

NOTICE OF 28TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 28th Annual General Meeting ("28th AGM") of Pos Malaysia Berhad ("Pos Malaysia" or "the Company") will be held on a fully virtual basis at the Broadcast Venue, Board Room, Level 8, Dayabumi Complex, 50670 Kuala Lumpur, Malaysia on Monday, 29 June 2020 at 10.00 a.m. for the purpose of transacting the following businesses:

Ordinary Business

- To receive the Audited Financial Statements for the nine (9) months financial period ended 31 December 2019, together with the Reports of the Directors and Auditors thereon. Please refer to Note A
- To re-elect Ahmed Fairuz bin Abdul Aziz who retires in accordance with Article 111(2) of the Company's Constitution and who being eligible, offers himself for re-election. Please refer to Note B **(Resolution 1)**
- To re-elect the following Directors, who retire by rotation in accordance with Article 116 of the Company's Constitution and who being eligible, offer themselves for re-election:
 - Dato' Ibrahim Mahaludin bin Puteh **(Resolution 2)**
 - Datuk Idris bin Abdullah @ Das Murthy **(Resolution 3)**
 Please refer to Note C
- To approve the payment of Directors' fees up to an amount of RM965,000.00 to the Non-Executive Directors from the conclusion of the 28th AGM until the next AGM. Please refer to Note D **(Resolution 4)**
- To approve the payment of benefits payable (excluding Directors' fees) up to an amount of RM290,000.00 to the Non-Executive Directors from the conclusion of the 28th AGM until the next AGM. Please refer to Note E **(Resolution 5)**
- To re-appoint Messrs. KPMG PLT as Auditors of the Company for the ensuing year and to authorise the Board of Directors to fix their remuneration. Please refer to Note F **(Resolution 6)**

Special Business

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

- Retention of Independent Director pursuant to Practice 4.2 of the Malaysian Code on Corporate Governance. **(Resolution 7)**
 "THAT approval be and is hereby given to Dato' Ibrahim Mahaludin bin Puteh, who has served as an Independent Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Director of the Company until the conclusion of the next AGM." Please refer to Note G
- Proposed Renewal of Shareholders' Mandate for Existing Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Renewal of Shareholders' Mandate"). **(Resolution 8)**
 "THAT subject always to the provisions of the Companies Act 2016 ("Act"), the Constitution of the Company and the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"), approval be and is hereby given for the renewal of the mandate granted by the Shareholders of the Company on 18 September 2019, authorising the Company and its subsidiary companies ("Pos Malaysia Group") to enter into the existing recurrent related party transactions of a revenue or trading nature as set out in Section 2.2.3 of the Circular to Shareholders dated 29 May 2020 with the transacting related parties mentioned therein, which are necessary for the day-to-day operations of Pos Malaysia Group, PROVIDED THAT such transactions are entered into in the ordinary course of business and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority Shareholders of the Company."

AND THAT the Proposed Renewal of Shareholders' Mandate, shall continue to 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 general meeting; or
- the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(1) and (2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- revoked or varied by a resolution passed by the Shareholders in general meeting; whichever is the earliest;

AND THAT the Directors of the Company be and are hereby empowered and authorised to complete and do all such acts (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Renewal of Shareholders' Mandate." Please refer to Note H

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

"THAT subject always to the provisions of the Act, the Constitution of the Company and the Listing Requirements of Bursa Securities, approval be and is hereby given to Pos Malaysia Group to enter into the additional recurrent related party transactions of a revenue or trading nature as set out in Section 2.2.3 of the Circular to Shareholders dated 29 May 2020 with the transacting related parties mentioned therein which are necessary for the day-to-day operations of Pos Malaysia Group, PROVIDED THAT such transactions are entered into in the ordinary course of business and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority Shareholders of the Company.

AND THAT the Proposed New Shareholders' Mandate, shall continue to 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 general meeting; or
- the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(1) and (2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- revoked or varied by a resolution passed by the Shareholders in general meeting; whichever is the earliest;

AND THAT the Directors of the Company be and are hereby empowered and authorised to complete and do all such acts (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed New Shareholders' Mandate." Please refer to Note I

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

By Order of the Board,

SABARINA LAILA BINTI MOHD HASHIM (LS0004324)
(Practising Certificate No 201908001661)

Company Secretaries

Kuala Lumpur

Date: 29 May 2020

KAMILIA NOR BINTI MOHAMAD KAMAL (LS0008663)
(Practising Certificate No 201908003242)

NOTES TO THE NOTICE OF 28TH ANNUAL GENERAL MEETING

1. Virtual Meeting

- The venue of the 28th AGM is strictly for the purpose of complying with Section 327(2) of the Act which requires the Chairman of the Meeting to be present at the main venue of the live streaming location. This is also to inform Shareholders the location of the live streaming of the 28th AGM.

No Shareholders/proxy(ies) from the public will be physically present at the live streaming venue. Hence, Shareholders are strongly advised to participate and vote remotely at the 28th AGM through live streaming and online remote voting using the Remote Participation and Voting facilities provided by the Company's Share Registrar, Boardroom Share Registrars Sdn. Bhd.

2. Proxy and/or Authorised Representative

- In view that the 28th AGM will be conducted through live streaming, a member entitled to participate and vote at the 28th AGM may appoint the Chairman of the meeting as his/her proxy to exercise all or any of his/her rights to participate and vote on his/her behalf.
- Where a Member of the Company is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), he/she may appoint the Chairman of the Meeting in respect of each Securities Account he/she holds with ordinary shares of the Company standing to the credit of the said Securities Account to attend and vote at a meeting of the Company instead of him/her.
- Where a Member of the Company is an Exempt Authorised Nominee as defined under SICDA which holds ordinary shares in the Company for multiple beneficial owners in one (1) 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 PROVIDED THAT each beneficial owner of ordinary shares, or where the ordinary shares are held on behalf of joint beneficial owners, such joint beneficial owners, shall be entitled to instruct the Exempt Authorised Nominee to appoint the Chairman of the Meeting to attend and vote at the 28th AGM of the Company instead of the beneficial owner or joint beneficial owners.
- The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly appointed under a power of attorney or if such appointer is a corporation, either under the corporation's common seal or under the hand of two (2) authorised officers, one (1) of whom shall be a Director or its attorney duly appointed under a power of attorney. Any alteration to the instrument appointing a proxy must be intialled.
- The appointment of proxy may be made in a hardcopy form or by electronic means as follows:
 - In Hardcopy Form
 The Form of Proxy, Corporate Representative, Power of Attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of authority, shall be deposited at the Company's Share Registrar's office at Boardroom Share Registrars Sdn. Bhd., 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 24 hours before the time for holding the 28th AGM or no later than Sunday, 28 June 2020 at 10.00 a.m.

(ii) By Boardroom Smart Investor Portal

Online via the Boardroom Smart Investor Portal at www.boardroomlimited.my, which is free and available to all individual Depositors. Kindly refer to the Administrative Details for the 28th AGM – Lodgement Form of Proxy.

3. Voting by Poll

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

4. Members entitled to attend

For the purpose of determining a Member who shall be entitled to attend the 28th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to issue a General Meeting Record of Depositors as at 19 June 2020. Only a depositor whose name appears therein shall be entitled to attend the 28th AGM or appoint the Chairman of the Meeting as proxy 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 Act 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 and C

Resolutions 1, 2 and 3 – Re-election of Directors

The Directors who are subject to re-election at the 28th AGM of the Company are as follows:

(a) Article 111(2) – Retirement by casual vacancy

(i) Ahmed Fairuz bin Abdul Aziz

Article 111(2) of the Company's Constitution provides that any newly appointed Director shall hold office only until the next AGM and shall then be eligible for re-election.

(b) Article 116 – Retirement by rotation

(i) Dato' Ibrahim Mahaludin bin Puteh

Article 116 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 in every subsequent AGM and shall then be eligible for re-election.

All Directors standing for re-election as Directors and being eligible, have offered themselves for re-election at the 28th AGM of the Company.

The Board, through the Board Nomination and Remuneration Committee ("BNRC"), has conducted an assessment on the suitability of the Directors who are seeking re-election at the 28th AGM of the Company and agreed that the Directors meet the criteria of character, experience, integrity, competence and time commitment to effectively discharge their respective roles as Directors as prescribed in Paragraph 2.20A of the Listing Requirements of Bursa Securities.

Further, in line with Practice 4.2 of the Malaysian Code on Corporate Governance ("MCCG"), the BNRC has considered and affirmed, and the Board has endorsed that Ahmed Fairuz bin Abdul Aziz, Dato' Ibrahim Mahaludin bin Puteh and Datuk Idris bin Abdullah @ Das Murthy, the Independent Directors who are seeking re-election at the 28th AGM of the Company, complied with the independence criteria as prescribed in the Listing Requirements of Bursa Securities and remained independent in exercising their judgment and in carrying out their duties as Independent Directors.

7. Explanatory Note D and E

Resolutions 4 and 5 – Directors' Fees and Benefits

Section 230(1)(b) of the Act provides that the fees of the directors and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. For the nine (9) months financial period ended 31 December 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 28th AGM on the Directors' fees and benefits payable with effect from 30 June 2020 until the conclusion of the next AGM.

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

(a) Directors' Fees

Board/Board Committees	Fee (per annum)	
	Chairman	Member
Board	RM120,000	RM80,000
Board Audit Committee	RM15,000	RM10,000
Board Nomination and Remuneration Committee Board Risk, Sustainability and Compliance Committee Board Tender Committee Board Digital-First Committee	RM8,000	RM6,000

(b) Directors' Meeting Allowance

Type of Meeting	Meeting Allowance per Meeting (for Chairman and Members)
Board Board Nomination and Remuneration Committee Board Risk, Sustainability and Compliance Committee Board Tender Committee Board Digital-First Committee General Meeting	RM1,000
Board Audit Committee	RM2,500

In determining the estimated total amount of Directors' fees and benefits 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 a contingency for future appointment of NED on the Board and increase in the number of Board and Committee meetings.

The proposed Resolution 4 and 5, if passed, will give authority to the Company to pay the Directors' fees and benefits on a quarterly/monthly basis and/or as and when incurred, since the NEDs have discharged their responsibilities and rendered their services to the Company throughout the period.

8. Explanatory Note F

Resolution 6 – 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. KPMG PLT ("KPMG") and agreed that KPMG has met the relevant criteria as prescribed under Paragraph 15.21 of the Listing Requirements of Bursa Securities.

9. Explanatory Note G

Resolution 7 – Retention of Independent Director

Practice 4.2 of the MCCG provides that Shareholders' approval can be sought in the event that the Company intends for an independent director who has served in that capacity for more than nine (9) years, to continue to act as Independent Director of the Company.

The Board is recommending to the Shareholders for Dato' Ibrahim Mahaludin bin Puteh who has served as an Independent Director of the Company for a cumulative term of 11 years and four (4) months, to continue to act as an Independent Director of the Company. The Board, through the BNRC, has assessed and endorsed that Dato' Ibrahim Mahaludin bin Puteh be retained as an Independent Director of the Company, as he has continued to display a high level of integrity, 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, 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.pos.com.my.

The Shareholders' approval for Ordinary Resolution 7 will be sought on a single tier voting basis.

10. Explanatory Note H and I

Resolutions 8 and 9 – Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate

The proposed Ordinary Resolutions 8 and 9, if passed, will respectively renew the existing Shareholders' mandate and grant a new mandate to Pos Malaysia Group to enable Pos Malaysia Group to respectively enter into the recurrent related party transactions of a revenue or trading nature which are necessary for Pos Malaysia Group's day to day operations as set out in Section 2.2.3 of the Circular to Shareholders dated 29 May 2020, subject to the transactions being in the ordinary course of business 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 Listing Requirements of Bursa Securities)
 The profiles of the Directors who are due for retirement and seeking for re-election pursuant to the Company's Constitution are as set out in the Profile of Board of Directors in the 2019 Integrated Annual Report - Nine-Month Period Ended 31 December 2019.