

NOTICE OF ANNUAL GENERAL MEETING



NOTICE IS HEREBY GIVEN THAT the 31st Annual General Meeting (“AGM”) of DRB-HICOM Berhad (“DRB-HICOM or “the Company”) will be held on a fully virtual basis at the Broadcast Venue at Training Hall, Level 6, Wisma DRB-HICOM, No. 2, Jalan Usahawan U1/8, Seksyen U1, 40150 Shah Alam, Selangor Darul Ehsan on Wednesday, 23 June 2021 at 10.00 a.m. for the purpose of transacting the following businesses:

AS ORDINARY BUSINESS

- 1** To receive the Audited Financial Statements for the financial year ended 31 December 2020, together with the Reports of the Directors and Auditors thereon.
Please refer to Explanatory Note A
- 2** To approve the payment of a first and final dividend of 2.0 sen per share in respect of the financial year ended 31 December 2020.
Please refer to Explanatory Note B (Resolution 1)
- 3** To re-elect the following Directors, who retire by rotation in accordance with Article 77 of the Company’s Constitution and who being eligible, offered themselves for re-election:
i) Dato’ Sri Syed Faisal Albar Syed A.R Albar (Resolution 2)
ii) Dato’ Ibrahim Taib. (Resolution 3)
Please refer to Explanatory Note C
- 4** To re-elect Tan Sri Wan Zulkiflee Wan Ariffin who retires in accordance with Article 83 of the Company’s Constitution and who being eligible, offered himself for re-election.
Please refer to Explanatory Note D (Resolution 4)
- 5** To approve the payment of Directors’ fees to the Non-Executive Chairman and Non-Executive Directors up to an amount of RM2,262,000.00 from 24 June 2021 until the next AGM of the Company.
Please refer to Explanatory Note E (Resolution 5)

- 6** To approve the payment of benefits payable (excluding Directors' fees) to the Non-Executive Chairman and Non-Executive Directors up to an amount of RM1,331,000 from 24 June 2021 until the next AGM of the Company. **(Resolution 6)**

Please refer to Explanatory Note F

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

Please refer to Explanatory Note G

AS SPECIAL BUSINESS

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

- 8** Retention of Datuk Ooi Teik Huat as Independent Director **(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 twelve 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 H

- 9** 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") **(Resolution 9)**

"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 30 April 2021, 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;
- (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 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 ANNUAL GENERAL MEETING

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 year ended 31 December 2020, if approved by the shareholders at the 31st AGM, will be paid on 23 July 2021 to the shareholders whose names appear in the Record of Depositors of the Company at the close of business on 30 June 2021.

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 28 June 2021 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 30 June 2021 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

SSM PC No.: 201908001661

LS No.: 0004324

Company Secretary

Shah Alam, Selangor Darul Ehsan

30 April 2021

NOTES:

1. Virtual AGM

- (a) The 31st AGM of the Company shall be held as fully virtual meeting where members are only allowed to participate remotely via live streaming and online voting using Remote Participation and Electronic Voting ("RPEV") facilities which are available on Boardroom Share Registrars Sdn Bhd's website at Boardroom Smart Investor Portal at www.boardroomlimited.my. Please follow the procedures provided in the Administrative Guide for the 31st AGM in order to register, participate and vote remotely via RPEV facilities.
- (b) The venue of the 31st AGM is strictly for the purpose of complying with Section 327(2) of the CA 2016 which requires the Chairman of the Meeting to be present at the main venue ("Broadcast Venue") and to facilitate the conduct of the fully virtual meeting. No shareholder(s)/ proxy(ies) will be allowed to be physically present at the Broadcast Venue.

2. Proxy and/or Authorised Representative

- (a) 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:
 - (i) 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
 - (ii) 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.
- (b) 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.

NOTICE OF ANNUAL GENERAL MEETING

- (c) 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.
- (d) If a member of the Company entitled to attend and vote at a meeting of the Company is not able to participate the 31st AGM via RPEV facilities on 23 June 2021, we strongly encourage members to appoint the Chairman of the meeting as his/her proxy and indicate the voting instructions in the instrument appointing a proxy.
- (e) 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 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.
- (f) 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 before the proxy form lodgement cut-off time as mentioned above. Please refer to the Administrative Guide for further details.

3. 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.

4. Members entitled to attend

For the purpose of determining a member who shall be entitled to attend the 31st AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to issue a General Meeting Record of Depositors as at 16 June 2021. Only a depositor whose name appears therein shall be entitled to attend the 31st AGM or appoint a proxy(ies) to attend and vote on such depositor's behalf.

5. 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.

6. 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 8 April 2021, 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 31st AGM in accordance with Sections 132(2) and (3) of the CA 2016.

NOTICE OF ANNUAL GENERAL MEETING

7. Explanatory Notes C and D

- Re-election of Directors

The Directors who are subject to re-election at the 31st AGM of the Company are as follows:

- (a) Article 77 - Retirement by rotation
 (i) Dato' Sri Syed Faisal Albar Syed A.R Albar
 (ii) Dato' Ibrahim Taib.

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.

- (b) Article 83 - Retirement by casual vacancy
 (i) Tan Sri Wan Zulkiflee Wan Ariffin

Article 83 of the Company's Constitution provides that any Directors appointed during the year shall hold office only until the next AGM, and shall then be eligible for re-election ("casual vacancy").

All Directors standing for re-election as Directors and being eligible, have offered themselves for re-election at the 31st AGM of the Company.

8. Explanatory Notes E and F

- 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 Directors' fees and benefits payable to the Non-Executive Chairman and Non-Executive Directors ("NEDs") of the Company comprises of fees and benefits payable to the Non-Executive Chairman and NEDs as members of the Board and Board Committees of the Company and its subsidiary companies, and the amount 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	RM300,000	RM180,000
Board Audit Committee ("BAC")	RM60,000	RM40,000
Board Nomination and Remuneration Committee ("BNRC")	RM10,000	RM8,000
Board Risk and Sustainability Committee ("BRSC")	RM30,000	RM20,000

NOTICE OF ANNUAL GENERAL MEETING

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

B. Directors' Benefits

(i) Board/Board Committee of DRB-HICOM

In the Directors' Remuneration review conducted by the BNRC, the proposed revisions to the Directors' benefits of DRB-HICOM are summarised in the table below:

Description	Chairman		NEDs/Member	
	Current	Proposed	Current	Proposed
Meeting allowance (per meeting)				
Board	RM2,000	No Change	RM2,000	No Change
BAC	RM2,000	No Change	RM2,000	No Change
BNRC	RM2,000	No Change	RM2,000	No Change
BRSC	RM2,000	No Change	RM2,000	No Change
Monthly Fixed Allowance *	-	RM70,000 per month	-	-

Note:

*It is proposed that monthly fixed allowance be introduced to remunerate the Chairman, in recognition of the significant roles in leadership and oversight, and the wide-ranging scope of responsibilities as the Chairman of DRB-HICOM in all matters concerning the interests and businesses of the Group, including overall stakeholder management particularly the governmental and regulatory authorities and customers.

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

Type of Meeting	Meeting allowance per meeting (RM) (for Chairman and members)
BMMB	
• Board	3,000
• BAC	3,000
• Board Risk Management Committee	3,000
• Board Compliance Committee	3,000
Pos Malaysia	
• Board	1,000
• BAC	2,500
• Board Tender Committee	1,000
• Board Risk, Sustainability and Compliance Committee	1,000
• Board Digital-First Committee	1,000
• BNRC	1,000
• Shareholders' Meeting	1,000

NOTICE OF ANNUAL GENERAL MEETING

The total amount of benefits payable to the Non-Executive Chairman and NEDs is estimated to be up to RM1,331,000.00 from 24 June 2021 to the next AGM in 2022 (Current Period), based on the revised Board Remuneration which will take effect from 24 June 2021 subject to the shareholders' approval.

In determining the estimated total amount of Directors' fees and benefits payable for the Non-Executive Chairman and NEDs, the Board has considered various factors, including the number of scheduled meetings for the Board and Board Committees 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 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. 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.

9. Explanatory Note G

- Re-appointment of Auditors

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

10. Explanatory Note H

- 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 ("Datuk Ooi"), who has served as an Independent Director of the Company for a cumulative term of 12 years and six months, to continue to act as an

Independent Director of the Company. The Board, based on the BNRC's assessment, had endorsed the proposal that Datuk Ooi be retained as an Independent Director of the Company. The Board believes that with his knowledge and understanding of the Group's businesses, he would continue to provide valuable insight and feedback through sharing of knowledge and experience, whilst remaining objective and exercising independent judgement in the Board and Board Committees' deliberations. Datuk Ooi has always acted in the best interests of the Company and has at all times exercised due care in carrying out his fiduciary duties, and his tenureship with the Company has neither impaired or compromised his integrity.

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

11. Explanatory Note I

- Proposed Shareholders' Mandate

The Proposed Ordinary Resolution 9, 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 30 April 2021, 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.

STATEMENT ACCOMPANYING THE NOTICE OF ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.27(2) of the MMLR of Bursa Securities)

- The profiles of the Directors, who are due for retirement and seeking re-election, pursuant to the Company's Constitution, as set out in the Notice of Annual General Meeting, are set out in the Directors' Profile pages 38 to 43 of the Company's Annual Report 2020.
- The details of any interest in securities held by the said Directors are set out in the "Directors' Report" section on pages 132 to 137 of the Company's Annual Report 2020.