



UMW
UMW HOLDINGS BERHAD
 (Company No. 90278-P)
 (Incorporated in Malaysia)

NOTICE OF 36TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 36th 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, 24 May 2018 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 2017 together with the Reports of the Directors and Auditors thereon.

Please refer to Explanatory Note A

2. To re-elect the following Directors who retire pursuant to Article 109 of the Company's Constitution and, being eligible, have offered themselves for re-election -

- (a) Datin Paduka Kartini Hj Abdul Manaf
- (b) Salwah Abdul Khukur
- (c) Dr Veerinderjeet Singh a/l Tejwant Singh
- (d) Mohd Shahazwan Mohd Harris
- (e) Lim Tze Seong

Please refer to Explanatory Note B

3. To re-elect Khalid Sufat who retires pursuant to Articles 123 and 125 of the Company's Constitution and, being eligible, has offered himself for re-election.

Please refer to Explanatory Note C

4. To re-elect Dato' Siow Kim Lun @ Siow Kim Lin, who would have served as an Independent Non-Executive Director for a cumulative term of nine (9) years on 10 July 2018, to continue to act as a Senior Independent Non-Executive Director until the conclusion of the next AGM of the Company.

Please refer to Explanatory Note C

5. To approve the payment of the following Directors' fees from 25 May 2018 to the next AGM of the Company -

- (a) RM25,000 per month to the Non-Executive Chairman and RM12,500 per month to each Non-Executive Director of the Company; and
- (b) RM2,000 per annum to each Non-Executive Director who sits on the Board of Directors of subsidiaries.

Please refer to Explanatory Note D

6. To approve the payment of benefits payable to the Non-Executive Chairman and Non-Executive Directors up to an amount of RM1,550,000 from 25 May 2018 to the next AGM of the Company.

Please refer to Explanatory Note E

7. To re-appoint Messrs Ernst & Young as Auditors of the Company for the financial year ending 31 December 2018 and to authorise the Directors to fix their remuneration.

Please refer to Explanatory Note F

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Ordinary Resolution -

8. Proposed Renewal of Shareholders' Mandate for Existing Recurrent Related Party Transactions and Proposed New Shareholders' Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature (**Shareholders' Mandate**)

"THAT the mandate granted by shareholders on 25 May 2017 pursuant to Paragraph 10.09 of the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad, authorising the Company and/or its subsidiaries (UMW Group) to enter into the recurrent transactions of a revenue or trading nature as set out in Section 2.3(b)(i) of Part A of the Circular to Shareholders dated 25 April 2018 (Circular), with the related parties mentioned therein, which are necessary for the day-to-day operations of the UMW Group, be renewed, AND THAT approval be given for a new mandate for the UMW Group to enter into additional recurrent transactions of a revenue or trading nature as set out in Section 2.3(b)(ii) of Part A of the Circular with the related parties mentioned therein, PROVIDED THAT such transactions are entered into in the ordinary course of business and on normal commercial terms which are not more favourable to the related party than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

THAT the Shareholders' Mandate shall continue to be in force and effect until -

- (a) the conclusion of the next AGM of the Company, at which time the authority will lapse, unless the authority is renewed by a resolution passed at such general meeting;
- (b) the expiration of the period within which the Company's next AGM is required to be held, pursuant to Section 340(1) and (2) of the Companies Act 2016 (CA 2016) (but shall not extend to any extension as may be allowed pursuant to Section 340(4) of the CA 2016); or
- (c) revoked or varied by a resolution passed by the shareholders of the Company in a general meeting,

whichever is the earliest;

AND THAT the Board of Directors of the Company be empowered and authorised to complete and do such acts and things as they may think expedient or necessary (including executing such documents as may be required) to give effect to the Shareholders' Mandate."

Please refer to Explanatory Note G

To consider and, if thought fit, to pass the following Special Resolution -

9. Proposed Adoption of the New Constitution of the Company

"THAT approval be given to revoke the existing Constitution (previously referred to as the 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 Appendix II of the Circular to Shareholders dated 25 April 2018, be adopted as the Constitution of the Company AND THAT the Directors of the Company be 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."

Please refer to Explanatory Note H

10. To transact any other business for which due notice has been given.

FURTHER NOTICE IS HEREBY GIVEN THAT for the purpose of determining a member who shall be entitled to attend the 36th 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 17 May 2018. Only a depositor whose name appears on the ROD as at 17 May 2018 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.

By Order of the Board

MOHD NOR AZAM MOHD SALLEH (MAICSA 7028137)

Group Secretary

Shah Alam, Selangor Darul Ehsan.

25 April 2018

NOTES

Proxy and/or Authorised Representatives

1. A member of the Company entitled to attend and vote at the meeting is shall be appointed to appoint in his/her stead. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her holdings to be represented by each proxy.
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 appointor 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 to set for the taking of the poll or before any adjournment thereof.
5. A corporation which is a member, may by resolution of its directors or other governing body authorises such person as it thinks fit to act as its representative at the meeting, in accordance with Article 95 of the Company's Constitution.

6. Only members whose names appear in the ROD as at 17 May 2018 shall be entitled to attend and vote at the meeting or appoint proxies to attend and vote on his/her behalf.
7. Pursuant to Paragraph 8.29A of the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad, the resolutions set out in this Notice will be put to vote by poll.

EXPLANATORY NOTES ON ORDINARY BUSINESSES

Explanatory Note A

The Audited Financial Statements are for discussion only and do not require formal approval of shareholders, pursuant to Section 340(1)(a) of the Companies Act 2016 (CA 2016) and hence, will not be put for voting.

Explanatory Note B

Article 109 of the Company's Constitution 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, Datin Paduka Kartini Hj Abdul Manaf, Salwah Abdul Khukur, Dr Veerinderjeet Singh and Mohd Shahazwan Mohd Harris, who were appointed Directors on 15 June 2017 and Lim Tze Seong, who was appointed Director on 1 January 2018, retire and being eligible, have offered themselves for re-election.

Except for Lim Tze Seong, all Directors underwent a comprehensive annual performance evaluation carried out by the Nomination & Remuneration Committee (NRC) and the Board to assess the performance and contribution of each individual Director, taking into consideration among others, character, integrity, professionalism and competency. The Board is satisfied that the retiring Directors have discharged their functions, duties and responsibilities well, and agreed that they are eligible to stand for re-election at this AGM.

With regard to the assessment of independence and effectiveness of Dr Veerinderjeet Singh and Mohd Shahazwan as Independent Directors, the Board is satisfied with the level of independence demonstrated by Dr Veerinderjeet Singh and Mohd Shahazwan and their ability to act in the best interest of the Company. Both Independent Directors are expected to continue to provide independent views, advice and judgement to ensure a balanced and unbiased decision-making process at the Board. The Board is satisfied that Dr Veerinderjeet Singh and Mohd Shahazwan have complied with the criteria of an Independent Director as defined under MMLR.

Profiles of Datin Paduka Kartini, Salwah, Dr Veerinderjeet Singh, Mohd Shahazwan and Lim Tze Seong are set out on pages 58 to 62 of this Annual Report.

Explanatory Note C

Article 123 of the Company's Constitution provides that at least one-third of the Directors are subject to retirement by rotation at each AGM while Article 125 of the Company's Constitution further provides that the Directors shall be eligible for re-election. Dato' Siow Kim Lun (appointed on 10 July 2009) and Khalid Sufat (appointed on 1 September 2010) are subject to retirement at this AGM under Articles 123 and 125, and both of whom have offered themselves for re-election at this AGM.

Similarly, the assessment of independence and effectiveness of Dato' Siow and Khalid Sufat as Independent Directors was carried out and the Board is satisfied with their level of independence and ability to act in the best interest of the Company. The Board is satisfied that Dato' Siow and Khalid Sufat have complied with the criteria of an Independent Director as defined under MMLR.

Dato' Siow, the Senior Independent Director of the Company, would exceed the 9-year term on 11 July 2018. Dato' Siow has indicated his willingness to continue to act as a Senior Independent Non-Executive Director of the Company and has offered himself for re-election at this AGM, and to continue to be in office until the next AGM.

Pursuant to the Board Charter and in line with the Malaysian Code on Corporate Governance 2017 (MCCG 2017), if the Board wishes to retain an Independent Director beyond 9 years, it should provide justifications and seek annual shareholders' approval.

The Board via the NRC has assessed the independence and suitability of Dato' Siow to continue to act as a Senior Independent Director of the Company. The Board has formed a view that as a Senior Independent Non-Executive Director, Dato' Siow continues to exercise strong independent and objective judgements to Board deliberations and the decision-making process as a whole, besides actively seeking clarification and challenging management on the conduct of the Group's business and other issues raised at various Board and Board Committee meetings. The Board is of the view that Dato' Siow's length of service on the Board and Board Committees does not in any way interfere with his exercise of independent judgement in the interest of the Group and its stakeholders.

Dato' Siow's vast professional experience and knowledge in corporate finance and capital market regulation continue to add to the right mix of skills and expertise to the Board. His valuable insight and knowledge of the Group's core business operations would continue to enable him to discharge his duties and role as a Senior Independent Non-Executive Director effectively and without fear and favour, especially during this critical time where the Group is at its turnaround and transformation phase.

Profiles of Dato' Siow and Khalid Sufat are set out on pages 54 and 55 of this Annual Report.

Explanatory Note D

Pursuant to Section 230(1) of the CA 2016, any fees and benefits payable to the 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 Non-Executive Directors (NEDs) of the Company and to NEDs who sit on the Board of Directors of subsidiaries as follows -

For the Company -

	Monthly Payment (RM)	Period
Chairman	25,000	From 25 May 2018 to the next AGM
NED	12,500	

For subsidiaries -

	Annual Payment (RM)	Period
Chairman/NED	2,000	From 25 May 2018 to the next AGM

The Board is not proposing for any revision to the existing Directors' fees payable.

Explanatory Note E

The Directors' benefits payable (excluding Directors' fees) to NEDs from 25 May 2018 to the next AGM of the Company, comprises benefits-in-kind and other emoluments as set out below -

Description	Chairman	NEDs
Benefits-in-kind	Leave passage, medical coverage worldwide, car and petrol, club memberships, mobile phone, telephone expenses and security services, etc.	Medical coverage worldwide, car and petrol, telephone expenses, etc.
Other emoluments -		
• Meeting allowance (per meeting)	RM1,500	RM1,000
- Board		
- Board Committees		
- Subsidiaries		
• Per Diem (per day)	RM500	RM500

Payment of benefits to NEDs is to be 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, 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 amount of benefits payable to NEDs for the period from 25 May 2018 to the next AGM is up to an amount of RM1,550,000.

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 B of MCCG 2017. The annual evaluation of external auditors provides the AC with a disciplined approach for maintaining effective oversight of the external auditors' performance, covering among 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 competence 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 2017. The external auditors have also expressed their willingness to be re-appointed at this AGM.

EXPLANATORY NOTES ON SPECIAL BUSINESSES

Explanatory Note G

The Board proposes to renew the mandate granted by shareholders at the AGM held on 25 May 2017 and to approve a new mandate for additional recurrent related party transactions (RRPTs). 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 UMW 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 Section 2.3(b)(i) of Part A of the Circular to Shareholders dated 25 April 2018. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

Explanatory Note H

The proposed Resolution 12, if passed, will bring the new Company's Constitution in line with the enforcement of CA 2016 and the amended MMLR, which will enhance the Company's administrative efficiency. The proposed new Constitution is set out in Appendix II of the Circular to Shareholders dated 25 April 2018.

ABSTENTION FROM VOTING

1. All Directors standing for re-election, who are also shareholders of the Company (direct or indirect), will abstain from voting on Resolutions 1, 2, 3, 4, 5, 6 and 7 in respect of their re-elections at this AGM.
2. All NEDs, who are also shareholders of the Company (direct or indirect), will abstain from voting on Resolutions 8 and 9 in respect of the approval of Directors' fees and benefits payable to NEDs at this AGM.