



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

NOTICE OF 37TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 37th Annual General Meeting (AGM) of the Company will be held at the UMW Auditorium, No. 3, Jalan Utas (15/7), Batu Tiga Industrial Estate, 40200 Shah Alam, Selangor Darul Ehsan, Malaysia, on Thursday, 23 May 2019 at 10.00 a.m. to transact the following businesses -

ORDINARY BUSINESS

- To receive the Audited Financial Statements for the financial year ended 31 December 2018 together with the Reports of the Directors and Auditors thereon.
- To re-elect Badrul Feisal Abdul Rahim who retires pursuant to Article 119 of the Company's Constitution and being eligible offers himself for re-election.
- To re-elect the following Directors who retire pursuant to Articles 126 and 128 of the Company's Constitution and being eligible offer themselves for re-election -
 - Tan Sri Hasmah Abdullah
 - Dato' Eshah Meor Suleiman
- To approve the payment of the following Directors' fees for the period from 24 May 2019 until the next AGM of the Company -
 - RM27,500 per month to the Non-Executive Chairman and RM13,750 per month to each Non-Executive Director of the Company; and
 - RM10,000 per annum to each Non-Executive Director who is the Chairman of the board of subsidiaries and RM8,000 per annum to each Non-Executive Director who is a Director of the board of subsidiaries.
- To approve the payment of benefits payable to the Non-Executive Chairman and Non-Executive Directors up to an amount of RM1,850,000 for the period from 24 May 2019 until the next AGM of the Company.
- To re-appoint Messrs Ernst & Young as Auditors of the Company for the financial year ending 31 December 2019 and to authorise the Directors to fix their remuneration.

Resolution 1

Resolution 2

Resolution 3

Resolution 4

Resolution 5

Resolution 6

SPECIAL BUSINESS

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

- 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**).

Resolution 7

"THAT the mandate granted by shareholders on 24 May 2018 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 the Circular to Shareholders dated 25 April 2019 (**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 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 -

- 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;
- 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
- 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."

- 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 37th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd pursuant to Article 76(2) 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 15 May 2019. Only a depositor whose name appears on the ROD as at 15 May 2019 shall be entitled to attend the said meeting or appoint proxy/proxies to attend and/or vote on his/her behalf.

By Order of the Board

MOHD NOR AZAM MOHD SALLEH (MAICSA 7028137)
 Group Secretary

Kuala Lumpur, Malaysia.
 25 April 2019

NOTES

1. Proxy and/or Authorised Representative

- A member of the Company entitled to attend and vote at the meeting is entitled to appoint any person as proxy to attend, participate, speak and vote 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.
- 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. Where a member is an exempt authorised nominee which holds ordinary shares of the Company for multiple beneficial owners in one (1) security account, there is no limit to number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- 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.
- All Forms of Proxy must be deposited at the office of the Share Registrar of the Company, Securities Services (Holdings) Sdn Bhd at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Malaysia not less than twenty-four (24) hours before the time appointed for the taking of the poll or before any adjournment thereof.
- 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 98 of the Company's Constitution.
- 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.

2. Audited Financial Statements for the financial year ended 31 December 2018

The audited financial statements are for discussion only pursuant to Section 340(1)(a) of the Companies Act 2016 (**CA 2016**) and will not be put forward for voting.

3. Ordinary Resolution 1 : Re-election of Director who retires pursuant to Article 119 of the Company's Constitution

Article 119 of the Company's Constitution provides that a Chief Executive shall be subject to retirement by rotation and be reckoned as a Director for the purpose of determining the rotation or retirement of Directors or in fixing the number of Directors to retire. Accordingly, Badrul Feisal Abdul Rahim who was appointed Director on 1 October 2015, is subject to retirement and standing for re-election at this AGM.

The Board via the Nomination & Remuneration Committee (**NRC**) had conducted an assessment to evaluate the performance of the President & Group CEO as a Board member, based on the broad performance criteria as follows -

- Leadership;
- Strategy formulation and execution;
- Financial planning and performance;
- Relationship with the Board;
- External relations;
- Human resource management and relations;
- Succession;
- Product and service knowledge; and
- Personal qualities.

Based on the performance evaluation results, the Board found Badrul Feisal to be a dynamic individual that displays good leadership with the competency to formulate and execute strategy. Badrul Feisal also possesses good understanding on business trends, opportunities and priorities affecting the Group. He also maintains strong working relationship with the Board and various stakeholders.

The Board recommends for the re-election of Badrul Feisal as Director of the Company.

The profile of Badrul Feisal is set out on page 24 of the Annual Report 2018.

4. Ordinary Resolutions 2 and 3 : Re-election of Directors who retire pursuant to Articles 126 and 128 of the Company's Constitution

Article 126 of the Company's Constitution provides that at least one-third (1/3) of the Directors are subject to retirement by rotation at each AGM while Article 128 of the Company's Constitution further provides that the Directors shall be eligible for re-election.

In accordance with the above, Tan Sri Hasmah Abdullah and Dato' Eshah Meor Suleiman are subject to retirement and standing for re-election at this AGM.

For the purpose of determining the eligibility of the Directors standing for re-election at this AGM, a comprehensive annual performance evaluation was carried out by the 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.

In addition, the Board had also conducted an assessment on the independence and effectiveness of Tan Sri Hasmah and Dato' Eshah as Independent Directors, as recommended under Principle A of the Malaysian Code on Corporate Governance 2017 (**MCCG 2017**). The Board is satisfied with the level of independence demonstrated by Tan Sri Hasmah and Dato' Eshah and their ability to act in the best interest of the Company. Both Independent Directors are expected to continue to provide independent view, advice and judgement to ensure a balanced and unbiased decision-making process at the Board. The Board recommends for the re-election of Tan Sri Hasmah and Dato' Eshah as Directors of the Company.

The profiles of Tan Sri Hasmah and Dato' Eshah are set out on pages 27 and 28 of the Annual Report 2018.

5. Ordinary Resolution 4 : Payment of Directors' fees

A formal review of Directors' remuneration is to be undertaken once every two (2) years in accordance with the Board Charter. The last review on Non-Executive Directors' (**NEDs**) remuneration was approved by shareholders at the 33rd AGM of the Company held on 28 May 2015.

The Board is proposing a review of the existing Directors' fees for NEDs in 2019 in view that fair remuneration is critical to attract, retain and motivate Directors with strong credentials and high caliber to drive the Company's long-term objectives. The review in NEDs' remuneration package takes into account the complexity of the Company's businesses and the individual Directors' level of expertise, commitment and responsibilities. In addition, the remuneration of NEDs is also to be set at a competitive level for similar roles within comparable market to commensurate with the NEDs' responsibilities, commitments and contributions.

In reviewing the Directors' fee, a comprehensive benchmarking exercise was carried out with several comparable public listed companies. The review exercise also took into account the findings from the Report on NEDs Remuneration 2017 by a prominent audit firm.

In addition, there is also a need to review the existing Directors' fees paid to NEDs serving as Chairman and Directors at the board of subsidiaries in the Group, in view that the review exercise has not been carried out for more than 10 years.

The proposed review was comprehensively deliberated by the NRC and was duly approved by the Board for tabling at this AGM for shareholders' approval. The proposed increase in Directors' fee for NEDs, which is to be effective for the period from 24 May 2019 until the next AGM of the Company, is as follows -

- Increase of Directors' fee to Non-Executive Chairman from RM25,000 per month to RM27,500 per month;
- Increase of Directors' fee to Non-Executive Director from RM12,500 per month to RM13,750 per month;
- Increase of Directors' fee to each Non-Executive Director who is the Chairman of the board of subsidiaries from RM2,000 per annum to RM10,000 per annum; and
- Increase of Directors' fee to each Non-Executive Director who is a Director of the board of subsidiaries from RM2,000 per annum to RM8,000 per annum.

The Board is of the view that the proposed increase of Directors' fees is reasonable, fair and within the market range.

6. Ordinary Resolution 5 : Payment of benefits payable to the Non-Executive Chairman and Non-Executive Directors

The benefits payable comprise meeting allowance, benefits and other emoluments payable to the Non-Executive Chairman and Non-Executive Directors of the Board, Board Committees and the board of subsidiaries.

Meeting allowance

As part of the review exercise on NEDs' remuneration, the Board is also proposing for an increase in meeting allowance as follows -

Meeting Allowance (per meeting)	Existing (From 1 January 2010)	Proposed
Chairman of the Board of the Company	RM1,500	RM2,250
Chairman of Board Committees of the Company	RM1,500	RM2,000
Members of the Board/Board Committees of the Company	RM1,000	RM1,500
Chairman of the Board of Subsidiaries	RM1,500	RM2,000
Members of the Board/Board Committees of Subsidiaries	RM1,000	RM1,500

In determining the proposed increase in meeting allowances, the Board took into consideration among others, the number of meetings of the Board and Board Committees as well as the need for NEDs to dedicate more time, focus and commitment with reference to their statutory duties, the complexity of the Group's businesses and the increased expectations from various stakeholders. A benchmarking exercise was also carried out with several comparable public listed companies.

The Board is also recommending a differentiation in meeting allowance to be paid to the Non-Executive Chairman of the Company in view of the bigger role and responsibility, and leadership as Chairman of the Board.

The Board is of the view that the proposed increase in meeting allowance for NEDs is fair and equitable.

Other benefits and emoluments

The customary benefits and other emoluments payable to the Non-Executive Chairman and Non-Executive Directors comprising, among others, the following -

Non-Executive Chairman	Non-Executive Directors
<ul style="list-style-type: none"> Leave passage; Medical and insurance coverage; Car, petrol/toll charges and driver; Club memberships; Telecommunication devices (including bills); Per diem allowance; Security services; and Other claimable benefits. 	<ul style="list-style-type: none"> Medical and insurance coverage; Car and petrol/toll charges; Telecommunication devices (including bills); Per diem allowance; and Other claimable benefits.

Payment of fees and benefits will be made by the Company and its subsidiaries on a monthly basis and/or as and when incurred.

The amount of benefits payable to NEDs for the period from 24 May 2019 until the next AGM of the Company is up to the amount of RM1,850,000. In determining the estimated amount of benefits payable, the Board considered various factors including the number of scheduled meetings for the Board, Board Committees and board of subsidiaries, as well as the number of NEDs involved in these meetings.

The Board opined that it is equitable and fair for the Non-Executive Chairman and Non-Executive Directors to be paid such payment on such basis upon them discharging their responsibilities and rendering their services to the Company and its subsidiaries.

7. Ordinary Resolution 6 : Re-appointment of Messrs Ernst & Young as Auditors of the Company

The Audit Committee (**AC**) had carried out an annual assessment on the external auditors, Messrs Ernst & Young (**EY**) to evaluate their suitability, effectiveness and independence as recommended under Principle B of MCCG 2017. The annual evaluation provides the AC with the disciplined approach for maintaining effective oversight of the external auditors' overall 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 quality of EY's performance, technical competency and audit independence.

8. Ordinary Resolution 7 : 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)

The Board proposes to seek a mandate for recurrent related party transactions (**RRPTs**) of a revenue or trading nature. 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 of the Circular to Shareholders dated 25 April 2019. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

ABSTENTION FROM VOTING

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