



ZELAN BERHAD
(Company No. 27676-V)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 44th Annual General Meeting ("AGM") of Zelan Berhad ("Zelan or the Company") will be conducted as a fully virtual meeting at broadcast venue at Boardroom of Zelan Berhad, Level 24th Floor, Wisma Zelan, No. 1, Jalan Tasik Permaisuri 2, Bandar Tun Razak, Cheras, 56000 Kuala Lumpur on Thursday, 3 September 2020 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 2019 together with the Reports of the Directors and Auditors thereon be and are hereby received." **Resolution 1**
- "THAT YBhg. Datuk Ooi Teik Huat, who retires in accordance with Clause 23.2 of the Company's Constitution, be and is hereby re-elected as a Director of the Company." **Resolution 2**
- "THAT YBhg. Datuk Puteh Rukiah Binti Abd Majid, who retires in accordance with Clause 23.2 of the Company's Constitution, be and is hereby re-elected as a Director of the Company." **Resolution 3**
- "THAT the Directors' fees for the financial year ending 31 December 2020 amounting to RM361,000.00, be and is hereby approved." **Resolution 4**
- "THAT the payment of Directors Remuneration (excluding directors' fees and Board committee fees) amounting of RM400,000.00 to the Non-Executive Directors from 4 September 2020 until the conclusion of the next AGM of the Company ("Relevant Period") be and is hereby approved." **Resolution 5**
- "THAT Messrs. Al Jafee Salihin Kuzaimi PLT (AF1522), 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 Annual General Meeting of the Company, at a remuneration to be determined by the Board." **Resolution 6**

SPECIAL BUSINESS

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

- PROPOSED CONTINUATION IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR** **Resolution 7**

"THAT authority be and is hereby given to Datuk Ooi Teik Huat who has served as 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 AND ISSUE SHARES** **Resolution 8**

"THAT subject always to the Companies Act, 2016 ("Act"), the Constitution of the Company and the approvals of the relevant government/regulatory authorities, the Board be and are hereby authorised pursuant to Section 75 and 76 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 may, in their absolute discretion deem fit, provided that the aggregate number of shares to be issued does not exceed ten per cent (10.0%) of the issued and paid-up share capital of the Company for the time being AND THAT the Board 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 9**

"THAT approval be and is hereby given for the Company and/or its subsidiaries ("Group") to enter into the 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 29 June 2020 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 Act (but shall not extend to such extensions as may be allowed pursuant to Section 340(4) of the Act); 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 authorized 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 annual report, the Company must provide a breakdown of the aggregate value of the recurrent transactions 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

YUSRENAWATI BINTI MOHD YUSOF
Company Secretary

29 June 2020
Cheras, Kuala Lumpur

Notes:

- Only members whose name appears on the Record of Depositors as at 27 August 2020 shall be entitled to attend the 44th AGM or appoint a proxy (ies) to attend and/or vote on their behalf.
- A member of the Company who is entitled to attend and vote at this meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. If the proxy is not a member of the Company, he need not be an advocate, an approved company auditor or a person approved by the Registrar of Companies and there shall be no restriction as to qualification of the proxy.
- A member shall be entitled to appoint up to two (2) proxies to vote at the same meeting. Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
- In case of a corporation, the proxy form should be under its common seal or under the hand of an officer or attorney duly authorized on its behalf. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
- In the case of joint holders, the signature of any one of them will suffice.
- Where a member of the Company is an exempt authorized nominee as defined under the Securities Industry (Central Depositories) Act 1991 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 authorized nominee may appoint in respect of each omnibus account it holds.
- Unless voting instructions are indicated in the spaces provided in the proxy form, the proxy may vote as he/she thinks fit.
- The instrument appointing a proxy or the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of authority must be deposited with the Registrar's Office, Boardroom Share Registrars Sdn Bhd, at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor not less than forty-eight (48) hours before the time appointed for the meeting or any adjournment thereof at which the person named in the instrument appointing a proxy to vote at this Meeting shall be deemed to include the power to demand, or join in demanding a poll on behalf of the appointer.
- Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of 44th AGM will be put to vote by poll. The AGM will be conducted on fully virtual and the Company has appointed Boardroom Share Registrars Sdn Bhd, as the Poll Administrator for the AGM to facilitate the remote participation and voting facilities. Please refer to the procedures set out in the Administrative Details for the AGM on the registration and voting process for the Meeting.
- Due to the COVID-19 pandemic, the Broadcast Venue of the AGM is strictly for the purpose of complying with Section 327(2) of the Act which requires the Chairman shall be at the main venue of the AGM. No Shareholders/Proxies from the public will be allowed to be physically present at the Broadcast Venue on the day of the AGM.

EXPLANATORY NOTES ON ORDINARY BUSINESS

Note A

This agenda item is meant for discussion only as per the provision of Section 340(1)(a) of the Act, the Audited Financial Statements do not require the formal approval of shareholders, and hence, the matter will not be put forward for voting.

Resolution 3 – Payment of Directors' Fees for financial year ending 31 December 2020

With the enforcement of Section 230(1) of the Act with effect from 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 breakdown of the Directors' fees for financial year ending 31 December 2020 is as follows:

Membership	Board of Directors (RM)	Audit Committee (RM)	Nomination and Remuneration Committee (RM)
Chairman	75,000.00	30,000.00	24,000.00
Member	24,000.00	20,000.00	16,000.00

The total amount of Directors' fees payable to the Non-Executive Directors ("NEDs") is estimated to be up to RM361,000.00 for the period from 1 January 2020 to 31 December 2020.

Resolution 4 – Payment of Directors' remuneration and benefits

The total amount of remuneration and benefits payable to the Directors is estimated to be up to RM400,000.00 for the period from 4 September 2020 until the conclusion of the next AGM of the Company.

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

Directors	Meeting Allowances for Board and Board Committees (RM)	Other Allowances (RM)	Benefit-in-Kind (RM)	Total (RM)
Dato' Anwar Bin Haji @ Aji (Chairman)	10,000	291,000 ¹	55,000 ²	356,000
Datuk Ooi Teik Huat	12,000	-	-	12,000
Datuk Puteh Rukiah Binti Abd Majid	10,000	-	-	10,000
Suhaimi Bin Halim	14,000	-	-	14,000
Mohd Shukor Bin Abdul Mumin	8,000	-	-	8,000
Total	54,000	291,000	55,000	400,000

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

- Other Allowances to the NEDs comprising director's allowance, car allowance and entertainment allowance.
- Benefit in kind comprising company driver, petrol and mobile phone bill (based on average monthly usage for the Relevant Period).

Resolution 6 – Continuation in office as Independent Non-Executive Directors

The Malaysian Code on Corporate Governance 2017 ("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 Datuk Ooi Teik Huat, who has served as Independent, Non-Executive Director of the Company for cumulative term of more than nine (9) years.

The Board recommends that Datuk Ooi Teik Huat continues to act as Independent, Non-Executive Director of the Company based on the following justifications:

- Datuk Ooi Teik Huat fulfills the criteria of an Independent Director as defined in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad;
- Datuk Ooi Teik Huat is able to provide the Board with sound advice and guidance based on his immense experiences;
- Datuk Ooi Teik Huat has been a dedicated and committed Board member, having attended almost all the Committee and Board meetings since his appointment to the Board;
- Datuk Ooi Teik Huat possesses sound knowledge and understanding of the Company's business activities and historical background which enable him to participate actively and contribute during deliberations at the Committee and Board meetings; and
- Datuk Ooi Teik Huat exercises due care as Independent Non-Executive Director of the Company and is able to carry out his professional and fiduciary duties in the interests of the Company and shareholders.

Resolution 7 – Authority to allot shares

The proposed Resolution 7, 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 11 June 2019 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 8 – Proposed Shareholders' Mandate for Recurrent Related Party Transactions

For further information, please refer to Circular to Shareholders dated 29 June 2020.