



## NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 29th Annual General Meeting (“29th AGM”) of DRB-HICOM Berhad (“DRB-HICOM or “the Company”) will be held at Glenmarie Ballroom, Holiday Inn Kuala Lumpur Glenmarie, No. 1, Jalan Usahawan U1/8, Seksyen U1, 40150 Shah Alam, Selangor Darul Ehsan on Thursday, 12 September 2019 at 10.00 a.m. for the purpose of transacting the following businesses:

### ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 March 2019 together with the Reports of the Directors and Auditors thereon.  
*Please refer to Explanatory Note A*
  
2. To approve the declaration of a single tier first and final dividend of 3.0 sen per share in respect of the financial year ended 31 March 2019. **(Resolution 1)**  
*Please refer to Explanatory Note B*
  
3. To re-elect the following Directors who retire by rotation in accordance with Article 79 of the Company’s Constitution and who being eligible, offered themselves for re-election:
  - (i) Dato’ Ibrahim Taib **(Resolution 2)**
  - (ii) Datuk Idris Abdullah @ Das Murthy **(Resolution 3)**
  - (iii) Datuk Ooi Teik Huat **(Resolution 4)***Please refer to Explanatory Note C*
  
4. To approve the payment of Directors’ fees up to an amount of RM1,310,000.00 to the Non-Executive Directors from the conclusion of the 29th AGM until the next Annual General Meeting. **(Resolution 5)**  
*Please refer to Explanatory Note D*

**DRB-HICOM BERHAD**  
(203430-W)

5. To approve the payment of benefits payable (excluding Directors' fees) up to an amount of RM448,500.00 to the Non-Executive Directors from the conclusion of the 29th AGM until the next Annual General Meeting. **(Resolution 6)**

*Please refer to Explanatory Note E*

6. To re-appoint Messrs Ernst & Young as Auditors of the Company for the ensuing year and to authorise the Board of Directors to fix their remuneration. **(Resolution 7)**

*Please refer to Explanatory Note F*

## **SPECIAL BUSINESS**

To consider and if thought fit, to pass the following Ordinary Resolutions, with or without any modifications:

7. Retention of Independent Director pursuant to Practice 4.2 of the Malaysian Code on Corporate Governance 2017. **(Resolution 8)**

"THAT approval be and is hereby given to Datuk Ooi Teik Huat, who has served as an Independent Director of the Company for a cumulative term of more than nine years, to continue to act as an Independent Director of the Company until the conclusion of the next Annual General Meeting."

*Please refer to Explanatory Note G*

8. Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate"). **(Resolution 9)**

"THAT subject to the provisions of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad, Companies Act 2016 ("CA 2016") and Constitution of the Company, approval be and is hereby given to the Company and its subsidiary companies (collectively "DRB-HICOM Group") to enter into recurrent related party transactions ("RRPTs") of a revenue or trading nature as set out in Section 2.2.3 of the

Circular to Shareholders dated 31 July 2019 with the related parties mentioned therein, PROVIDED THAT such transactions are necessary for the day-to-day operations of the DRB-HICOM Group, undertaken in the ordinary course of business and at arm's length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company.

THAT the authority conferred by this resolution shall take effect immediately upon the passing of this resolution and the Proposed Shareholders' Mandate shall continue to be in force until:

- (a) the conclusion of the next Annual General Meeting 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 Annual General Meeting is required to be held, pursuant to Section 340(1) and (2) of CA 2016 (but shall not extend to any extension as may be allowed pursuant to Section 340(4) of CA 2016); or
- (c) revoked or varied by a resolution passed by the shareholders of the Company at a general meeting,

whichever is the earliest;

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

*Please refer to Explanatory Note H*

To consider and if thought fit, to pass the following Special Resolution with or without any modifications:

9. Proposed Adoption of the new Constitution of the Company. **(Resolution 10)**

“THAT approval be and is hereby given to revoke the existing Constitution 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 31 July 2019, be and is hereby adopted as the Constitution of the Company AND THAT the Directors of the Company be and is hereby authorised to assent to any modifications, variations and/or amendments 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 I*

10. To transact any other business of which due notice shall have been given in accordance with CA 2016 and the Company's Constitution.

**NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT**

NOTICE IS ALSO HEREBY GIVEN THAT the single tier first and final dividend of 3.0 sen per share in respect of the financial year ended 31 March 2019, if approved by the shareholders at the 29th AGM, will be paid on 11 October 2019 to the shareholders whose names appear in the Record of Depositors of the Company at the close of business on 27 September 2019.

A depositor shall qualify for entitlement to the dividend only in respect of:

- (a) shares deposited into the depositor's securities account before 12.30 p.m. on 26 September 2019 in respect of shares which are exempted from mandatory deposit;
- (b) shares transferred into the depositor's securities account before 4.30 p.m. on 27 September 2019 in respect of ordinary transfers; and

- (c) 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**

**SABARINA LAILA MOHD HASHIM (LS0004324)**  
Company Secretary

Shah Alam, Selangor Darul Ehsan  
31 July 2019

**NOTES:**

**1. Proxy and/or Authorised Representative**

- (a) A member entitled to attend the meeting may appoint not more than two proxies who may but need not be a member of the Company.
- (b) Where a member of the Company is an authorised nominee, as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint not more than two proxies in respect of each securities account it holds to which ordinary shares in the Company are credited.
- (c) For an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one 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.
- (d) The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised in writing.
- (e) Where a member/an authorised nominee/an exempt authorised nominee appoints proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies. If the form of proxy is returned without an indication as to how the proxy shall vote on any particular matter, the proxy may exercise his/her discretion as to whether to vote on such matter and if so, how.

- (f) A proxy appointed to attend and vote at the meeting shall have the same rights as the member to speak at the meeting. The lodging of a form of proxy does not preclude a member from attending and voting in person at the meeting should the member subsequently decide to do so.
  
- (g) The instrument appointing a proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy thereof, shall be deposited at the office of the Share Registrar, Boardroom Share Registrars Sdn. Bhd. (formerly known as Symphony Share Registrars Sdn. Bhd.), Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan (Tel: 603-7849 0777) not less than 48 hours before the time set for holding this meeting or adjourned meeting, or in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

## **2. Voting by Poll**

Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice will be put to vote by way of poll.

## **3. Members entitled to attend**

For the purpose of determining a member who shall be entitled to attend the 29th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to issue a General Meeting Record of Depositors as at 6 September 2019. Only a depositor whose name appears therein shall be entitled to attend the 29th AGM or appoint a proxy(ies) to attend and vote on such depositor's behalf.

## **4. Explanatory Note A** **- Audited Financial Statements**

This agenda item is meant for discussion only as the provision of Section 340(1)(a) of the CA 2016 does not require the Audited Financial Statements to be formally approved by the shareholders. Hence, this item is not put forward for voting.

## **5. Explanatory Note B**

### **- Single tier first and final dividend**

In accordance with Article 125 of the Company's Constitution, the Board is recommending that the shareholders approve the payment of a single tier first and final dividend.

With reference to Section 131 of the CA 2016, a company may only make a distribution to the shareholders out of available profits if the company is solvent. On 8 July 2019, the Board of Directors' of DRB-HICOM ("the Board") had considered the amount of dividend and decided to recommend the same for shareholders' approval.

The Board is satisfied that the Company will be solvent as it will be able to pay its debts as and when the debts become due within 12 months immediately after the distribution date which would be announced by the Company after the 29th AGM in accordance with Sections 132(2) and (3) of the CA 2016.

## **6. Explanatory Note C**

### **- Re-election of Directors**

The Directors who are subject to re-election at the 29th AGM of the Company are as follows:

#### Article 79 - Retirement by rotation

- (i) Dato' Ibrahim Taib
- (ii) Datuk Idris Abdullah @ Das Murthy
- (iii) Datuk Ooi Teik Huat

Article 79 of the Company's Constitution provides that one-third (1/3) or the number nearest to one-third (1/3) of the Directors for the time being, shall retire from office so that all the Directors shall retire from office at least once in every three years ("retirement by rotation") and shall be eligible for re-election.

All Directors standing for re-election as Directors and being eligible, have offered themselves for re-election at the 29th AGM of the Company.

The Board has conducted an assessment on the independence of the Independent Directors who are seeking re-election and is of the opinion that the Directors meet the independence criteria and has recommended for the shareholders' approval at the 29th AGM of the Company.

**7. Explanatory Notes D and E**  
**- Directors' Fees and Benefits**

Section 230(1)(b) of the CA 2016 provides that the fees of the directors and any benefits payable to the directors of a listed company and its subsidiary companies shall be approved at a general meeting. For the financial year ending 31 March 2019, the Board decided that the Directors' fees and benefits be maintained as the previous financial year for each Director. Accordingly, the Company is seeking the shareholders' approval at the 29th AGM on the Directors' fees and benefits payable from the conclusion of the 29th AGM until the next Annual General Meeting.

The amount of Directors' fees and benefits payable to the Non-Executive Directors ("NEDs") of the Company includes fees and benefits payable to the NEDs as members of the Board and Board Committees of the Company and its subsidiary companies is estimated based on the following framework:

A. DIRECTORS' FEES

(i) Board/Board Committee of DRB-HICOM

Board/Board Committee	Fee (per annum)	
	Chairman	Member
Board	RM140,000	RM90,000
Board Audit Committee	RM18,000	RM12,000
Board Nomination and Remuneration Committee Board Risk & Sustainability Committee	RM10,000	RM8,000



- (ii) Board Members of DRB-HICOM who are also the Board/Board Committee Members of subsidiary companies

Subsidiary Company	Fee (per annum)		
	Pos Malaysia Berhad ("POS")	Bank Muamalat Malaysia Berhad ("BMMB")	Alam Flora Sdn. Bhd. ("AFSB")
Board Members	RM80,000	RM120,000	RM60,000
Chairman of the Board Committee	RM8,000	-	-
Board Committee Member	RM6,000	-	-

B. DIRECTORS' MEETING ALLOWANCE

- (i) Board/Board Committee of DRB-HICOM

Type of Meeting	Meeting Allowance per Meeting (for Chairman and Members)
Board	RM1,500
Board Audit Committee	RM3,000
Board Nomination and Remuneration Committee Board Risk & Sustainability Committee	RM1,500
General Meeting	RM1,500

- (ii) Board Members of DRB-HICOM who are also the Board/Board Committee Members of subsidiary companies

Type of Meeting	Meeting Allowance per Meeting (for Chairman and Members)
BMMB - Board - Board Audit Committee - Board Risk Management Committee - Digital Board Committee	RM3,000 RM2,500
POS - Board/General Meeting - Board Tender Committee - Board Risk, Sustainability and Compliance Committee - Board Digital - First Committee	RM1,000
AFSB - Board	RM500

In determining the estimated total amount of Directors' fees and benefits payable for the NEDs, the Board has considered various factors, including the number of scheduled meetings for the Board, Board Committees and general meetings based on the composition of NEDs, including a provisional sum as contingency for future appointment of NED on the Board and increase in number of Board and Board Committee meetings.

The proposed Resolutions 5 and 6, if passed, will give authority to the Company to pay the Directors' fees and benefits payable on a quarterly/monthly basis and/or as and when incurred based on the present Directors' fee and benefits payable structure, since the Non-Executive Chairman and the NEDs have discharged their responsibilities and rendered their services to the Company and its subsidiary companies throughout the period.

**8. Explanatory Note F**  
**- Re-appointment of Auditors**

The Board through the Board Audit Committee, has conducted an annual assessment of the suitability and independence of the external auditors, Messrs Ernst & Young ("EY") and agreed that EY has met the relevant criteria as prescribed under Paragraph 15.21 of MMLR of Bursa Malaysia Securities Berhad.

**9. Explanatory Note G**  
**- Retention of Independent Director**

Practice 4.2 of the Malaysian Code on Corporate Governance 2017 provides that shareholders' approval can be sought in the event that the Company intends for an independent director who has served in that capacity cumulatively beyond nine years, to continue to act as Independent Director of the Company.

The Board is recommending to the shareholders for Datuk Ooi Teik Huat, who has served as an Independent Director of the Company for a cumulative term of 10 years and nine months, to continue to act as an Independent Director of the Company. The Board through the Board Nomination and Remuneration Committee had assessed and endorsed that Datuk Ooi Teik Huat be retained as an Independent Director of the Company as he has continued to remain objective and independent-minded in his participation in the deliberations and decision making of the Board and Board Committees. He has constantly sought for clarifications especially in respect of corporate

exercises and financial performance of the Company and challenged the Management when necessary, as well as expressed unbiased views without any influence and is objective in his scrutiny. The detailed justifications of the Board for making such recommendation are set out in the Corporate Governance Report of the Company which is available on the Company's website at [www.drb-hicom.com](http://www.drb-hicom.com).

The shareholders' approval for Ordinary Resolution 8 will be sought on a single tier voting basis.

**10. Explanatory Note H**

**- Proposed Shareholders' Mandate for Recurrent Related Party Transactions ("RRPTs")**

The Proposed Shareholders' Mandate, if passed, will enable the DRB-HICOM Group to enter into RRPTs of a revenue or trading nature, which are necessary for the day-to-day operations of the DRB-HICOM Group, undertaken in the ordinary course of business and at arm's length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company.

Details of the Proposed Shareholders' Mandate are set out in Part A of the Circular to Shareholders dated 31 July 2019. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

**11. Explanatory Note I**

**- Proposed Adoption of the new Constitution**

The proposed Special Resolution 10, 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 31 July 2019.

In view of the substantial amendments to the existing Constitution, the Board proposed for the revocation of the existing Constitution in its entirety, and in place thereof, to adopt a new Constitution as set out in Appendix II of the Circular to Shareholders dated 31 July 2019. The Proposed new Constitution shall take effect once Resolution 10 is passed by a majority of not less than seventy-five per centum (75%) of such members who are entitled to vote and do vote in person or by proxy at the 29th AGM.