



Good Food, Good Life

Nestlé (Malaysia) Berhad (110925-W)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the **32nd (Thirty-Second) Annual General Meeting** of the Company will be held at **Ballroom B & C, Hilton Kuala Lumpur, 3 Jalan Stesen Sentral, 50470 Kuala Lumpur** on **Thursday, 28 April 2016** at **10.00 a.m.** for the transaction of the following business:

AGENDA

As Ordinary Business

1. To receive the statutory financial statements for the financial year ended 31 December 2015 and the Directors' and Auditors' reports thereon.

Resolution 1
2. To approve the payment of a final dividend of 110 sen per share and a special dividend of 20 sen per share, under a single-tier system, in respect of the financial year ended 31 December 2015.

Resolution 2
3. To approve the payment of Directors' fees of RM1,060,000 for the financial year ended 31 December 2015 (2014: RM810, 000).

Resolution 3

Please refer to Explanatory Note 1
4. To re-elect the following Directors retiring in accordance with Article 90.1 of the Company's Articles of Association:
 - (i) Tan Sri Datuk (Dr.) Rafiah Binti Salim

Resolution 4
 - (ii) Alois Hofbauer

Resolution 5

Please refer to Explanatory Note 2
5. To re-appoint Messrs KPMG (Firm No. AF 0758) as auditors of the Company and to authorise the Directors to fix their remuneration.

Resolution 6

Please refer to Explanatory Note 3

As Special Business

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

6. **Re-appointment of Toh Puan Dato' Seri Hajjah Dr. Aishah Ong as a director pursuant to Section 129 of the Companies Act, 1965.**

"THAT Toh Puan Dato' Seri Hajjah Dr. Aishah Ong being over the age of 70 years and retiring in accordance with Section 129(2) of the Companies Act 1965, be and is hereby re-appointed as a Director of the Company and to hold office until the conclusion of the next Annual General Meeting of the Company."

Resolution 7

Please refer to Explanatory Note 4



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7. Re-appointment of Tan Sri Datuk Yong Poh Kon as a director pursuant to Section 129 of the Companies Act, 1965.

“THAT Tan Sri Datuk Yong Poh Kon being over the age of 70 years and retiring in accordance with Section 129(2) of the Companies Act 1965, be and is hereby re-appointed as a Director of the Company and to hold office until the conclusion of the next Annual General Meeting of the Company.”

Resolution 8

Please refer to Explanatory Note 5

8. Proposed Renewal of Shareholders’ Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature as set out under Section 2.3(a) of the Circular to Shareholders dated 1 April 2016.

“That the mandate granted by the shareholders of the Company on 23 April 2015 pursuant to paragraph 10.09 of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad, authorising the Company and/or its subsidiaries to enter into the recurrent related party transactions of a revenue or trading nature as set out in Section 2.3(a) of the Circular to Shareholders dated 1 April 2016 with the related parties mentioned therein which are necessary, for the Company and/or its subsidiaries’ day-to-day operations and which are carried out in the ordinary course of business on terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of minority shareholders, be and is hereby renewed.

That the authority conferred by such mandate shall commence upon the passing of this resolution and continue to be in force until:-

- (i) the conclusion of the next Annual General Meeting (“AGM”) of the Company following the forthcoming AGM at which such mandate is approved, at which time it will lapse, unless by a resolution passed at the next AGM, the mandate is renewed;
- (ii) the expiration of the period within which the next AGM of the Company after the forthcoming AGM is required to be held pursuant to Section 143(1) of the Companies Act 1965 (but must not extend to such extension as may be allowed pursuant to Section 143(2) of the Companies Act 1965); or
- (iii) revoked or varied by resolution passed by the shareholders in a general meeting;

whichever is earlier;

That the Directors be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorized by this resolution.”

Resolution 9

Please refer to Explanatory Note 6

9. Retention of Independent Director

“THAT Tan Sri Dato’ Seri Syed Anwar Jamalullail be hereby retained as an Independent Director of the Company until the conclusion of the next Annual General Meeting, in accordance with the Malaysian Code on Corporate Governance 2012.”

Resolution 10

Please refer to Explanatory Note 7

10. To transact any other business of which due notice shall have been given.



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NOTICE IS ALSO HEREBY GIVEN THAT, subject to the approval of the shareholders at the 32nd (Thirty-Second) Annual General Meeting of the Company, a final dividend of 110 sen per share and a special dividend of 20 sen per share, under a single-tier system in respect of the financial year ended 31 December 2015 will be paid to the shareholders on 2 June 2016. The entitlement date for the said dividend shall be 19 May 2016.

FURTHER NOTICE IS HEREBY GIVEN THAT a depositor shall qualify for entitlement only in respect of:

- A.** Shares transferred into the Depositors' Securities Account before 4.00 p.m. on 19 May 2016 in respect of ordinary transfers; and
- B.** Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the rules of the Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD

TENGGU IDA ADURA TENGGU ISMAIL

Company Secretary
(MACS 01686)

Petaling Jaya
1 April 2016

NOTES:

- (i) A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy may, but need not be, a member of the Company and the provision of Section 149(1)(b) of the Companies Act 1965, shall not apply to the Company.
- (ii) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or if the appointor is a corporation either under the corporation's seal or under the hand of an officer or attorney duly authorised.
- (iii) Where a member of the Company is an authorised nominee as defined under the Central Depositories Act, it may appoint not more than two (2) proxies in respect of each Securities Account it 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 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.

Where an authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

- (iv) An authorised nominee or an exempt authorised nominee with more than one (1) securities account must submit a separate instrument of proxy for each securities account.



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- (v) The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority shall be deposited at the office of the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn. Bhd. (Company No. 11324-H) at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposed to vote, or in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.
- (vi) In respect of deposited securities, only members whose names appear in the Record of Depositors on 20 April 2016 shall be entitled to attend, speak and vote at the general meeting.

Explanatory Notes on Ordinary Business:-

1. Increase in Directors' Fees

The proposed increase in the Non-Executive Directors' fees is to reflect their increased responsibilities in the Board and the Board Committees, and to align with industry standards. The quantum proposed is based on the outcome of benchmarking analysis carried out by the Company. The proposed Ordinary Resolution 3 is in accordance with Article 98, of the Company's Articles of Association and if passed, shall be effective from 1 January 2015. All the Non-Executive Directors who are shareholders of the Company will abstain from voting on Ordinary Resolution 3, concerning Directors' fees at the 32nd Annual General Meeting.

2. Re-election of Retiring Directors

Tan Sri Datuk (Dr.) Rafiah Binti Salim and Alois Hofbauer are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election.

3. Re-appointment of Messrs KPMG as Auditors of the Company

The Board had at its meeting held on 23 February 2016 approved the recommendation by the Audit Committee on the re-appointment of KPMG as Auditors of the Company. The Board and Audit Committee collectively agreed that KPMG has met the relevant criteria prescribed by Paragraph 15.21 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Explanatory Notes on Special Business:-

4. Re-appointment of Toh Puan Dato' Seri Hajjah Dr. Aishah Ong

The proposed Ordinary Resolution under item 6, is to seek shareholders' approval on the re-appointment of Toh Puan Dato' Seri Hajjah Dr. Aishah Ong, a director who is over the age of 70 years and retiring in accordance with Section 129(2) of the Companies Act, 1965. The recommendation for the re-appointment of Toh Puan Dato' Seri Hajjah Dr. Aishah Ong is supported by her invaluable contributions to the Board and the Group. She has also shown full commitment in discharging her responsibilities as a Director of the Company. Her previous knowledge and experience as a medical professional is also important to the Company as it further strengthens and positions itself to be the leading nutrition and wellness company globally. Her active involvement in non-governmental and charity organisations provides the Company valuable guidance on how the Company can contribute to the society through its corporate social responsibility (known as creating shared value). In light of the various challenges faced by the Company in certain segments of its business, Toh Puan Dato' Seri Hajjah Dr. Aishah Ong has been instrumental in providing guidance to the Company.

5. Re-appointment of Tan Sri Datuk Yong Poh Kon

The proposed Ordinary Resolution under item 7, is to seek shareholders' approval on the re-appointment of Tan Sri Datuk Yong Poh Kon, a director who is over the age of 70 years and retiring in accordance with Section 129(2) of the Companies Act, 1965. The recommendation for the re-appointment of Tan Sri Datuk Yong Poh Kon is supported by his contributions to the Board of Directors through the sharing of his vast knowledge, experience and expertise as a businessman particularly in relation to manufacturing, export activities and industry practices. His experience as the former President of the Federation of Malaysian Manufacturers, as a current member of the Economic Council and former Co-Chair of PEMUDAH (a Special Taskforce to Facilitate Business) contributed greatly to the Company.

6. Recurrent Related Party Transactions

The proposed resolution is to seek a renewal of shareholders' mandate to allow the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature. For further information, please refer to the Circular to Shareholders dated 1 April 2016 accompanying the Company's Annual Report for the financial year ended 31 December 2015.



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7. Retention of Independent Director

The proposed resolution is to seek shareholders' approval to retain Tan Sri Dato' Seri Syed Anwar Jamalullail as an Independent, Non-Executive Director. He has served the Company as an Independent, Non-Executive Director since 5 November 2004 for a cumulative period of over nine (9) years and he has served as Chairman of the Board for the last six (6) years since 16 April 2009. The Nomination Committee has made the necessary assessment and recommended to the Board that he be retained as an Independent Director of the Company based on his ability to maintain his independence of judgment and to express and maintain unbiased views without any influence. His position as an Independent Non-Executive Director has been assessed pursuant to Recommendation 3.2 of the MCG 2012 and it has been agreed to retain Tan Sri Dato' Seri Syed Anwar Jamalullail as an Independent Non-Executive Director of the Board of Directors and as Chairman of the Audit Committee. The recommendation is based on his exemplary leadership and dedication to his responsibilities as the Chairman of the Board. He has provided unwavering support to the Company's initiatives in implementing relevant strategies in moving the Company forward and strengthening the Company's credibility and reputation as the leader in the food and beverage industry. His tenure in the Board has given him an in depth understanding of the business environment in which the Company operates, including the challenges faced by the Company. His vast experience in the Company also allows him to provide guidance to the Management team especially in setting the strategies and direction of the Company. His leadership has ensured effective check and balance in the proceedings of the Board and the Board Committees and he encourages active participations from all members of the Board. Tan Sri is practical in his analysis and assessment, vocal in his outlook and views and has provided the Board with a strong and principled voice. His experience in various companies and capacities suits the Company's required mix of skills and Board diversity. This proposed resolution is in line with the recommendation under MCG 2012 and this would also allow him to continue to serve as Chairman of the Audit Committee pursuant to Paragraph 15.10 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.