

Sime Darby Berhad (Company No. 752404-U)

NOTICE OF ANNUAL GENERAL MEETING



NOTICE IS HEREBY GIVEN that the Eighth Annual General Meeting of Sime Darby Berhad (SDB or the Company) will be held at Dewan Tun Hussein Onn, Level 2, Putra World Trade Centre, 41, Jalan Tun Ismail, 50480 Kuala Lumpur, Malaysia on Thursday, 13 November 2014 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 2014 together with the Reports of the Directors and the Auditors thereon.
Please refer to Explanatory Note 1
- To declare a final single tier dividend of 30 sen per ordinary share for the financial year ended 30 June 2014.
Please refer to Explanatory Note 2 (Resolution 1)
- To approve the payment of Directors' remuneration as disclosed in the Audited Financial Statements for the financial year ended 30 June 2014.
Please refer to Explanatory Note 3 (Resolution 2)
- To re-appoint Tan Sri Dato' Dr Wan Mohd Zahid Mohd Noordin as Director of the Company and to hold office until the conclusion of the next Annual General Meeting pursuant to Section 129(6) of the Companies Act, 1965.
Please refer to Explanatory Note 4 (Resolution 3)
- To re-appoint Dato' Henry Sackville Barlow as Director of the Company and to hold office until the conclusion of the next Annual General Meeting pursuant to Section 129(6) of the Companies Act, 1965.
Please refer to Explanatory Note 4 (Resolution 4)
- To re-elect Dato' Rohana Tan Sri Mahmood who retires pursuant to Article 104 of the Articles of Association of the Company and who has offered herself for re-election.
Please refer to Explanatory Note 5 (Resolution 5)
- To re-elect the following Directors who retire pursuant to Article 99 of the Articles of Association of the Company and who have offered themselves for re-election:
 - Tan Sri Samsudin Osman (Resolution 6)
 - Tan Sri Datuk Amar (Dr) Tommy Bugo @ Hamid Bugo (Resolution 7)
 - Tan Sri Dato' Seri Mohd Bakke Salleh (Resolution 8)
 - Dato' Azmi Mohd Ali (Resolution 9)*Please refer to Explanatory Note 6*
- To re-appoint PricewaterhouseCoopers as Auditors of the Company for the financial year ending 30 June 2015, and to authorise the Directors to fix their remuneration.
Please refer to Explanatory Note 7 (Resolution 10)

AS SPECIAL BUSINESS

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

i. Authority to Allot and Issue Shares Pursuant to Section 132D of the Companies Act, 1965

"THAT, subject always to the Companies Act, 1965 (Act), the Articles of Association of the Company, other applicable laws, guidelines, rules and regulations, and the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby authorised, pursuant to Section 132D of the Act, to allot and issue shares in the Company to any person other than a Director or major shareholder of the Company or person connected with any Director or major shareholder of the Company, at any time until the conclusion of the next Annual General Meeting (AGM) and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares to be issued does not exceed ten percent (10%) of the issued and paid-up share capital of the Company for the time being AND THAT the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued AND FURTHER THAT such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next AGM of the Company." (Resolution 11)

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

"THAT, subject always to the Companies Act, 1965 (Act), the Articles of Association of the Company, other applicable laws, guidelines, rules and regulations, and the approvals of the relevant governmental/regulatory authorities, approval be and is hereby given to the Company and/or its subsidiary companies to enter into all arrangements and/or transactions involving the interests of the Related Parties as specified in Section 2.4 of the Circular to Shareholders dated 21 October 2014, provided that such arrangements and/or transactions are:

- recurrent transactions of a revenue or trading nature;
- necessary for the day-to-day operations;
- carried out in the ordinary course of business on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public; and
- not detrimental to the minority shareholders of the Company

(the Mandate);

AND THAT the Mandate, shall continue in force until:

- the conclusion of the next Annual General Meeting (AGM) of the Company following this AGM, at which time the Mandate will lapse, unless by an ordinary resolution passed at that meeting, the Mandate is renewed; or
- the expiration of the period within which the next AGM is required to be held pursuant to Section 143(1) of the Act, (but shall not extend to such extensions as may be allowed pursuant to Section 143(2) of the Act); or
- the Mandate is revoked or varied by ordinary resolution passed by the shareholders of the Company in general meeting,

whichever is the earliest;

AND THAT the Directors of the Company be 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 12)

iii. Proposed Renewal of Authority for Directors to Allot and Issue New Ordinary Shares of RM0.50 Each in the Company (SDB Shares) in relation to the Dividend Reinvestment Plan that Provides Shareholders of the Company with an Option to Reinvest Their Cash Dividend in New SDB Shares (Dividend Reinvestment Plan)

"THAT pursuant to the Dividend Reinvestment Plan (DRP) as approved by the Shareholders at the Extraordinary General Meeting held on 21 November 2013, approval be and is hereby given to the Directors to allot and issue such number of new SDB Shares, from time to time as may be required to be allotted and issued pursuant to the DRP until the conclusion of the next Annual General Meeting, upon such terms and conditions and to such persons as the Directors may, in their sole and absolute discretion, deem fit and in the best interest of the Company PROVIDED THAT the issue price of the said new SDB Shares shall be fixed by the Directors at not more than ten percent (10%) discount to the adjusted five (5)-day volume weighted average market price (VWAMP) of SDB Shares immediately prior to the price-fixing date, of which the VWAMP shall be adjusted ex-dividend before applying the aforementioned discount in fixing the issue price and not less than the par value of SDB Shares at the material time;

AND THAT the Directors and the Secretary of the Company be and are hereby authorised to do all such acts and enter into all such transactions, arrangements and agreements and to execute, sign and deliver for and on behalf of the Company, all such documents and impose such terms and conditions or delegate all or any part of its powers as may be necessary or expedient in order to give full effect to the DRP, with full powers to assent to any conditions, modifications, variations and/or amendments (if any) including amendments, modifications, suspension and termination of the DRP as the Directors may, in their absolute discretion, deem fit and in the best interest of the Company and/or as may be imposed or agreed to by any relevant authorities." (Resolution 13)

- To transact any other business for which due notice shall have been given in accordance with the Articles of Association of the Company and the Companies Act, 1965.

Notes:

- A Member entitled to attend and vote at the Meeting is entitled to appoint not more than two (2) proxies to attend and vote 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. A Member may appoint any person to be his/her proxy without any restriction as to the qualification of such person and the provisions of Sections 149(1)(a) and 149(1)(b) of the Companies Act, 1965 (Act) shall not apply to the Company.
- Where a Member of the Company is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act 1991, 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.
- Where a Member of the Company 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 (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 deemed to confer authority to demand or join in demanding a poll.
- The instrument appointing a proxy shall be in writing signed by the appointor or his 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.
- 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 Services Sdn Bhd at Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia, not less than forty-eight (48) hours before the time fixed for the Meeting or any adjournment thereof.
- Only members registered in the Record of Depositors as at 4 November 2014 shall be eligible to attend, speak and vote at the Annual General Meeting (AGM) or appoint proxy(ies) to attend, speak and/or vote on their behalf.

Explanatory Note 1

Audited Financial Statements for the Financial Year Ended 30 June 2014

This Agenda item is meant for discussion only as Section 169(1) of the Act does not require the Audited Financial Statements to be formally approved by the shareholders. As such, this item is not put forward for voting.

Explanatory Note 2

Declaration of a Final Single Tier Dividend

In accordance with Article 126 of the Company's Articles of Association, the Board is recommending that the shareholders approve the payment of the final single tier dividend. Pursuant to paragraph 8.26 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (MMLR), the final single tier dividend, if approved, will be paid no later than three (3) months from the date of shareholders' approval.

Explanatory Note 3

Payment of Directors' Remuneration for Non-Executive Directors for the Financial Year Ended 30 June 2014

Article 79(1) of the Company's Articles of Association provides that the remuneration for Non-Executive Directors (NED) shall be determined by the Company by an ordinary resolution at a general meeting.

The Board has engaged a consultant to conduct a review on the NEDs' remuneration. Based on the findings of the consultant, the Board believes that the annual remuneration as disclosed in the Audited Financial Statements for the financial year ended 30 June 2014 reflects the experience and level of responsibilities of the NEDs.

Explanatory Note 4

Re-appointment of Directors pursuant to Section 129(6) of the Companies Act, 1965

The re-appointment of Tan Sri Dato' Dr Wan Mohd Zahid Mohd Noordin and Dato' Henry Sackville Barlow who have attained the age of 74 years and 70 years, respectively, as Directors of the Company to hold office until the conclusion of the next AGM shall take effect if the proposed Ordinary Resolutions 3 and 4 are passed by a majority of not less than three-fourths (3/4) of such members as being entitled to vote in person or by proxy at the Eighth AGM of the Company.

Explanatory Note 5

Re-election of Director

Article 104 stipulates 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 re-election.

The Board has conducted an independence assessment on its independent Directors guided by the definition of "Independent Director" as prescribed by the MMLR. The Board agreed that the independent Directors of the Company had maintained their independence during the financial year. An assessment of the independence of Dato' Rohana Tan Sri Mahmood, an Independent Director of the Company, who was appointed during the financial year, was accordingly undertaken.

Explanatory Note 6

Re-election of Directors

Articles 99 and 100 expressly state that at every AGM, at least one-third (1/3) of the Directors for the time being shall retire from office. In addition, all Directors shall retire from office at least once every three (3) years. A retiring Director shall be eligible for re-election.

Explanatory Note 7

Re-appointment of Auditors

Pursuant to Sections 172(2) and 172(16) of the Act, the shareholders are required to approve the re-appointment of Auditors who shall hold office until the conclusion of the next AGM and to authorise the Directors to determine their remuneration thereof. The present Auditors, Messrs PricewaterhouseCoopers (PwC), have indicated their willingness to continue their services for another year. The Governance & Audit Committee and the Board have considered the re-appointment of PwC as Auditors of the Company and have collectively agreed that PwC has met the relevant criteria prescribed by Paragraph 15.21 of the MMLR.

EXPLANATORY NOTES ON SPECIAL BUSINESS

1. Authority to Allot and Issue Shares Pursuant to Section 132D of the Companies Act, 1965

The proposed Resolution 11 is to seek a renewal of the general mandate obtained from the shareholders of the Company at the Seventh AGM of the Company held on 21 November 2013 and which will lapse at the conclusion of the forthcoming AGM to be held on 13 November 2014.

The general mandate, if passed, will provide flexibility for the Company and empower the Directors to allot and issue new shares in the Company for any fund raising activities, including but not limited to the placing of shares, for working capital and/or funding of strategic development of the Group. The renewal of the general mandate is sought to avoid any delay arising from and cost in convening a general meeting to obtain approval of the shareholders for such issuance of shares, up to an amount not exceeding in total ten percent (10%) of the issued and paid-up share capital of the Company, as the Directors consider appropriate in the best interest of the Company. The authority, unless revoked or varied by the Company at a general meeting, will expire at the next AGM of the Company.

The Company has not issued any new share pursuant to Section 132D of the Act under the general mandate which was approved at the Seventh AGM of the Company.

2. 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

The proposed Resolution 12, 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 Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate is set out in Section 2.4 of the Circular to Shareholders relating to the matter dispatched together with the Company's 2014 Annual Report.

3. Proposed Renewal of Authority for Directors to Allot and Issue New Ordinary Shares of RM0.50 Each in the Company (SDB Shares) in relation to the Dividend Reinvestment Plan that Provides Shareholders of the Company with an Option to Reinvest Their Cash Dividend in New SDB Shares

The proposed Resolution 13, if passed, will give authority to the Directors to allot and issue new SDB Shares in respect of the dividends declared at this AGM and subsequently until the next AGM.

By Order of the Board

Norzilah Megawati Abdul Rahman
(LS 0009247)
Group Secretary