



## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the 41<sup>st</sup> Annual General Meeting ("AGM") of Zelan Berhad will be held at Mahkota II, BR Level, Hotel Istana, 73, Jalan Raja Chulan, 50250 Kuala Lumpur on Wednesday, 22 May 2017 at 2.00 p.m. for the purpose of considering and, if thought fit, passing the following resolutions:

### ORDINARY BUSINESS

- "THAT the Audited Financial Statements of the Company for the financial year ended 31 December 2016 together with the Reports of the Directors and Auditors thereon be and are hereby received." **Please refer to Note A**
- "THAT YBhg. Dato' Anwar bin Haji @ Aji, who retires in accordance with Article 78 of the Company's Articles of Association, be and is hereby re-elected a Director of the Company." **Resolution 1**
- "THAT YBhg. Datuk Ooi Teik Huat, who retires in accordance with Article 78 of the Company's Articles of Association, be and is hereby re-elected a Director of the Company." **Resolution 2**
- "THAT the Director's fees for the financial year ended 31 December 2016 amounting to RM438,923.50, be and is hereby approved." **Resolution 3**
- "THAT the payment of Directors remuneration (excluding directors' fees and Board committee fees) at the capping amount of RM400,000 to the Non-Executive Director from 31 January 2017 until the conclusion of the next AGM of the Company ("Relevant Period") be and is hereby approved." **Resolution 4**
- "THAT Messrs. PricewaterhouseCoopers, who are eligible and have given their consent for re-appointment as Auditors of the Company, be and are hereby re-appointed as Auditors of the Company until the conclusion of the next AGM, AND THAT the remuneration to be paid to them be fixed by the Board." **Resolution 5**

### SPECIAL BUSINESS

- CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR** **Resolution 6**  
"THAT authority be and is hereby given to YBhg. Dato' Abdullah bin Mohd Yusof who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company and to hold office until the conclusion of the next AGM."

- AUTHORITY TO ALLOT SHARES** **Resolution 7**  
"THAT subject always to the Companies Act, 2016 ("Act"), the Articles of Association of the Company and the approvals of the relevant government/regulatory authorities, the Board of Directors be and are hereby empowered pursuant to Section 75 of the Act, to issue and allot shares of the Company at any time until the conclusion of the next AGM of the Company upon such terms and conditions and for such purposes as the Board of the Directors may, in its absolute discretion deem fit, provided that the aggregate number of shares to be issued does not exceed ten percent (10.0%) of the issued and paid-up share capital of the Company at the time of issue AND THAT the Board of Directors is also empowered to obtain the approval of Bursa Malaysia Securities Berhad and any other relevant approvals as may be necessary for the listing of and quotation for the additional shares so issued."

- PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE OR TRADING NATURE WITH MMC CORPORATION BERHAD AND ITS SUBSIDIARIES, TRADEWINDS CORPORATION BERHAD AND ITS SUBSIDIARIES AND DRB-HICOM BERHAD AND ITS SUBSIDIARIES ("PROPOSED SHAREHOLDERS' MANDATE")** **Resolution 8**

"THAT approval be and is hereby given for the Company and/or its subsidiaries ("Group") to enter into recurrent transactions of revenue or trading nature with MMC Corporation Berhad and its subsidiaries, Tradewinds Corporation Berhad and its subsidiaries and DRB-HICOM Berhad and its subsidiaries, as set out in Section 2 of the Circular to Shareholders dated 28 April 2017 which are subject to the renewal and obtaining the shareholders' mandate, provided that such transactions are necessary for the day-to-day operations and are carried out in the ordinary course of business and at arms' length basis on normal commercial terms, which are consistent with the Group's normal business practices and policies, and on terms not more favourable to the related parties than those generally available to the public and on terms not to the detriment of the minority shareholders,

AND THAT such approval shall be in force 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 AGM;
- the expiration of the period within which the next AGM is required to be held pursuant to Section 340(2) of the Companies Act, 2016 (but shall not extend to such extensions as may be allowed pursuant to Section 340(4) of the Companies Act, 2016); or
- revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier AND THAT the Directors and/or any of them be and are hereby authorised to do all such acts and things (including, without limitation, to execute all such documents) in the interest of the Company to give full effect to the aforesaid shareholders' mandate and any transaction contemplated under this Ordinary Resolution,

AND THAT in making the appropriate disclosure of the aggregate value of recurrent transactions conducted pursuant to the shareholders' mandate in the Company's annual report, the Company must provide a breakdown of the aggregate value of the recurrent transaction made during the financial period, amongst others, based on the following information:

- the type of the recurrent transactions entered into; and
- the names of the related parties involved in each type of the recurrent transaction made and their relationship with the Company."

### BY ORDER OF THE BOARD

NOOR RANIZ BIN MAT NOR  
ELLIS SURYANTI BINTI JASMI  
Company Secretaries

28 April 2017  
Kuala Lumpur

### Notes:

#### Proxy

- A member of the Company who is entitled to attend and vote at the 41<sup>st</sup> AGM is entitled to appoint not more than two (2) proxies to attend and vote in his stead. Where the member of the Company appoints two (2) proxies, the appointment shall be invalid unless the member specifies the proportion of his shareholding to be presented by each proxy. A proxy need not be a member of the Company.
- The instrument appointing the proxy must be deposited with the Registrar's Office, Symphony Share Registrars Sdn. Bhd., at Level 6, Symphony House, Pusat Dagangan D1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor not less than forty-eight (48) hours before the time fixed for holding the 41<sup>st</sup> AGM.
- The lodging of the Proxy Form will not preclude shareholders from attending and voting in person at the 41<sup>st</sup> AGM should they subsequently wish to do so.

#### Note A

This agenda item is meant for discussion only as per the provision of Section 340(1)(a) of the Companies Act, 2016 which does not require a formal approval of the shareholders and hence, it is not put forward for voting.

#### Resolution 4 – Directors' allowances and/or benefits payable to the Non-Executive Directors ("NEDs") of the Company from 31 January 2017 until the conclusion of the next AGM

With the enforcement of Section 230(1) of Companies Act 2016 ("CA 2016") effective 31 January 2017, the listed company is required to table, amongst others, the fees of the directors and any benefits payable to the directors of a listed company and its subsidiaries for the shareholders' approval at a general meeting.

The proposed Resolution 4 under Agenda 5, if passed, will allow the payment of the following Directors' remuneration (excluding Directors' fees and Board committee fees) to the NEDs of the Company on a monthly basis and/or as and when incurred within the Relevant Period:

- Allowances payable by the Company comprising meeting allowances, annual leave passage and/or annual reimbursable fee including benefit-in-kind to the Chairman.

Details of the estimated Directors' remuneration (excluding Directors' fees and Board committee fees) for NEDs for the Relevant Period are set out below:

#### Resolution 4

Directors	Meeting Allowances for Board and Board Committees (RM)	Other Allowances (RM)	Benefit-in-Kind (RM)	Total (RM)
Dato' Anwar bin Haji @ Aji (Chairman)	17,000	291,000 <sup>1</sup>	7,410 <sup>2</sup>	315,410
Dato' Sri Che Khalib bin Mohamad Noh	7,000 <sup>3</sup>	-	-	7,000
Dato' Abdullah bin Mohd Yusof	14,000	-	-	14,000
Datuk Ooi Teik Huat	14,000	-	-	14,000
Datuk Puteh Rukiah Binti Abd Majid	12,000	-	-	12,000
Encik Suhaimi bin Halim	15,000	-	-	15,000
Encik Mohd Shukor bin Abdul Mumin	15,000	-	-	15,000
<b>Total</b>	<b>94,000</b>	<b>291,000</b>	<b>7,410</b>	<b>392,410 (capped at 400,000)</b>

The estimated directors' remunerations quoted above are based from those received by NEDs in the previous year.

#### Notes:

<sup>1</sup> Other Allowances to the NED comprising director allowance, car allowance and entertainment allowance.

<sup>2</sup> Benefit in kind comprising company driver, petrol and mobile phone bill (based on average monthly usage for the Relevant Period).

<sup>3</sup> Meeting allowance is shared on an equal basis between the NED and MMC Corporation Berhad (which nominated the NED on the Board).

Any of the NEDs who are shareholders of the Company will abstain from voting on the resolution concerning remuneration to the NEDs at the 41<sup>st</sup> AGM.

#### Resolution 5 – Continuation in office as Independent Non-Executive Director

The Malaysian Code on Corporate Governance 2012 ("Code") recommends that the tenure of an independent director should not exceed a cumulative term of nine (9) years. Upon completion of nine (9) years, an independent director may continue to serve on the board subject to the director's re-designation as a non-independent director. However, the Code further provides that the shareholders may, in exceptional cases and subject to the assessment of the Nomination and Remuneration Committee, decide that an independent director can remain as an independent director after serving a cumulative term of nine (9) years. In such a situation, the board must make a recommendation and provide strong justification to the shareholders in a general meeting.

In relation thereto, the Board, through the Nomination and Remuneration Committee, has assessed the independence of YBhg. Dato' Abdullah bin Mohd Yusof, who has served as an Independent, Non-Executive Director of the Company for a cumulative term of more than nine (9) years.

The Board recommends that YBhg. Dato' Abdullah bin Mohd Yusof continues to act as an Independent, Non-Executive Director of the Company based on the following justification:

- YBhg. Dato' Abdullah bin Mohd Yusof fulfils the criteria of an Independent Director as defined in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad;
- YBhg. Dato' Abdullah bin Mohd Yusof, being an experienced and senior legal practitioner since 1968, is able to provide the Board with sound legal advice and guidance on the Company's key legal issues and risks, in view of the Company's exposure to construction disputes and litigation;
- YBhg. Dato' Abdullah bin Mohd Yusof has also been actively and continuously advising the Board on corporate governance, regulatory compliance and contractual matters to ensure the Company's due compliance with the relevant legislations, regulations as well as contractual provisions;
- YBhg. Dato' Abdullah bin Mohd Yusof has been a dedicated and committed Board member, having attended almost all the Committee and Board meetings since his appointment to the Board;
- YBhg. Dato' Abdullah bin Mohd Yusof, being the longest serving Board member of the Company, possesses sound knowledge and understanding of the Company's business activities and history which enable him to participate actively and contribute during deliberations at the Committee and Board meetings; and
- YBhg. Dato' Abdullah bin Mohd Yusof's performance as an independent director since his appointment to the Board demonstrates that he exercises due care as an Independent Non-Executive Director of the Company and carries out his professional and fiduciary duties in the interests of the Company and shareholders.

#### Resolution 6 – Authority to allot shares

The proposed Resolution 6, if passed, will give a renewed mandate to the Directors of the Company, from the date of the forthcoming AGM, to allot and issue ordinary shares in the Company up to and not exceeding in total ten per cent (10.0%) of the issued and paid-up capital of the Company pursuant to Section 75 of the Companies Act, 2016. This authority, unless revoked or verified at a general meeting will expire at the next AGM of the Company.

As at the date of the Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the last AGM held on 17 May 2016 which will lapse at the conclusion of the forthcoming AGM.

The Board continues to consider opportunities to expand the Company's business. In the event of a new allotment of shares pursuant to such opportunity, the proceeds will be utilised as working capital of the Company. The passing of this resolution would avoid any delay and cost involved in convening a general meeting to specifically approve the issuance of the shares.

#### Resolution 7 – Renewal of shareholders' mandate

For further information, please refer to Circular to Shareholders dated 28 April 2017.

#### Statement Accompanying Notice of Annual General Meeting

Details of the Directors standing for re-election or re-appointment are set out in the Board of Directors' Profile at pages 16 to 19 of this Annual Report.