought diversity into the boardroom discussion through her detailed and thorough deliberations at the boardroom as well as giving invaluable guidance to the management. She is a valuable asset to the Board composition and had contributed significantly to the growth of the Company from its beginnings as a public limited company to its current listed stature on the Main Market of Bursa Securities. Madam Tan Ler Chin sits on two committees of the Board namely the Board Procurement Committee ("BPC") and the Board Risk and Investment Committee.

(iii) **Datuk Haji Hasni Harun retires in accordance with Article 111**

He possesses vast experience in areas of finance, accounting and banking as well as in the public sector gained through his career. The experience gained by him from various senior management positions in both the private and public sectors, had enabled him to provide the necessary leadership to the Board with his insightful and in-depth knowledge of diverse areas. Datuk Haji Hasni is also the Chairman of the BNRC.

Based on his self-independence assessment, Datuk Haji Hasni had declared his independence as per the criteria prescribed by the Main Market Listing Requirements ("MMLR") of Bursa Securities. The BNRC (save for self) had, based on self-declaration of Datuk Haji Hasni that coincides with his behaviour and in the manner in which he conducts himself on the Board, is satisfied that he has complied with the spirit of independence prescribed by the MMLR of Bursa Securities. His re-election will continue to bring independent and objective judgement to the Board deliberations.

(iv) **Datuk Seri Johan Abdullah retires in accordance with Article 111**

He has vast experience in corporate finance industry gained through his career and in-depth knowledge in the listing requirements of Bursa Securities. He has provided insightful details to the compliance and governance issues of the Company to the Board and the management. The Board is also able to continue to leverage on his experience on a wide range of areas gained by various senior management positions held by him.

(v) **Datuk Rozimi Remeli retires in accordance with Article 111**

Datuk Rozimi possess 32 years of experience and knowledge in power industry, locally and internationally and is backed by in-depth knowledge of the power industry. He has been a good addition to the Board as he has provided insightful and in-depth knowledge on the management and operations of the Group's power plants against the current development of the power industry. Datuk Rozimi also sits on two committees of the Board namely the BPC as the Chairman and a member of the Board Audit Committee.

Based on his self-independence assessment, Datuk Rozimi had declared his independence as per the criteria prescribed by the MMLR of Bursa Securities. The BNRC had, based on self-declaration of Datuk Rozimi that coincides with his behaviour and in the manner in which he conducts himself on the Board, is satisfied that he has complied with the spirit of independence prescribed by the MMLR of Bursa Securities. His re-election will continue to bring independent and objective judgement to the Board deliberations.

3. NEDs' Remuneration

Pursuant to Section 230(1) of the Act, the listed company is required to table, amongst others, the fees of the directors and any benefits payable to the directors of a listed company and its subsidiaries for the shareholders' approval at a general meeting.

Directors' remuneration for the Incurred Period

The proposed resolution 7 under Agenda 5 is to seek the shareholders' approval on the payment of the following Directors' remuneration to the NEDs in respect of the Incurred Period:-

- (i) Directors' fees (including the Board committee fees) payable by the Company to the NEDs who served as Directors for the Incurred Period including former Directors; and
- (ii) Directors' meeting allowance of RM12,500 and annual leave passage & annual supplemental fees (if claimed) up to RM25,000 payable by the Company to one NED, Datuk Seri Johan Abdullah, who was appointed after the Eleventh AGM ("**11th AGM**").

The proposed resolution 8 under Agenda 5 is for the payment of the following Director's remuneration by the Company's subsidiaries to a NED, Dato' Sri Che Khalib Mohamad Noh, for his former chairmanship in the said subsidiaries which were not included in the resolution on the payment of Directors' remuneration (excluding Directors' fees) passed at the 11th AGM of the Company:-

- (i) Subsidiaries Chairman's allowance of RM56,250 for the month of February 2017 payable by three subsidiaries of the Company; and
- (ii) Subsidiaries Chairman's meeting allowance of RM400 for a Board meeting of another subsidiary of the Company held in February 2017.

Directors' remuneration for the Relevant Periods

The proposed ordinary resolution 9 under Agenda 6, if passed, will allow the payment of the following Directors' remuneration to the NEDs on a monthly basis and/or as and when incurred within the Relevant Period and 2nd Relevant Period, where applicable, after the NEDs have discharged their responsibilities and rendered their services to the Company:-

- Directors' fees and Board committee fees; and
- Allowances payable by the Company comprising meeting allowances, annual leave passage and/or annual supplemental fees including benefits-in-kind to the Chairman.

The Directors' remuneration set out in resolution 9 is the same as in the previous year. For reference and estimate, the Directors' remuneration including the meeting allowances and other allowances of the NEDs of the Company for the preceding year 2017 has been disclosed in the Corporate Governance Overview Statement on page 78-101.

Explanatory Notes on Special Business:-

4. Proposed Renewal of Share Buy-Back Authority

The proposed resolution 11 under Agenda 8, if passed, will empower the Directors to purchase the Company's own shares of up to 10% of its total number of issued shares subject to Section 127 of the Act and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities ("**Prevailing Laws**") at the time of the purchase(s).

The proposed share buy-back by the Company may be funded through internally generated funds and/or external borrowings as long as the purchase price is backed by an equivalent amount of retained profits of the Company, subject to compliance of the Prevailing Laws.

Details of the proposed renewal of authority for the Company to purchase its own shares are set out in the Share Buy-Back Statement to Shareholders dated 28 March 2018 which is circulated together with the 2017 Annual Report of the Company.

5. Abstention from Voting

The Directors who are shareholders of the Company shall abstain from voting on the resolution in respect of their own re-election at the 12th AGM, and the resolutions concerning remuneration to the NEDs at the 12th AGM.