

# DRB-HICOM

## DRB-HICOM BERHAD

Registration No. 199001011860 (203430-V)

(Incorporated in Malaysia)

### NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 30th Annual General Meeting ("30th AGM") of DRB-HICOM Berhad ("DRB-HICOM" or "the Company") will be held on a fully virtual basis at the Broadcast Venue at Boardroom, Level 6, Wisma DRB-HICOM, No. 2, Jalan Usatawan U1/8, Seksyen U1, 40150 Shah Alam, Selangor Darul Ehsan on Wednesday, 22 July 2020 at 10.00 a.m. for the purpose of transacting the following businesses:

#### AS ORDINARY BUSINESS

- To receive the Audited Financial Statements for the financial period ended 31 December 2019, together with the Reports of the Directors and Auditors thereon.  
*Please refer to Explanatory Note A*
- To approve the payment of a first and final dividend of 2.0 sen per share in respect of the financial period ended 31 December 2019.  
*Please refer to Explanatory Note B*
- To re-elect the following Directors, who retire by rotation in accordance with Article 77 of the Company's Constitution and who being eligible, offer themselves for re-election:  
(i) Dato' Mohammad Zainal Shaari  
(ii) Sharifah Sofia Syed Mokhtar Shah  
*Please refer to Explanatory Note C*
- To approve the payment of Directors' fees up to an aggregate amount of RM2,220,000.00 to the Non-Executive Directors from 23 July 2020 until the conclusion of the next Annual General Meeting.  
*Please refer to Explanatory Note D*
- To approve the payment of benefits payable (excluding Directors' fees) up to an aggregate amount of RM439,000.00 to the Non-Executive Directors from 23 July 2020 until the conclusion of the next Annual General Meeting.  
*Please refer to Explanatory Note E*
- To re-appoint Ernst & Young PLT ("EY") as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.  
*Please refer to Explanatory Note F*

#### AS SPECIAL BUSINESS

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

- Retention of Independent Director pursuant to Practice 4.2 of the Malaysian Code on Corporate Governance 2017.  
"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*
- 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 ("Proposed Shareholders' Mandate").  
"THAT in accordance with Paragraph 10.09 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), and subject to the Companies Act 2016 ("CA 2016"), the Constitution of the Company, other applicable laws, guidelines, rules and regulations, and the approvals of the relevant governmental and/or regulatory authorities, approval be hereby given to the Company and its subsidiary companies (collectively "DRB-HICOM Group") to enter into any of the 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 24 June 2020, which are necessary for the day-to-day operations in the ordinary course of business of the DRB-HICOM Group, on normal commercial terms, which are not more favourable to the related parties than those generally available to the public, undertaken on an arm's length basis, and are not detrimental to the minority shareholders of the Company ("Shareholders' Mandate");  
THAT the Shareholders' Mandate shall continue to be in force until:  
(a) the conclusion of the next Annual General Meeting ("AGM") of the Company, at which time the authority will lapse, unless the authority is renewed by a resolution passed at such general meeting; or  
(b) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of CA 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of CA 2016); or  
(c) the Shareholders' Mandate is revoked or varied by an ordinary resolution passed by the shareholders of the Company at a general meeting;  
whichever is the earlier;  
AND THAT the Directors of the Company be hereby authorised to complete and do all such acts (including executing all such documents as may be required), as they may consider expedient or necessary to give effect to the Shareholders' Mandate."  
*Please refer to Explanatory Note H*
- 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 first and final dividend of 2.0 sen per share in respect of the financial period ended 31 December 2019, if approved by the shareholders at the 30th AGM, will be paid on 18 August 2020 to the shareholders whose names appear in the Record of Depositors of the Company at the close of business on 30 July 2020.

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 28 July 2020 in respect of shares which are exempted from mandatory deposit;
- shares transferred into the depositor's securities account before 4.30 p.m. on 30 July 2020 in respect of ordinary 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

#### SABARINA LAILA MOHD HASHIM

SSM PC No.: 201908001661

LS No.: 0004324

Company Secretary

Shah Alam, Selangor Darul Ehsan

24 June 2020

#### NOTES:

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

- Every Member including authorised nominees as defined under the Central Depositories Act and Exempt Authorised Nominees which holds ordinary shares in the Company for multiple beneficial owners in Omnibus Account, is entitled to:
  - appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote instead of him at the meeting of Members and that such proxy need not be a Member; and
  - appoint more than one proxy in relation to the meeting provided that the Member specifies the proportion of his shareholdings to be represented by each proxy.
- Where a Member entitled to vote on a resolution has appointed more than one proxy, the proxies shall only be entitled to vote on poll provided that the Member specifies the proportion of his shareholdings to be represented by each proxy.
- If an individual shareholder is unable to attend the 30th AGM, he/she is encouraged to appoint the Chairman of the meeting as his/her proxy and indicate the voting instructions in the Form of Proxy in accordance with the notes and instructions printed therein.
- Where a Member is an Exempt Authorised Nominee which holds ordinary shares under 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.
- The corporate shareholders (through corporate representative(s) or appointed proxy(ies)) unable to attend the 30th AGM are encouraged to appoint the Chairman of the meeting as its proxy and indicate the voting instruction in the Form of Proxy in accordance with the notes and instructions printed therein.
- The instrument appointing a proxy shall be in writing (in the common or usual form) ("Form of Proxy") under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the common seal of the corporation or under the hand of two authorised officers one of whom shall be a Director, or of its attorney duly authorised in accordance with Section 66 of CA 2016. A proxy may but need not be a Member of the Company and a Member may appoint any person without limitation to be his proxy. Form of Proxy authorises the proxy(ies) to demand or join in demanding a poll.
- 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 shall be deposited at the office of the Share Registrar, Boardroom Share Registrars Sdn. Bhd., 11th Floor, Menara Symphony, No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan (Tel: 603-7890 4700), not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the Form of Proxy proposes to vote, 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 Form of Proxy shall not be treated as valid. Alternatively, the Form of Proxy can be deposited electronically through the Share Registrar's website, Boardroom Smart Investor Online Portal at [www.boardroomlimited.my](http://www.boardroomlimited.my) before the proxy form lodgement cut-off time as mentioned above. Please refer to the Administrative Guide for further details.

##### 2. Voting by Poll

Pursuant to Paragraph 8.29A(1) of the MMLR of Bursa Securities, 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 30th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to issue a General Meeting Record of Depositors as at 15 July 2020. Only a depositor whose name appears therein shall be entitled to attend the 30th 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

###### - First and final dividend

The Board is recommending that the shareholders approve the payment of a 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 29 May 2020, 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 30th 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 30th AGM of the Company are as follows:

###### Article 77 - Retirement by rotation

- Dato' Mohammad Zainal Shaari
- Sharifah Sofia Syed Mokhtar Shah

Article 77 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 once at least 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 30th 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. The shareholders had at the 29th AGM held on 12 September 2019, approved the payment of Directors' fees with effect from the 29th AGM until the 30th AGM of the Company.

The fees and benefits payable to the Non-Executive Directors ("NEDs") were last revised at the Board meeting held in 2012. After a lapse of eight years, the Board is proposing a review of the existing Directors' fees and benefits, to ensure the Company is able to attract and retain the right Board talent as well as motivate the Directors to drive the Company's long term objectives. The proposed remuneration takes into account the ever-increasing demands on the Directors, such as escalating legal compliances, including the corporate liabilities they entail, growing business complexities and the exceedingly onerous duties of the Directors. Hence, the NEDs remuneration should reflect the intricate roles and responsibilities of the Directors and the required time commitment expected of them. The proposed review is to ensure that the remuneration is comparable with the prevalent market, so that it sufficiently compensates the NEDs. For this purpose, the Management has undertaken a benchmarking analysis and recommends the appropriate revised fees.

The proposed review was comprehensively deliberated by the Board Nomination and Remuneration Committee ("BNRC") in February 2020, and was duly approved by the Board for tabling at the 30th AGM for the shareholders' approval. The proposal involves the revision of the Directors' fixed fees and meeting allowances of the Company as follows:

###### DRB-HICOM Berhad – Directors' Fees

Board/Board Committee	Existing Fees (per annum)		Revised Fees (per annum) (effective from 23 July 2020)	
	Chairman	Member	Chairman	Member
Board	RM140,000	RM90,000	RM300,000	RM180,000
Board Audit Committee	RM17,000	RM12,000	RM60,000	RM40,000
Board Nomination and Remuneration Committee	RM10,000	RM8,000	RM10,000 (No Change)	RM8,000 (No Change)
Board Risk & Sustainability Committee	RM10,000	RM8,000	RM30,000	RM20,000

###### DRB-HICOM Berhad (Benefits payable comprising of meeting allowance)

Type of Meeting	Existing Meeting Allowance per Meeting (for Chairman and Members)	Revised Meeting Allowance per Meeting (for Chairman and Members) (effective from 23 July 2020)
Board	RM1,500	RM2,000
Board Audit Committee	RM3,000	RM2,000
Board Nomination and Remuneration Committee	RM1,500	RM2,000
Board Risk & Sustainability Committee	RM1,500	RM2,000
General Meeting	RM1,500	Nil

No revision is proposed for the following prevailing fees and benefits under the subsidiaries remuneration framework and the estimation is as stipulated below:

##### A. Directors' Fees

- 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 Malaysia")	Bank Muamalat Malaysia Berhad ("BMMB")
Board Members	RM80,000	RM120,000
Chairman of the Board Committee	RM8,000	-
Board Audit Committee Member	RM10,000	-
Board Committee Member	RM6,000	-

##### B. Benefits (comprising of meeting allowance)

- 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	RM3,000
- Board Audit Committee	
- Digital Board Committee	RM2,500
Pos Malaysia	
- Board/General Meeting	RM1,000
- Board Tender Committee	
- Board Risk, Sustainability and Compliance Committee	
- Board Digital - First Committee	
- Board Audit Committee	RM2,500

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 appointments of NED on the Board and increase in number of Board and Board Committee meetings.

The proposed Resolutions 4 and 5, 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. The Board opined that it is just and equitable for such payment to be made, 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, EY and agreed that EY has met the relevant criteria as prescribed under Paragraph 15.21 of MMLR of Bursa Securities.

##### 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 11 years and eight 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 making unbiased decisions at Board and Board Committees Meetings. Notwithstanding that, his long tenure has familiarised him with the business operations of the Company/Group, giving him a broad business perspective, in which he has at all times acted in good faith and the best interest of the Company, shareholders and other relevant stakeholders. 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 7 will be sought on a single-tier voting basis.

##### 10. Explanatory Note H

###### - Proposed Shareholders' Mandate

The Proposed Ordinary Resolution 8, if passed, will enable DRB-HICOM Group to respectively enter into RRPTs of a revenue or trading nature, which are necessary for the day-to-day operations of the DRB-HICOM Group as set out in Section 2.2.3 of the Circular to Shareholders dated 24 June 2020, subject to the transactions being 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.