



Kulim (Malaysia) Berhad (23370-V)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE FORTY FIRST (41ST) ANNUAL GENERAL MEETING OF KULIM (MALAYSIA) BERHAD WILL BE HELD AT PERMATA BALLROOM, LEVEL B2, THE PUTERI PACIFIC HOTEL JOHOR BAHRU, JALAN ABDULLAH IBRAHIM, 80000 JOHOR BAHRU, JOHOR, MALAYSIA ON TUESDAY, 3 MAY 2016 AT 11:30 AM, FOR THE FOLLOWING PURPOSES :-

ORDINARY BUSINESS

- To receive and adopt the Directors' and Auditors' Reports and Audited Financial Statements in respect of the year ended 31 December 2015.
- To re-elect the following Directors who retire in accordance with the Company's Articles of Association:
 - Zulkifli Ibrahim
 - Jamaludin Md Ali
 - Abdul Rahman Sulaiman
 - Rozaini Mohd Sani

Resolution 1

Resolution 2

Resolution 3

Resolution 4

Resolution 5

Resolution 6

Resolution 7

Resolution 8

Resolution 9

Resolution 10

SPECIAL BUSINESS

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

8.1 Ordinary Resolution

In line with Recommendation 3.2 and 3.3 of the Malaysian Code on Corporate Governance ("MCCG") 2012, the Nomination Committee ("NC") had conducted an assessment of independence under the nomination and election process of Independent Non-Executive Directors ("INED"), whereby the NC reviewed whether the nominated candidate had satisfied the criteria for an independent director as prescribed in Bursa Malaysia Securities Berhad ("Bursa Malaysia") Main Market Listing Requirements ("Main Market LR") and its Practice Note 13 prior to seeking shareholders' approval at the 41st AGM on the appointment as INED.

To consider, and if thought fit, to pass the following resolution pursuant to Practice Note 13 of the Bursa Malaysia Listing Requirements:

"**THAT** Tan Sri Dato' Seri Utama Arshad Ayub, whose tenure on the Board exceeds a cumulative term of more than nine (9) years be hereby re-appointed as Independent Non-Executive Director of the Company." (See Explanatory Note 1 on Special Business below)

8.2 Ordinary Resolution

In line with Recommendation 3.2 and 3.3 of the MCCG 2012, the NC had conducted an assessment of independence under the nomination and election process of INED, whereby the NC reviewed whether the nominated candidate had satisfied the criteria for an independent director as prescribed in Bursa Malaysia Main Market LR and its Practice Note 13 prior to seeking shareholders' approval at the 41st AGM on the appointment as INED.

To consider, and if thought fit, to pass the following resolution pursuant to Practice Note 13 of the Bursa Malaysia Listing Requirements:

"**THAT** Datuk Haron Siraj, whose tenure on the Board exceeds a cumulative term of more than nine (9) years be hereby re-appointed as Independent Non-Executive Director of the Company." (See Explanatory Note 2 on Special Business below)

8.3 Ordinary Resolution

In line with Recommendation 3.2 and 3.3 of the MCCG 2012, the NC had conducted an assessment of independence under the nomination and election process of INED, whereby the NC reviewed whether the nominated candidate had satisfied the criteria for an independent director as prescribed in Bursa Malaysia Main Market LR and its Practice Note 13 prior to seeking shareholders' approval at the 41st AGM on the appointment as INED.

To consider, and if thought fit, to pass the following resolution pursuant to Practice Note 13 of the Bursa Malaysia Listing Requirements:

"**THAT** Dr. Radzuan A. Rahman, whose tenure on the Board exceeds a cumulative term of more than nine (9) years be hereby re-appointed as Independent Non-Executive Director of the Company." (See Explanatory Note 3 on Special Business below)

8.4 Ordinary Resolution

Proposed Renewal of Shareholders' Mandate to Enable the Company to Purchase up to Ten Percent (10%) of its Issued and Paid-up Share Capital ("Proposed Renewal of the Share Buy-Back Authority")

Resolution 6

"**THAT** subject to the Act, rules, regulations and orders made pursuant to the Act, provisions of the Company's Memorandum and Articles of Association and the Main Market LR of Bursa Malaysia and any other relevant authority, the Company be and is hereby authorised to purchase and/or hold such amount of ordinary shares of RM0.25 each in the Company's issued and paid-up share capital through Bursa Malaysia upon such terms and conditions as the Directors may deem fit in the interest of the Company provided that:

(a) the aggregate number of shares so purchased and/or held pursuant to this ordinary resolution ("Purchased Shares") does not exceed ten percent (10%) of the total issued and paid-up share capital of the Company at any one time; and

(b) the maximum amount of funds to be allocated for the Purchased Shares shall not exceed the aggregate of the retained profits and/or share premium of the Company.

AND THAT the Directors be and are hereby authorised to decide at their discretion either to retain the Purchased Shares as treasury shares (as defined in Section 67A of the Act) and/or to cancel the Purchased Shares and/or to retain the Purchased Shares as treasury shares for distribution as share dividends to the shareholders of the Company and/or be resold through Bursa Malaysia in accordance with the relevant rules of Bursa Malaysia and/or cancelled subsequently and/or to retain part of the Purchased Shares as treasury shares and/or cancel the remainder and to deal with the Purchased Shares in such other manner as may be permitted by the Act, rules, regulations, guidelines, requirements and/or orders of Bursa Malaysia and any other relevant authorities for the time being in force;

AND THAT the Directors be and are hereby empowered to do all acts and things (including the opening and maintaining of a central depositories account(s) under the Securities Industry (Central Depositories) Act, 1991 and to take such steps and to enter into and execute all commitments, transactions, deeds, agreements, arrangements, undertakings, indemnities, transfers, assignments, and/or guarantees as they may deem fit, necessary, expedient and/or appropriate in the best interest of the Company in order to implement, finalise and give full effect to the Proposed Renewal of the Share Buy-Back Authority with full powers to assent to any conditions, modifications, variations (if any) as may be imposed by the relevant authorities;

AND FURTHER THAT the authority conferred by this ordinary resolution shall be effective immediately upon passing of this ordinary resolution and shall continue in force until the conclusion of the next AGM of the Company or the expiry of the period within which the next AGM of the Company is required by law to be held (whichever is earlier), unless earlier revoked or varied by ordinary resolution of the shareholders of the Company in general meeting, but shall not prejudice the completion of purchase(s) by the Company before that aforesaid expiry date and in any event in accordance with provisions of the Listing Requirements and other relevant authorities." (See Explanatory Note 4 on Special Business below).

8.5 Ordinary Resolution

Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions ("RRPT") of a Revenue and/or Trading Nature and New Mandate for Additional RRPT of a Revenue and/or Trading Nature ("Proposed Shareholders' Mandate for RRPT")

"**THAT** authority be and is hereby given in line with Paragraph 10.09 of the Listing Requirements, for the Company, its subsidiaries or any of them to enter into any of the transactions falling within the types of the RRPT, particulars of which are set out in the Circular to Shareholders dated 11 April 2016 ("the Circular"), with the Related Parties as described in the Circular, provided that such transactions are of revenue and/or trading nature, which are necessary for the day-to-day operations of the Company and/or its subsidiaries, within the ordinary course of business of the Company and/or its subsidiaries, made on an arm's length basis and on normal commercial terms which those generally available to the public and are not detrimental to the minority shareholders of the Company;

AND THAT such authority shall commence immediately upon the passing of this ordinary resolution until:

(a) the conclusion of the next AGM of the Company following the general meeting at which the ordinary resolution for the Proposed Shareholders' Mandate for RRPT is passed, at which time it shall lapse, unless the authority is renewed by a resolution passed at the next AGM; or

(b) the expiration of the period within which the next AGM after the date it is required by law to be held; or

(c) revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting of the Company,

whichever occurs first;

AND FURTHER 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 or give effect to the Proposed Shareholders' Mandate for RRPT." (See Explanatory Note 5 on Special Business below)

Resolution 13

BY ORDER OF THE BOARD

Resolution 14

IDHAM JIHADI ABU BAKAR.ACIS (MAICSA 7007381)

NURALIZA A. RAHMAN.ACIS (MAICSA 7067934)

Company Secretaries

Johor Bahru, Johor

11 April 2016

NOTES:

Proxy

- A proxy may but need not be a member of the Company, an advocate, an approved company auditor or a person approved by the Registrar of Companies, and the provisions of Section 149(1)(b) of the Companies Act 1965 shall not apply to the Company.
- In the case of a corporate member, the instrument appointing a proxy shall be (a) under its Common Seal or (b) under the hand of a duly authorised officer or attorney and in the case of (b), be supported by a certified true copy of the resolution appointing such officer or certified true copy of the power of attorney.
- A member shall not, subject to Paragraphs (4) and (5) below, be entitled to appoint more than two (2) proxies to attend and vote at the same meeting. Where a member appoints more than one (1) proxy to attend and vote at the same meeting, each proxy appointed shall represent a minimum of 100 shares and such appointment shall be invalid unless the member specifies the proportion of his shareholding to be represented by each proxy.
- Where a member is an authorised nominee, as defined under the Securities Industry ("Central Depositories") Act 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds which is credited with ordinary shares of the Company. The appointment of two (2) proxies in respect of any particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.
- Where a member is an exempt authorised nominee ("EAN") 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 EAN may appoint in respect of each omnibus account it holds.
- Any alteration to the instrument appointing a proxy must be initialled. The Instrument appointing a proxy must be deposited at the registered office at Level 11, Menara KOMTAR, Johor Bahru City Centre, 80000 Johor Bahru, Johor not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in such instrument proposes to vote; otherwise the person so named shall not be entitled to vote in respect thereof.

Abstention from Voting

- All the Non-Executive Directors ("NED") of the Company who are shareholders of the Company shall abstain from voting on Resolution 9 concerning remuneration to the NED at the 41st AGM.
- Any Director referred to in Resolution 2, 3, 4 and 5, who is a shareholder of the Company shall abstain from voting on the resolution in respect of his election or re-appointment at the 41st AGM.
- Any Director or Directors who is the appointed nominee of the shareholder(s) of the Company as set out in the Circular to Shareholders dated 11 April 2016 shall abstain from voting on Resolution 15 in respect of RRPT at the 41st AGM.

Explanatory Notes for Special Business

- Ordinary Resolution 11 – Re-appointment of Director pursuant to Recommendation 3.2 and 3.3 of the Malaysian Code on Corporate Governance (MCCG) 2012**

The Nomination Committee is satisfied with the skills, contribution and independent judgment that Tan Sri Dato' Seri Utama Arshad Ayub delivers to the Board. Tan Sri Dato' Seri Utama Arshad Ayub has satisfactorily demonstrated that he is independent of management and free from any business or other relationship which could interfere with the exercise of independent judgment, objectivity or the ability to act in the best interests of the Company. In view thereof, the Board recommends and supports the re-appointment of Tan Sri Dato' Seri Utama Arshad Ayub, as he has offered himself for re-appointment as Independent Non-Executive Director ("INED") of the Company, to be approved by shareholders at the 41st AGM of the Company as follows :-

"**THAT** Tan Sri Dato' Seri Utama Arshad Ayub, whose tenure on the Board exceeds a cumulative term of more than nine (9) years be hereby re-appointed as Independent Non-Executive Director of the Company."

Tan Sri Dato' Seri Utama Arshad Ayub, aged 88, was appointed on 31 January 1987 as INED of the Company. His profile is as set out in page 77, Section 2 of the Integrated Annual Report. Tan Sri Dato' Seri Utama Arshad Ayub has exceeded his tenure on the Board a cumulative term of more than nine (9) years since his appointment date. Pursuant to Recommendation 3.2 and 3.3 of the MCCG 2012, he may be regarded as Non-Independent Non-Executive Director, for continuing to hold office as a Director of the Company exceeding nine (9) years from his date of appointment.

The Board, subject to the assessment of the Nomination Committee is satisfied with the level of Independence of Tan Sri Dato' Seri Utama Arshad Ayub and based on the justification above, hereby recommends that Tan Sri Dato' Seri Utama Arshad Ayub be re-appointed as INED of the Company until the next AGM of the Company.

- Ordinary Resolution 12 – Re-appointment of Director pursuant to Recommendation 3.2 and 3.3 of the Malaysian Code on Corporate Governance (MCCG) 2012**

The Nomination Committee is satisfied with the skills, contribution and independent judgment that Datuk Haron Siraj delivers to the Board. Datuk Haron Siraj has satisfactorily demonstrated that he is independent of management and free from any business or other relationship which could interfere with the exercise of independent judgment, objectivity or the ability to act in the best interests of the Company. In view thereof, the Board recommends and supports the re-appointment of Datuk Haron Siraj, as he has offered himself for re-appointment as Independent Non-Executive Director ("INED") of the Company, to be approved by shareholders at the 41st AGM of the Company as follows :-

"**THAT** Datuk Haron Siraj, whose tenure on the Board exceeds a cumulative term of more than nine (9) years be hereby re-appointed as Independent Non-Executive Director of the Company."

Datuk Haron Siraj, aged 72, was appointed on 9 January 2006 as INED of the Company. His profile is as set out in page 78, Section 2 of the Integrated Annual Report. Datuk Haron Siraj has exceeded his tenure on the Board a cumulative term of more than nine (9) years since his appointment date. Pursuant to Recommendation 3.2 and 3.3 of the MCCG 2012, he may be regarded as Non-Independent Non-Executive Director, for continuing to hold office as a Director of the Company exceeding nine (9) years from his date of appointment.

The Board, subject to the assessment of the Nomination Committee is satisfied with the level of Independence of Datuk Haron Siraj and based on the justification above, hereby recommends that Datuk Haron Siraj be re-appointed as INED of the Company until the next AGM of the Company.

- Ordinary Resolution 13 – Re-appointment of Director pursuant to Recommendation 3.2 and 3.3 of the Malaysian Code on Corporate Governance (MCCG) 2012**

The Nomination Committee is satisfied with the skills, contribution and independent judgment that Dr. Radzuan A. Rahman delivers to the Board. Dr. Radzuan A. Rahman has satisfactorily demonstrated that he is independent of management and free from any business or other relationship which could interfere with the exercise of independent judgment, objectivity or the ability to act in the best interests of the Company. In view thereof, the Board recommends and supports the re-appointment of Dr. Radzuan A. Rahman, as he has offered himself for re-appointment as Independent Non-Executive Director ("INED") of the Company, to be approved by shareholders at the 41st AGM of the Company as follows :-

"**THAT** Dr. Radzuan A. Rahman, whose tenure on the Board exceeds a cumulative term of more than nine (9) years be hereby re-appointed as Independent Non-Executive Director of the Company."

Dr. Radzuan A. Rahman, aged 73, was appointed on 1 November 2006 as INED of the Company. His profile is as set out in page 79, Section 2 of the Annual Report. Dr. Radzuan A. Rahman has exceeded his tenure on the Board a cumulative term of more than nine (9) years since his appointment date. Pursuant to Recommendation 3.2 and 3.3 of the MCCG 2012, he may be regarded as Non-Independent Non-Executive Director, for continuing to hold office as a Director of the Company exceeding nine (9) years from his date of appointment.

The Board, subject to the assessment of the Nomination Committee is satisfied with the level of Independence of Dr. Radzuan A. Rahman and based on the justification above, hereby recommends that Dr. Radzuan A. Rahman be re-appointed as INED of the Company until the next AGM of the Company.

- Ordinary Resolution 14 – Proposed Renewal of the Share Buy-Back Authority**
Ordinary Resolution 14, if passed will enable the Company to utilise any of its surplus financial resources to purchase its own shares through Bursa Securities up to ten percent (10%) of the issued and paid-up capital of the Company. This authority will, unless revoked or varied at a General Meeting, expire at the conclusion of the next AGM of the Company.

Further information on the Proposed Renewal of the Share Buy-Back Authority are set out in the Circular to Shareholders of the Company which is dispatched together with the Company's Integrated Annual Report for the year ended 2015.

- Ordinary Resolution 15 – Proposed Shareholders' Mandate for RRPT**

The proposed Ordinary Resolution 15 if passed is primarily to authorise the Company and/or its unlisted subsidiaries to enter arrangements or transactions with Related Parties, particulars of which are set out in Section 3.2, 3.3 and 3.4 of the Circular to Shareholders dated 11 April 2016 circulated together with this Integrated Annual Report, which are necessary for the day-to-day operations of the Group and are based on normal commercial terms that are not more favourable to the Related Parties than those generally made available to the public.