

Sime Darby Berhad

(Company No. 752404-U)

NOTICE OF ANNUAL GENERAL MEETING



NOTICE IS HEREBY GIVEN that the Eleventh Annual General Meeting (AGM) of Sime Darby Berhad (Sime Darby or Company) will be held at the Grand Ballroom, First Floor, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur, Malaysia on Monday, 20 November 2017 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 2017 together with the Reports of the Directors and the Auditors thereon.
Refer to Explanatory Note 1
- To declare a final single tier dividend of 17.0 sen per ordinary share for the financial year ended 30 June 2017.
Refer to Explanatory Note 2 **(Resolution 1)**
- To approve the payment of Directors' remuneration to the Non-Executive Directors as disclosed in the Audited Financial Statements for the financial year ended 30 June 2017.
Refer to Explanatory Note 3 **(Resolution 2)**
- To approve the payment of Directors' remuneration (excluding Directors' fees) to the Non-Executive Directors based on the remuneration structure as disclosed in Explanatory Note 4 for the period from 1 July 2017 until the next AGM of the Company to be held in 2018.
Refer to Explanatory Note 4 **(Resolution 3)**
- To re-elect the following Directors, who retire pursuant to Article 99 of the Articles of Association of the Company and who being eligible, offer themselves for re-election:
(i) Tan Sri Samsudin Osman
(ii) Dato Sri Lim Haw Kuang
(iii) Dato' Rohana Tan Sri Mahmood
Refer to Explanatory Note 5 **(Resolution 4)**
(Resolution 5)
(Resolution 6)
- To appoint Messrs PricewaterhouseCoopers as Auditors of the Company for the financial year ending 30 June 2018 and to authorise the Directors to determine their remuneration.
Refer to Explanatory Note 6 **(Resolution 7)**

AS SPECIAL BUSINESS

- To consider and, if thought fit, pass the following Special Resolution:
Proposed Adoption of the New Constitution of the Company
"THAT approval be and is hereby given to revoke the existing Memorandum and Articles of Association of the Company with immediate effect and in place thereof, the proposed new Constitution of the Company as set out in the Circular to Shareholders dated 24 October 2017 accompanying the Company's Annual Report 2017 for the financial year ended 30 June 2017 be and is hereby adopted as the Constitution of the Company AND THAT the Directors of the Company be and are hereby authorised to assent to any modification, variation and/or amendment as may be required by the relevant authorities and to do all acts and things and take all such steps as may be considered necessary to give full effect to the foregoing."
Refer to Explanatory Note 7 **(Resolution 8)**
- To transact any other business for which due notice shall have been given in accordance with the Companies Act, 2016 and the Articles of Association of the Company.

FURTHER NOTICE IS HEREBY GIVEN THAT for the purpose of determining a member who shall be entitled to attend this Eleventh Annual General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Article 56 of the Articles of Association of the Company and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 7 November 2017. Only a depositor whose name appears on the Record of Depositors as at 7 November 2017 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.

Notice of Book Closure and Notice of Dividend Entitlement and Payment

NOTICE IS ALSO HEREBY GIVEN THAT a final single tier dividend of 17.0 sen per ordinary share in respect of the financial year ended 30 June 2017 (Dividend) under Resolution 1, if approved by the shareholders at the Eleventh Annual General Meeting of the Company, will be paid on 20 December 2017 to shareholders whose names appear in the Record of Depositors as at the close of business on 6 December 2017.

A Depositor shall qualify for entitlement to the Dividend only in respect of:

- shares deposited into the depositor's securities account before 12.30 p.m. on 4 December 2017 in respect of shares which are exempted from mandatory deposit;
- shares transferred into the depositor's securities account before 4.00 p.m. on 6 December 2017 in respect of transfers; and
- shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board

Norzilah Megawati Abdul Rahman (LS0009247)
Mazlina Mohd Zain (LS0008287)
Company Secretaries
Kuala Lumpur, Malaysia
24 October 2017

NOTES :

Proxy and/or Authorised Representative

- A Member entitled to attend and vote at the above Meeting is entitled to appoint not more than two (2) proxies to exercise all or any of his/her rights to attend, participate, speak and vote at the Meeting 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 of the Company.
- A Member may appoint any person to be his/her proxy without any restriction as to the qualification of such person.
- Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the Eleventh Annual General Meeting (AGM) of the Company shall be put to vote by way of a poll.
- Where a Member of the Company is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act 1991 (SICDA), 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 to attend and vote at a meeting of the Company instead of him/her.
- Where a Member of the Company is an Exempt Authorised Nominee as defined under SICDA 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, 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 in writing signed by the appointor or his/her 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. Any alteration to the instrument appointing a proxy must be initialled.
- 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 & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia before 12.00 p.m. on 19 November 2017 or not less than 24 hours before the time appointed for the taking of the poll at the Eleventh AGM, whichever is the later.

Explanatory Notes

1. Audited Financial Statements for the Financial Year Ended 30 June 2017

The Audited Financial Statements are laid in accordance with Section 340(1)(a) of the Companies Act, 2016 (CA 2016) for discussion only. The Audited Financial Statements do not require shareholders' approval and as such, will not be put forward for voting to be formally approved by the shareholders.

2. Resolution 1 - Declaration of a Final Single Tier Dividend

With reference to Section 131 of CA 2016, a company may only make a distribution to the shareholders out of profits of the company available if the company is solvent. On 24 August 2017, the Board had considered the amount of dividend and decided to recommend the same for the shareholders' approval.

The Directors of the Company are satisfied that the Company will be solvent as it will be able to pay its debts as and when the debts become due within twelve (12) months immediately after the distribution is made on 20 December 2017 in accordance with the requirements under Sections 132(2) and (3) of CA 2016.

3. Resolution 2 - Payment of Directors' Remuneration to the Non-Executive Directors for the Financial Year Ended 30 June 2017

In 2014, a review of the Non-Executive Directors' (NED) remuneration was conducted by an external consultant to ascertain the competitiveness of the Directors' remuneration having regard to various internal factors such as internal operational dynamics and complexities, and external challenges such as changes in competitor activity and new market segments. The following remuneration structure has been adopted since 2014:

Board/Board Committee	Chairman (RM/Year)	Deputy Chairman (RM/Year)	Member (RM/Year)
Board	600,000	250,000	180,000 ⁽¹⁾ 360,000 ⁽²⁾
Board Committees	40,000	Not Applicable	30,000

Notes:

⁽¹⁾ Fee for Resident Director

⁽²⁾ Fee for Non-Resident Director

The Board has, at its meeting held in September 2017, approved for the Directors' fees to remain unchanged for the financial year ended 30 June 2017 in accordance with the remuneration structure as set out above.

The main benefit accorded to the NEDs of the Company is company cars. Other key benefit items provided to the NEDs of the Company include petrol claims, telecommunication devices/facilities, meeting allowances, club memberships, medical and insurance coverage and discounts on purchases of Group/companies products.

Article 79(1) of the Articles of Association of the Company (AA) provides that the remuneration of the NEDs shall be determined by the Company by an ordinary resolution at a general meeting.

Please refer to page 205 of the Notes to the Financial Statements for the amount of Directors' Remuneration at the Sime Darby and the Group levels, to be approved at this Eleventh Annual General Meeting (AGM) comprising fees and benefits amounting to RM6.2 million. The remuneration of each Director is set out in the Statement on Corporate Governance on page 119 of the Company's Annual Report 2017.

4. Resolution 3 - Payment of Directors' Remuneration (excluding Directors' fees) to the Non-Executive Directors for the period from 1 July 2017 until the next AGM of the Company to be held in 2018

Pursuant to Section 230 of CA 2016 which came into force on 31 January 2017, any fees and benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting.

The Company is seeking shareholders' approval on the benefits/emoluments payable to the NEDs for the period commencing 1 July 2017 until the next AGM to be held in 2018 in accordance with the remuneration (excluding Directors' fees) structure set out below, as and when incurred:

Description	Company	Amount
Meeting allowance	• Sime Darby Hudimills B.V. • Sime Darby Hudson & Knight (Proprietary) Limited • PT Minamas Gemilang/PT Anugerah Sumbermakmur (i) Board of Commissioners (BOC) (ii) BOC Committee	€800 per meeting ZAR800 per meeting RM1,000 per day RM1,000 per day

Discount on purchase of Group/Company products by NEDs on terms not more favourable than those given to the public/employees.

Other Benefits

- Company car, petrol and driver for Non-Executive Chairman
- Company car and petrol for NEDs
- Telecommunication devices/facilities, club memberships, medical and insurance coverage.

5. Resolutions 4 to 6 - Re-election of Directors Pursuant to Article 99 of the AA

Article 99 of the AA expressly states that at every AGM, at least one-third (1/3) of the Directors for the time being shall retire from office at each annual general meeting. A Director retiring at a meeting shall retain office until the conclusion of the meeting. In addition, Article 100 of the AA states that all Directors shall retire from office at least once every three (3) years. A retiring Director shall be eligible for re-election.

Tan Sri Samsudin Osman, Dato Sri Lim Haw Kuang and Dato' Rohana Tan Sri Mahmood being eligible, have offered themselves for re-election at the Eleventh AGM pursuant to Article 100 of the AA.

The Board recommends the re-election of the Directors standing for re-election. Key contributions of the Directors seeking re-election are provided in the Nomination & Remuneration Committee (NRC) Report on pages 130 to 135 of the Company's Annual Report 2017. All Directors standing for re-election have abstained from deliberations and decisions on their own eligibility to stand for re-election at the relevant NRC and Board meetings and will continue to abstain from deliberations and decisions on their own eligibility to stand for re-election at this AGM.

Tan Sri Dato' Seri Mohd Bakke Salleh has informed the Board in writing of his intention to retire as an Executive Director and therefore will not be seeking re-election at the AGM. Hence, he will retain office until the conclusion of this AGM in accordance with Article 99 of the AA.

The Board has conducted an assessment of the independence of the Independent NEDs seeking re-election at this AGM, namely Dato Sri Lim Haw Kuang and Dato' Rohana Tan Sri Mahmood based on the criteria set by the Company and guided by the definition of "Independent Director" as prescribed by the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (Bursa Securities), the Malaysian Code on Corporate Governance 2012 and Corporate Governance Guide 2nd Edition. The Board is satisfied that Dato Sri Lim Haw Kuang and Dato' Rohana Tan Sri Mahmood and the other Independent Directors have maintained their independence in the financial year ended 30 June 2017.

6. Resolution 7 - Re-appointment of Auditors

The Governance & Audit Committee (GAC) at its meeting held on 18 September 2017 undertook the annual assessment of the suitability and effectiveness of the external audit process, and the performance, suitability and independence of the external auditors, PricewaterhouseCoopers (PwC). The following factors were taken into consideration:

- Dissemination of information about policies and processes for maintaining independence, objectivity and the monitoring of PwC's compliance with professional ethical standards;
- Communication of audit strategy and current development in relation to accounting and auditing standards relevant to the Group's financial statements and the potential impact on the audit;
- Timeliness and quality of communication with regard to significant audit, accounting, related risks and control weaknesses and recommendations as well as effective use of meetings with the GAC without management presence;
- Competency in the coordination of resources and technical knowledge, and expertise in managing its engagement; and
- Reasonableness of the audit fees charged.

The GAC was satisfied with the suitability of PwC based on the quality of audit, performance, competency and sufficiency of resources that the external audit team had provided to the Sime Darby Group as prescribed under Paragraph 15.21 of the MMLR.

The Board at its meeting held on 27 September 2017 approved the GAC's recommendation that shareholders' approval be sought at the Eleventh AGM on the appointment of PwC as external auditors of the Company for the financial year ending 30 June 2018, under Resolution 7. The present external auditors, PwC, have indicated their willingness to continue their services for the next financial year.

Explanatory Notes on Special Business

7. Resolution 8 - Proposed Adoption of the New Constitution of the Company

The proposed Resolution 8, if passed, will bring the Company's Constitution in line with the enforcement of CA 2016 and will enhance administrative efficiency. The proposed new Constitution is set out in the Circular to Shareholders dated 24 October 2017 accompanying the Company's Annual Report 2017.