



# CHEMICAL COMPANY OF MALAYSIA BERHAD

Company No: 5136-T | Incorporated in Malaysia

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Fifty-Sixth (56th) Annual General Meeting ("AGM") of the Company will be held at **Ballroom A, Level 10, DoubleTree by Hilton Kuala Lumpur, The Intermark, 348 Jalan Tun Razak, 50400 Kuala Lumpur on Thursday, 31 May 2018 at 10.00 am** for the following purposes :-

### AGENDA

#### AS ORDINARY BUSINESS

- To receive the Audited Financial Statements for the financial year ended 31 December 2017 together with the Reports of the Directors and Auditors thereon.
- To re-elect the following Directors retiring under Article 91 and Article 96 of the Constitution of the Company.
  - Khalid bin Sufat (Article 91)
  - Dato' Azmi bin Mohd Ali (Article 91)
  - Nik Fazila binti Nik Mohamed Shihabuddin (Article 96)
  - Dato' Wan Mohd Fadzmi bin Che Wan Othman Fadzilah (Article 96)
- To re-appoint KPMG PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.
- To approve and ratify the additional payment of Directors' Fees amounting to RM280,000, which was in excess of the earlier approved amount of RM1,080,000, for the period commencing 1 January 2017 until the conclusion of the 56th AGM of the Company scheduled on 31 May 2018 and to authorise the Directors to apportion the fees and make payment in the manner as the Directors may determine.
- To approve the proposed total Directors' Fees amounting to RM1,000,000 for the period commencing from the conclusion of the forthcoming 56th AGM of the Company on 31 May 2018 until the conclusion of the next AGM of the Company in 2019, and further, to authorise the Directors to apportion the fees and make payment in the manner as the Directors may determine.
- To approve the proposed payment of total Directors' Benefit (excluding Directors' Fees) up to an amount of RM500,000 for the period from the conclusion of the 56th AGM of the Company scheduled on 31 May 2018 until the conclusion of the next AGM of the Company in 2019 ("Relevant Period").

Ordinary Resolution 1  
Ordinary Resolution 2  
Ordinary Resolution 3  
Ordinary Resolution 4

Ordinary Resolution 5

Ordinary Resolution 6

Ordinary Resolution 7

Ordinary Resolution 8

#### AS SPECIAL BUSINESS

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

- Proposed Adoption of the New Constitution of the Company
 

"That approval be and is hereby given to revoke the existing Memorandum and Articles of Association of the Company with immediate effect and in place thereof, the proposed new Constitution of the Company as set out in the Circular to Shareholders dated 27 April 2018 accompanying the Company's Annual Report 2017 for the financial year ended 31 December 2017 be and is hereby adopted as the Constitution of the Company AND THAT the Board of Directors of the Company be and are hereby authorized to assent to any modifications, variation and/or amendments as may be required by any 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."
- To transact any other business of which due notice shall have been received.

Special Resolution 1

By Order of the Board  
**NOOR AZWAH BINTI SAMSUDIN (LS 0006071)**

Company Secretary

Kuala Lumpur

Date: 27 April 2018



#### NOTES:

- All Resolutions in the Notice of AGM are to be conducted by poll voting as per Paragraph 8.29A(1) of the Listing Requirements of Bursa Malaysia.
- A member entitled to attend and vote at the meeting is entitled to appoint not more than two (2) proxies to attend, participate, speak and vote in his stead. A proxy may but need not be a member of the Company.
- Where a member of the Company appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
- Where a member of the Company is an exempt authorised nominee 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.
- An exempt authorized nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
- The instrument appointing a proxy must be deposited at the Company's Registrar, Symphony Share Registrars Sdn. Bhd., Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, not less than twenty-four (24) hours before the time appointed for the taking of the poll as per Section 334(3) of the Companies Act, 2016.
- Only Depositors whose names appear in the Record of Depositors as at 24 May 2018 be regarded as members and entitled to attend and vote at the meeting.

#### EXPLANATORY NOTES ON ORDINARY BUSINESS

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

The Audited Financial Statements are laid in accordance with Section 340(1) of the Companies Act 2016 (CA 2016) for discussion only. They do not require shareholders' approval and hence, will not be put for voting.

2) Ordinary Resolutions 1 – 4: Re-election of Directors retiring under Articles 91 and 96 of the Company's Constitution.

Article 91 of the Constitution provides that one-third, of the Directors for the time being, or if their number is not in multiple of three, then a number nearest to one-third shall retire from office.

Article 96 of the Constitution provides that any Director so appointed to fill a casual vacancy shall hold office until the next following AGM and shall then be re-eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at such meeting.

Consequently, two directors will be retiring in accordance with Article 91 and another two will be retiring under Article 96.

For the purpose of determining the eligibility of the Directors to stand for re-election at the 56th AGM, the Nomination and Remuneration Committee (NRC) has assessed each of the retiring Directors, and considered the following:

- The Director's performance and contribution based on the results of the Board Effectiveness Assessment (BEA) 2017;
- The Director's level of contribution to the Board deliberations through his/her skills, experience and strength in qualities; and
- The level of independence demonstrated by the Director, and his/her ability to act in the best interests of the Company in decision-making

Based on the results of the BEA 2017, the individual Directors met the performance criteria required of an effective and high performance Board.

Based on the above, the Board approved the NRC's recommendation that the Directors who retire in accordance with Articles 91 and 96 of the Constitution are eligible to stand for re-election. All these retiring Directors had abstained from deliberations and decisions on their own eligibility to stand for re-election at the relevant NRC and Board meetings.

3) Ordinary Resolution 5 - Re-appointment of KPMG PLT as Auditors of the Company

The Board, at its meeting held in February 2018 approved the Audit and Compliance Committee's (ACC) recommendation for the shareholders' approval to be sought at the 56th AGM in respect of the re-appointment of KPMG PLT as External Auditors of the Company for FY 2018.

4) Ordinary Resolution 6 – Additional payment of Directors' Fees

The Board of Directors' Fees for the holding company as set out below had been implemented since 2012 while the Board Committees' Fees had been implemented since 2010.

Position	RM per Annum
Chairman of the Board	100,000
Member of the Board	75,000
Chairman of Board Committee	10,000
Member of Board Committee	8,000

Section 230(1) of the CA 2016 provides amongst others, the "Fees" of the directors and "any benefits" payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting.

At the 55th AGM of the Company held on 24 May 2017, the shareholders had approved **RM1,080,000** as total Directors' Fees payable to the Directors of the Company from 1 January 2017 until the conclusion of the 56th AGM of the Company on 31 May 2018.

The total Directors' Fees incurred were as follows:

	Approved at last AGM (from 1 January 2017 until conclusion of 56th AGM) (RM)	Actual (from 1 January 2017 until 31 December 2017) (RM)	Forecasted (from 1 January 2017 until conclusion of 56th AGM) (RM)
Company	1,080,000	768,042	1,030,000
Group	1,080,000	1,026,396	1,360,000

The request on the additional amount of RM280,000 in excess of the RM1,080,000 is required due to the appointment of directors of the Company to subsidiary Board and Committees which occurred during the financial year 2017.

5) Ordinary Resolution 7 – Directors' Fees for relevant period

With respect to the proposed total Directors' Fees from the conclusion of the forthcoming AGM on 1 June 2018 until the conclusion of the next AGM of the Company in 2019, the remuneration structure as approved since 2012 shall remain. Assuming that the total number of Directors and Board Committees as well as the members of the Board Committees remain the same, the total Group Directors' Fees is estimated at RM1,000,000. This resolution, if passed, will facilitate the payment of Directors' Fees on current financial year basis until conclusion of the next AGM in 2019.

6) Ordinary Resolution 8 – Directors' Benefits (excluding Directors' Fees)

The Directors' Benefits (excluding Directors' Fees) comprise allowance and other emoluments/benefits payable to the Chairman and the Non-Executive Directors at Board and Board Committee level. The current board remuneration policy is set out below:

Description	Chairman (RM)	Member (RM)
Meeting allowance (per meeting)		
Board of CCM	1,300	1,000
Board Committee of CCM	1,200	1,000
Board Task Force / Working Group of CCM	700	1,000
Board of listed subsidiaries	500	500
Board of unlisted active subsidiaries	300	300
Other benefits		
Parking and other claimable benefits		

Note:  
The Group Managing Director does not receive any Directors' Benefits other than those specified in his service contract.

The shareholders have approved a total of RM650,300 for the period from 31 January 2017 until the conclusion of the forthcoming AGM on 31 May 2018.

The total benefits incurred were as follows:

	Actual (1 Jan 2017 – 31 Dec 2017) (RM)	Actual (1 Jan 2017 – 31 May 2018) (RM)
Company	221,101	320,000
Group	247,601	340,000

In determining the estimated total amount of benefits (excluding Directors' Fees) for the directors of the Company, the Board considered various factors including the number of scheduled meetings for the Board and Board Committees as well as the number of Directors involved in these meetings. The number of Board and Board Committee meetings are determined based on the strategy and plans of the Company and Group for the financial year. For the period from the conclusion of the forthcoming AGM from 1 June 2018 until the conclusion of the next AGM in 2019, the total amount of actual benefits excluding Directors' Fees) to be incurred is expected to be RM500,000. In the event that the Directors' Remuneration (excluding Directors' Fees) proposed is insufficient (e.g. due to more meetings or enlarged board size, etc.), approval will be sought at the next AGM for the additional remuneration to meet the shortfall.

Ordinary Resolution 8, if passed, will be made by the Company on a monthly basis and/or as and when incurred. The Board is of the view that it is fair and equitable for the directors to be paid on a monthly basis and/or as and when incurred particularly after they have discharged their responsibilities and rendered their services to the Company throughout the Relevant Period

#### EXPLANATORY NOTE ON SPECIAL BUSINESS

1. Special Resolution 1 - Proposed Adoption of the New Constitution of the Company

The proposed adoption of the new Constitution (formerly known as the Memorandum and Articles of Association) of the Company is primarily for the purposes of streamlining the Company's existing M&A to be in line with the Companies Act 2016 which was implemented with effect from 31 January 2017, Bursa Malaysia Securities Berhad Main Market Listing Requirements ("MMLR") which was issued on 29 November 2017, the practices of the Malaysian Code on Corporate Governance 2017 (MCCG) and the prevailing statutory and regulatory requirement applicable to the Company.

In view of the numerous amendments which would entail substantial amendments to the existing Memorandum and Articles of Association, the Board had proposed that a new Constitution as set out in the Circular to Shareholders dated 27 April 2018, be adopted. The Proposed Adoption shall take effect immediately once Special Resolution 1 is passed by a majority of not less than seventy-five per centum (75%) of such members who are entitled to vote and do vote in person or by proxy at the 56th AGM.