



**BRITISH AMERICAN
TOBACCO
MALAYSIA**

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fifty-Fifth Annual General Meeting of British American Tobacco (Malaysia) Berhad ("Company") will be held at Ballroom 1, 1st Floor, Sime Darby Convention Centre, 1A Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Monday, 25 April 2016 at 10.00 a.m. for the following purposes:

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2015 and the Reports of the Directors and Auditors thereon. **Note A**

2. To re-elect the following Directors who retire by rotation in accordance with Articles 97(1) and (2) of the Company's Articles of Association:

(a) Stefano Clini **Resolution 1**

(b) Dato' Chan Choon Ngai **Resolution 2**

3. To consider and, if thought fit, to pass the following resolution pursuant to Section 129(6) of the Companies Act, 1965:

"THAT Datuk Oh Chong Peng, who has attained the age of over seventy (70) years, be and is hereby re-appointed a Director of the Company to hold office until the conclusion of the next Annual General Meeting."

Resolution 3

4. To appoint Messrs. KPMG as Auditors of the Company in place of the retiring Auditors, Messrs. PricewaterhouseCoopers, and to authorise the Directors to fix their remuneration.

Notice of Nomination pursuant to Section 172(11) of the Companies Act, 1965, a copy of which is annexed hereto and marked "Annexure A", has been received by the Company for the nomination of Messrs. KPMG, who has given their consent to act, for appointment as Auditors of the Company.

The Company hereby proposes the following ordinary resolution:

"THAT Messrs. KPMG, having consented to act, be appointed Auditors of the Company in place of the retiring Auditors, Messrs. PricewaterhouseCoopers for the financial year ending 31 December 2016 at a remuneration to be fixed by the Directors and to hold office until the conclusion of the next Annual General Meeting." **Resolution 4**

AS SPECIAL BUSINESS

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

Retention of Independent Director

5. "THAT subject to the passing of Resolution 3, approval be and is hereby given for the Company to retain Datuk Oh Chong Peng who has served as an Independent Non-Executive Director of the Company for more than nine (9) years in accordance with the Malaysian Code on Corporate Governance 2012." **Resolution 5**

6. Proposed Renewal of Shareholders' Mandate for the Company and Its Subsidiaries to enter into Recurrent Related Party Transactions of a Revenue or Trading Nature with Related Parties ("Proposed Renewal of The Recurrent RPTs Mandate")

"THAT, the Recurrent RPT Mandate (as defined in the Circular to Shareholders dated 1 April 2016) granted by the shareholders of the Company pursuant to Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad authorising the Company and/or its subsidiaries ("British American Tobacco Malaysia Group") to enter into recurrent related party transactions of a revenue or trading nature ("Recurrent RPTs") with Related Parties (as defined in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad) as set out in Paragraph 2.2 and Appendix II of the Circular to Shareholders dated 1 April 2016 which are necessary for the British American Tobacco Malaysia Group's day to day operations, be and is hereby renewed and approved, provided that: **Resolution 6**

(i) the transactions are in the ordinary course of business and are on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders to the Company; and

(ii) disclosure of the aggregate value of the transactions conducted during a financial year will be made in the annual report for the said financial year,

AND THAT the authority conferred by such renewed mandate shall continue to be in force until:

(i) the conclusion of the next Annual General Meeting (AGM) of the Company following the AGM at which the Proposed Renewal of the Recurrent RPT Mandate is approved, at which time it will lapse, unless by a resolution passed at the next AGM the mandate is again 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 general meeting, whichever is earlier;

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary in the best interest of the Company (including executing all such documents as may be required) to give effect to the Proposed Renewal of the Recurrent RPT Mandate."

7. To transact any other business of the Company of which due notice shall have been given.

By Order of the Board

DAVID CHIAM JOY YEOW

LS0009734

Secretary

Petaling Jaya

1 April 2016

Notes:

1. Only members whose names appear in the Record of Depositors as at 15 April 2016 (General Meeting Record of Depositors) shall be eligible to attend the Meeting or appoint proxy(ies) to attend and vote on his/her behalf.

2. A proxy need not be a Member and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.

3. 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 two (2) proxies, the appointment shall be invalid unless the percentage of the shareholding to be represented by each proxy is specified.

4. 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 authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of subsection 25A(1) of the Central Depositories Act.

5. The instrument appointing a proxy or proxies must be under the hand of the appointer or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of any officer or attorney duly authorised.

6. If there is no indication as to how a Member wishes his/her vote to be cast, the proxy will vote or abstain from voting at his/her discretion. In the event a Member duly executes the Form of Proxy but does not name any proxy, such Member shall be deemed to have appointed the Chairman of the meeting as his/her proxy.

7. The original Form of Proxy must be duly executed and deposited at the Registrar of the Company at Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, not less than forty-eight (48) hours before the time set for holding the Meeting or any adjourned meeting thereof.

8. Registration of Members / Proxies

Registration of Members/Proxies attending the Meeting will commence at 8.00 a.m. on the day of the meeting and will close at 10.30 a.m. sharp. Members/Proxies are required to produce identification documents for registration.

9. Explanatory Notes on Ordinary Business

Note A

The Audited Financial Statements for the financial year ended 31 December 2015 under Agenda 1 are meant for discussion only in accordance with the provisions of Section 169(1) and (3) the Companies Act, 1965, and it does not require a formal approval of the shareholders. Hence, this agenda will not be put forward for voting.

Resolution 3 – Re-appointment of Director who has attained the age of over seventy (70) years pursuant to Section 129(6) of the Companies Act, 1965

Datuk Oh Chong Peng, who has attained the age of over seventy (70) years, has offered himself for re-appointment as Director of the Company to hold office until the next annual general meeting. The re-appointment is only effective if this proposed resolution passed by a majority of not less than three-fourths of such members of the Company who are entitled to vote in person or, where proxies are allowed, by proxy at this forthcoming Annual General Meeting.

Resolution 4 – Appointment of External Auditors

The Notice of Nomination from the major shareholder pursuant to Section 172(11) of the Companies Act, 1965, a copy of which is annexed in the Annual Report, has been received by the Company for the nomination of Messrs. KPMG, who has given their consent to act, for appointment as Auditors of the Company.

10. Explanatory Notes on Special Business

Resolution 5 – Retention of Independent Director pursuant to the Malaysian Code on Corporate Governance 2012

Datuk Oh Chong Peng was appointed as Non-Executive Director of the Company in January 1998, has served for more than nine (9) years. He has met the independence guidelines as set out in Chapter 1 of Bursa Malaysia Securities Berhad Main Market Listing Requirements. The Board has determined that Datuk Oh Chong Peng is able to bring independent and objective judgements to the Board as a whole and strongly recommended him be retained as Independent Non-Executive Director of the Company.

Resolution 6 - Recurrent Related Party Transactions Mandate

This proposed resolution, if passed, will enable British American Tobacco Malaysia Group to enter into any of the recurrent related party transactions of a revenue or trading nature which are necessary for the British American Tobacco Malaysia Group's day to day operations, subject to the transactions being in the ordinary course of business and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

Further information on the Proposed Renewal of the Recurrent RPTs Mandate is set out in the Circular to Shareholders dated 1 April 2016, which is despatched together with the Company's 2015 Abridged Annual Report.