



UMW

UMW HOLDINGS BERHAD

(Company No. 90278-P)

(Incorporated in Malaysia under the Companies Act, 1965)

NOTICE OF 35TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 35th Annual General Meeting ("AGM") of the Company will be held at the UMW Auditorium, UMW Holdings Berhad, No. 3, Jalan Utas (15/7), Batu Tiga Industrial Estate, 40200 Shah Alam, Selangor Darul Ehsan, Malaysia, on Thursday, 25 May 2017 at 10.00 a.m. to transact the following businesses -

ORDINARY BUSINESS

- 1. To receive the Audited Financial Statements for the financial year ended 31 December 2016... Resolution 1
2. To re-elect the following directors... Resolution 2
3. To approve the payment of directors' fees... Resolution 3
4. To approve the payment of the following directors' fees... Resolution 4
5. To approve the payment of benefits payable... Resolution 5
6. To re-appoint Messrs. Ernst & Young as Auditors... Resolution 6

SPECIAL BUSINESS

- 7. Proposed Renewal of Shareholders' Mandate for Existing Recurrent Related Party Transactions and Proposed New Shareholders' Mandate for Additional Recurrent Related Party Transaction... Resolution 7

FURTHER NOTICE IS HEREBY GIVEN THAT for the purpose of determining a member who shall be entitled to attend the 35th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. pursuant to Article 75(a) of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991, to issue a General Meeting Record of Depositors ("ROD") as at 18 May 2017.

By Order of the Board

FADZILAH BINTI SAMION

(MACS 01262)

Group Secretary

Shah Alam, Selangor Darul Ehsan.

28 April 2017

NOTES

Proxy and/or Authorised Representatives

- 1. A member entitled to attend, speak and vote at the meeting may appoint a proxy in his/her stead.
2. A member of the Company who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, is allowed to appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
3. The Form of Proxy must be signed by the appointer or his/her attorney or in the case of a corporation, executed under its common seal or under the hand of the attorney duly authorised in writing.
4. All Forms of Proxy must be deposited at the Registered Office of the Company at 3rd Floor, The Corporate, No. 10, Jalan Utas (15/7), Batu Tiga Industrial Estate, 40200 Shah Alam, Selangor Darul Ehsan, Malaysia, not less than twenty-four (24) hours before the time appointed for the taking of the poll or any adjournment thereof.
5. Only members whose names appear in the ROD and/or Register of Members as at 18 May 2017 shall be entitled to attend and vote at the meeting or appoint a proxy(ies) to attend and vote on such his/her behalf.

6. Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the resolutions set out in this Notice will be put to vote by poll. The Company has appointed Securities Services (Holdings) Sdn. Bhd. as poll administrator to conduct the poll by way of electronic voting and Commercial Quest Sdn. Bhd. as scrutineers to verify the poll results.

EXPLANATORY NOTES ON ORDINARY BUSINESS

Explanatory Note A

The audited financial statements are for discussion only and do not require the approval of shareholders, pursuant to Section 340(1)(a) of the CA 2016. Hence, it is not put for voting.

Explanatory Note B

Article 109 of the Company's Constitution (previously referred to as the Articles of Association) provides that new directors appointed by the Board shall hold office until the conclusion of the next AGM following their appointment and shall be eligible for re-election.

Accordingly, Dato' Eshah binti Meor Suleiman, who was appointed director on 17 October 2016 and Tan Sri Dato' Sri Hamad Kama Piah bin Che Othman, who was appointed director/Group Chairman on 1 January 2017, retire and being eligible, have offered themselves for re-election.

The Board concurred with the view of the Nomination Committee that Dato' Eshah tenure as director is too short for the 2016 performance evaluation to be carried out effectively. Hence, a comprehensive evaluation of her performance will be carried out for 2017. Similarly, the performance evaluation for Tan Sri Dato' Sri Hamad Kama Piah will also be carried out for 2017 together with the other directors.

Articles 123 and 125 of the Company's Constitution provide that at every AGM, at least one-third (1/3) of the directors for the time being, shall retire from office and shall be eligible for re-election. Accordingly, Dr. Leong Chik Weng (appointed on 29 November 2007), Datuk Seri Dr. Nik Norzrul Thani bin N.Hassan Thani (appointed on 13 August 2008) and Dato' Mohd. Nizam bin Zainordin (appointed on 13 August 2008) are standing for re-election at this AGM. However, the Company has received written notification that they are not seeking re-election and hence they will retire from office at the conclusion of this 35th AGM.

Explanatory Note C

Shareholders at the 33rd AGM of the Company held on 28 May 2015 had approved the increase in directors' fees to Non-Executive Directors ("NEDs") to RM1,350,000. The additional RM267,050 for 2016 is in respect of fees received from subsidiary companies as well as fees for an additional director appointed in the year under review.

Explanatory Note D

A formal review of directors' remuneration is undertaken once every two (2) years in accordance with the Board Charter. The last review on NEDs' remuneration was approved by shareholders at the 33rd AGM of the Company held on 28 May 2015, whereby the Board was given a mandate to decide on the manner of payment and distribution of directors' fees. Consequently, the Board approved a fixed monthly payment of directors' fees, as follows -

Table with 3 columns: Position, Annual Fees (RM), Monthly Payment (RM). Rows: Group Chairman (300,000, 25,000), NED (150,000, 12,500)

Section 230(1) of the CA 2016 which came into effect on 31 January 2017, provides that the fees and benefits payable to directors of a listed company and its subsidiaries shall be approved at a general meeting. Accordingly, shareholders' approval is sought at this AGM for the payment of directors' fees to the NEDs of the Company and to NEDs who sit on the Board of Subsidiaries companies as follows -

For the Company -

Table with 3 columns: Position, Monthly Payment (RM), Period. Rows: Chairman (25,000), NED (12,500), Period: From 1 January 2017 to the next AGM

For subsidiaries -

Table with 3 columns: Position, Annual Payment (RM), Period. Rows: Chairman/NED (2,000), Period: From 1 January 2017 to the next AGM

Note - The President & Group CEO does not receive any Directors' fee.

The Board is not proposing for any change to the existing directors' fees as the Board is of the view that the fees are fair and equitable, and reflective of the expansion and complexity of the UMW Group's businesses, locally and abroad.

Explanatory Note E

The directors' benefits payable (excluding directors' fees) to NEDs from 1 January 2017 to the next AGM of the Company, comprises benefits-in-kind and other emoluments as set out below -

Table with 3 columns: Description, Chairman, NEDs. Rows: Benefits-in-kind, Other emoluments (Meeting allowance, Board Committees, Subsidiaries, Per Diem)

Payment of NEDs' benefits are made by the Company and its subsidiaries on a monthly basis and/or as and when incurred.

In determining the estimated amount of benefits payable to the NEDs including the Non-Executive Chairman of the Board of the Company, the Board considered various factors including the number of scheduled meetings for the Board, Board of subsidiaries and Board Committees, as well as the number of NEDs involved in these meetings.

The amounts of benefits payable to NEDs for the financial year ending 31 December 2017 and for the period from 1 January 2018 to the next AGM of the Company, is approximately RM1,582,000 and RM518,000, respectively.

Explanatory Note F

The Audit Committee ("AC") had carried out an annual assessment of the external auditors to evaluate their suitability, effectiveness and independence as recommended under Principle 5 of MCCG 2012. The annual evaluation of external auditors provides the AC with a disciplined approach for maintaining effective oversight of the external auditors' performance, covering amongst others, the adequacy of the audit team, degree of independence, performance level and audit scope. Based on the evaluation conducted, the AC is satisfied with the external auditors' performance, technical competency and audit independence.

The external auditors, Messrs. Ernst & Young, have provided written assurance to the AC that they have been independent throughout the audit engagement for 2016. The external auditors have also expressed their willingness to be re-appointed at this AGM.

EXPLANATORY NOTES ON SPECIAL BUSINESS

Resolution 7 - Proposed Renewal of Shareholders' Mandate

The Board proposes to renew the mandate granted by shareholders at the last AGM held on 19 May 2016 and to approve a new mandate for an additional recurrent related party transaction ("RRPT"). The Proposed Shareholders' Mandate, if passed, will enable the UMW Group to enter into RRPTs of a revenue or trading nature, which are necessary for the Group's day-to-day operations, and are on normal commercial terms which are not more favourable to the related parties than those generally available to the public.

Details of the Proposed Shareholders' Mandate are set out in the Circular to Shareholders dated 28 April 2017. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

ABSTENTION OF VOTING

- 1. All NEDs, who are shareholders of the Company (direct or indirect), will abstain from voting on Resolutions 3, 4 and 5 in respect of the approval of directors' fees and benefits payable to NEDs, at this AGM.
2. All directors standing for re-election, who are also shareholders of the Company (direct or indirect), will abstain from voting on Resolutions 1 and 2 in respect of their re-election, at this AGM.

STATEMENT ACCOMPANYING THE NOTICE OF THE 35TH ANNUAL GENERAL MEETING

Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

Details of directors standing for re-election as mentioned herein are set out in the Director's profile on pages 46 and 55 of the Annual Report 2016.