

NOTICE OF ANNUAL GENERAL MEETING



NOTICE IS HEREBY GIVEN that the Fifteenth Annual General Meeting of DELEUM BERHAD (the Company) will be held fully virtual at the broadcast venue at Tricor Business Centre, Manuka 2 & 3 Meeting Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia on Wednesday, 15 July 2020 at 10.00 a.m., for the following purposes:

AGENDA

AS ORDINARY BUSINESS:

- To receive the Audited Financial Statements for the financial year ended 31 December 2019 together with the Reports of the Directors and Auditors thereon.
Please refer to Explanatory Note A
- To re-elect the following Directors who retire by rotation pursuant to Clause 88 of the Company's Constitution and, being eligible, have offered themselves for re-election:
 - Datuk Ishak bin Imam Abas **Ordinary Resolution 1**
 - Datuk Ir (Dr) Abdul Rahim bin Hashim **Ordinary Resolution 2**
- To approve the payment of Directors' fees and benefits to Non-Executive Directors up to an amount of RM1,650,000 from 1 June 2020 until the next Annual General Meeting of the Company.
Please refer to Explanatory Note B **Ordinary Resolution 3**
- To re-appoint Messrs. PricewaterhouseCoopers PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. **Ordinary Resolution 4**

AS SPECIAL BUSINESS:

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

5. **AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016**

"**THAT** subject always to the Companies Act 2016, the Constitution of the Company and approvals from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued and any other governmental/regulatory authorities, where such approval is necessary, full authority be and is hereby given to the Directors pursuant to Sections 75 and 76 of the Companies Act 2016 to allot and issue shares not more than ten percent (10%) of the total number of issued shares of the Company at any time upon any such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit **AND THAT** such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."

Please refer to Explanatory Note C

Ordinary Resolution 5

6. **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE AS SET OUT UNDER SECTION 2.5(1) OF THE CIRCULAR TO SHAREHOLDERS DATED 15 JUNE 2020**

"**THAT** approval be and is hereby given for the renewal of the Shareholders' Mandate for the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with the related parties as set out in Section 2.5(1) of the Circular to Shareholders dated 15 June 2020 which are necessary for day-to-day operations and are carried out in the ordinary course of business on terms which are not more favourable to the related parties than those generally available to the public and are undertaken on arms' length basis and not to the detriment of minority shareholders;

AND THAT the authority conferred by such mandate shall commence upon the passing of this resolution and continue to be in full force until:

- the conclusion of the next Annual General Meeting (AGM) of the Company at which this shareholders' mandate will lapse, unless by a resolution passed at the next AGM, the mandate is renewed;
- the expiration of the period within which the next AGM is required to be held pursuant to Section 340(2) of the Companies Act 2016 (the Act) (but must not extend to such extension 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 Board of Directors be and is hereby authorised to complete and do all such acts and things as it may consider expedient or necessary (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this mandate."

Please refer to Explanatory Note D

Ordinary Resolution 6

NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

7. **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE AS SET OUT UNDER SECTION 2.5(2) OF THE CIRCULAR TO SHAREHOLDERS DATED 15 JUNE 2020**

"**THAT** approval be and is hereby given for the renewal of the Shareholders' Mandate for the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with the related parties as set out in Section 2.5(2) of the Circular to Shareholders dated 15 June 2020 which are necessary for day-to-day operations and are carried out in the ordinary course of business on terms which are not more favourable to the related parties than those generally available to the public and are undertaken on arms' length basis and not to the detriment of minority shareholders;

AND THAT the authority conferred by such mandate shall commence upon the passing of this resolution and continue to be in full force until:

- (a) the conclusion of the next Annual General Meeting (AGM) of the Company at which this shareholders' mandate will lapse, unless by a resolution passed at the next AGM, the mandate is renewed;
 - (b) the expiration of the period within which the next AGM is required to be held pursuant to Section 340(2) of the Companies Act 2016 (the Act) (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
 - (c) revoked or varied by resolution passed by the shareholders in general meeting;
- whichever is the earlier;

AND THAT the Board of Directors be and is hereby authorised to complete and do all such acts and things as it may consider expedient or necessary (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this mandate."

Please refer to Explanatory Note D

Ordinary Resolution 7

8. **RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR**

"**THAT** approval be and is hereby given to Datuk Ishak bin Imam Abas, who has served as an Independent Non-Executive Director for a cumulative term of more than twelve (12) years, to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting."

Please refer to Explanatory Note E

Ordinary Resolution 8

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

BY ORDER OF THE BOARD

LEE SEW BEE (SSM PC No. 201908002727) (MAICSA 0791319)
LIM HOOI MOOI (SSM PC No. 201908000134) (MAICSA 0799764)
Company Secretaries

Kuala Lumpur
15 June 2020

NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

Notes

1. In light of the Coronavirus (COVID-19) pandemic and in line with the Guidance and FAQs on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia, the Fifteenth Annual General Meeting (15th AGM) of the Company will be conducted entirely on a virtual basis through live streaming and online remote voting via Remote Participation and Voting (RPV) Facilities. The Company has appointed Tricor Investor & Issuing House Services Sdn Bhd (TIIH) as the Poll Administrator for the 15th AGM to facilitate the RPV via TIIH Online website at <https://tiih.online>. The procedures for members to register, participate and vote remotely via the RPV facilities are provided in the Administrative Guide for the 15th AGM.
2. The broadcast venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016, which requires the Chairperson of the meeting to be present at the main venue. Members will NOT be physically present at the broadcast venue on the day of the 15th AGM.
3. A member of the Company entitled to attend and vote at the 15th AGM via RPV is entitled to appoint a proxy or proxies to attend and vote in his/her stead. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
4. A member shall not be entitled to appoint more than two (2) proxies to attend and vote at the 15th AGM. Where a member appoints two (2) proxies, the appointments shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
5. Where a member of the Company is an authorised nominee as defined in accordance with the Securities Industry (Central Depositories) Act 1991, it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
6. Where a member of the Company is an exempt authorised nominee 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.
7. Where an authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
8. The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorised in writing or if the appointor is a corporation, under its Common Seal or the hand of its duly authorised officer.
9. A member who has appointed a proxy or attorney or authorised representative to attend, participate, speak and vote at the 15th AGM via RPV must request his/her proxy to register himself/herself for RPV at TIIH Online website at <https://tiih.online>. Please follow the procedures for RPV set out in the Administrative Guide.
10. For members who are individual persons, the appointment of a proxy may be made in hard copy form or by electronic means. For members who are not individual persons (e.g. corporate member, exempted authorised nominee, etc.), the appointment of a proxy MUST be made in hard copy form only. Proxy Forms must be submitted in the following manner, not less than forty-eight (48) hours before the time appointed for holding the 15th AGM or at any adjournment thereof:
 - i) In hard copy form (applicable for all members)
The original signed Proxy Form must be deposited at the Company's Registered Office, No. 2, Jalan Bangsar Utama 9, Bangsar Utama, 59000 Kuala Lumpur, Malaysia.
 - ii) By Tricor Online System (TIIH Online) (applicable for members who are individual persons only)
The Proxy Form can be electronically submitted via TIIH Online at <https://tiih.online>. Please follow the procedures set out in the Administrative Guide.
11. Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the 15th AGM will be put to vote by way of poll.
12. For the purpose of determining a member who shall be entitled to attend the 15th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company a Record of Depositors as at 8 July 2020 and only a depositor whose name appears on this Record shall be entitled to attend the 15th AGM or appoint proxy or proxies to attend and/or vote in his/her stead.

NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

Explanatory Notes to the Agenda

A. For Agenda Item 1

To receive the Audited Financial Statements for the financial year ended 31 December 2019 together with the Reports of the Directors and Auditors thereon

The Audited Financial Statements are laid in accordance with Section 340(1)(a) of the Companies Act 2016 (the Act) for discussion only. They do not require shareholders' approval and hence, will not be put for voting.

B. For Agenda Item 3

To approve the payment of Directors' fees and benefits to Non-Executive Directors up to an amount of RM1,650,000 from 1 June 2020 until the next Annual General Meeting of the Company

The amount of up to RM1,650,000 under Ordinary Resolution 3 comprising Directors' fees and benefits to Non-Executive Directors of the Company is estimated for the period from 1 June 2020 until the next AGM of the Company to be held in 2021. The fees and benefits are in accordance with the Directors' Remuneration Framework for Non-Executive Directors in line with their duties and responsibilities and time commitment required to discharge their duties.

Directors' benefits comprise fixed meeting allowances payable to Independent Non-Executive Directors for attendance of Board and Board Committee meetings and the provision of company car, driver and club subscriptions for Non-Executive Chairman and Non-Executive Deputy Chairman of the Company. The meeting allowances are estimated based on the number of scheduled Board and Board Committee meetings and Directors' involvement in these meetings. The number of such meetings are determined based on the strategy and plans of the Group.

C. For Agenda Item 5

Authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016

The Company had at the Fourteenth AGM held on 14 May 2019, obtained its shareholders' approval for the renewal of the general mandate for issuance of shares pursuant to Sections 75 and 76 of the Act. The Company, however, did not issue any new shares pursuant to this mandate obtained as at the date of this Notice.

The proposed Ordinary Resolution 5 is a renewal mandate for the issue of shares under Sections 75 and 76 of the Act. If passed, it will give the Directors of the Company from the date of the 15th AGM, authority to allot and issue shares not exceeding 10% of the total number of issued shares of the Company.

A renewal of this general mandate is to provide flexibility to the Company to issue new shares without the need to convene an extraordinary general meeting to obtain its shareholders' approval so as to avoid incurring additional cost and time. The purpose of this general mandate is for possible fund raising exercise including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital and/or acquisitions and/or for issuance of shares as settlement of purchase consideration.

D. For Agenda Items 6 and 7

Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature as set out under Sections 2.5(1) and 2.5(2) of the Circular to Shareholders dated 15 June 2020.

Please refer to the Circular to Shareholders dated 15 June 2020 for detailed information. The Ordinary Resolutions proposed under Agenda Items 6 and 7, if passed, will allow the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature pursuant to paragraph 10.09 of Main Market Listing Requirements of Bursa Malaysia Securities Berhad. This mandate, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

E. For Agenda Item 8

Retention of Independent Non-Executive Director

The Joint Remuneration and Nomination Committee and the Board of Directors (save for Datuk Ishak bin Imam Abas who abstained from deliberation and voting) have assessed the independence of Datuk Ishak bin Imam Abas, including engaging an independent third party to conduct an unbiased evaluation and to assess if he continues to satisfy the quantitative and qualitative assessments of independence in thought and mind. The evaluation process included an assessment of Datuk Ishak's performance and effectiveness as an Independent Director by his peers through a rating assessment model and interview sessions with him and the Chairman of the Board.

The Board is satisfied that Datuk Ishak continues to be independent and recommended that he be retained as an Independent Non-Executive Director based on the following justifications:

- (a) He is able to exercise independent and objective judgement and to act in the best interest of the Company, notwithstanding his tenure of service;
- (b) He has met the independence guidelines set out in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad;
- (c) He has contributed sufficient time and efforts and exercised due care in all undertakings of the Company and has acted and carried out his fiduciary duty in the interest of the Company;
- (d) He is independent of Management and free from any business or other relationship which could interfere with the exercise of independent judgement or the ability to act in the best interest of the Company; and
- (e) His vast experience and in-depth knowledge of the oil and gas industry, understanding of the Company's objectives, strategies and business operations and proven commitment, experience and competency will continue to benefit the Board in discharging its duties and providing advice and critical oversight to Management effectively.

Shareholders' approval for the proposed Ordinary Resolution 8 on the retention of Datuk Ishak bin Imam Abas as Independent Non-Executive Director will be sought via a single tier voting process.

The proposed Ordinary Resolution 8, if passed, will enable Datuk Ishak bin Imam Abas to hold office as Independent Non-Executive Director until the conclusion of the next AGM of the Company.