

IOI CORPORATION BERHD
(Company Registration No. 9027-W)
(Incorporated in Malaysia)

Minutes of the Fiftieth Annual General Meeting (“50th AGM” or the “Meeting”) of IOI Corporation Berhad (the “Company” or “IOI Corp”) held at Millennium Ballroom 1 (Level 1), Le Méridien Putrajaya, Lebuhr IRC, IOI Resort City, 62502 Putrajaya, Malaysia on Friday, 25 October 2019 at 10.00 a.m.

Present : **Board of Directors (the “Board”)**
Tan Sri Peter Chin Fah Kui (Chairman)
Tan Sri Dr Rahamat Bivi binti Yusoff
Datuk Karunakaran a/l Ramasamy (“Datuk Karunakaran”)
Dato’ Lee Yeow Chor
Mr Lee Yeow Seng
Mr Cheah Tek Kuang

Shareholders, Corporate Representatives and Proxies
A total of 1,068 shareholders, corporate representatives and proxies registered for the AGM as per the attendance list

By invitation : **List of invitees is as per attendance list.**

In attendance : **Mr Vincent Tan Choong Khiang (Company Secretary)**

1.0 CHAIRMAN

Tan Sri Peter Chin Fah Kui presided over the 50th AGM and welcomed all the shareholders presented. The Chairman introduced members of the Board of Directors (“Board”) who were present to the shareholders.

The Chairman shared his personal experience by elaborating on the life and personality of the late Tan Sri Dato’ Lee Shin Cheng, the former Executive Chairman of the Company before proceeding to the formal part of the Meeting. The Chairman made a request at the Meeting for a minute’s silence as a sign of reflection and respect to the late Tan Sri Dato’ Lee Shin Cheng after the video presentation.

The Chairman advised that pursuant to Article 51 of the Company’s Constitution, the quorum necessary for the transaction of business at a general meeting shall be 2 members present personally or by proxy or by corporate representative entitled to vote. The Chairman also reported that the Company has received 1,530 valid proxy forms and certificates of appointment of corporate representatives, representing approximately 84.52% of the total issued share capital of the Company.

The Chairman then called the Meeting to order after confirming the requisite quorum was present.

For this purpose, the Chairman exercised his right as the Chairman of the Meeting to demand for a poll in respect of all the resolutions which would be put to vote at this 50th AGM. The Chairman informed that similar to the last AGM, the poll would be conducted through electronic voting conducted by Boardroom Corporate Services Sdn Bhd (“Boardroom Corporate Services”) as the Poll Administrators and results would be verified by Boardroom Share Registrars Sdn Bhd as Scrutineer.

The Chairman then requested for a poll to be taken on all the resolutions to be tabled at the Meeting in his capacity as Chairman of the Meeting in accordance with Companies Act 2016 and

Paragraph 8.29A of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”). The Meeting noted that the Chairman had been appointed as proxy by some shareholders and he would then vote in accordance with the instructions of the respective shareholders.

Ms Cheryl Leong, the representative from Boardroom Corporate Services was invited to explain to the shareholders present on the process of the poll voting using the wireless hand held device and the house keeping rules as well as to do the testing on the text resolution. The Meeting was informed that voting will be open for 15 seconds on the resolution which will be indicated by a countdown timer on the display screens in the room. Despite the tutorial video on using the wireless handheld device was played prior to the commencement of the Meeting, a trial run of voting by poll was conducted.

2.0 NOTICE

The notice convening the Meeting which has been despatched to the shareholders was taken as read.

3.0 AUDITED FINANCIAL STATEMENTS AND REPORTS

The Chairman tabled the Audited Financial Statements for the financial year ended 30 June 2019 (“FY2019”) and the Reports of the Directors and Auditors. The Chairman then referred the shareholders present to the Group’s summary financial overview and performance highlights for FY2019 set out on pages 30 to 38 of the 2019 Annual Report. It was also highlighted that further details of the Group Business Review for plantation and resources-based manufacturing were outlined on pages 40 to 55 of the 2019 Annual Report.

The Meeting was informed that the Company recorded a net profit from continuing operations of RM617.6 million in FY2019. However, excluding other operating income – which comprised mostly of fair value gains – and forex movements in deposits and borrowings, IOI made a net loss from continuing operations of RM131.1 million. The result was mainly due to lower contributions from the plantation segment because of the generally low crude palm oil price; prices hit a low in December 2018 and then hovered between RM1,800 and RM2,200 per metric tonne for most of 2019. On the flip side, the downstream business benefited from low prices and achieved approximately 26% improvement in its operating profit at RM445.2 million.

The Chairman informed the Meeting that the Company had received a letter from the Minority Shareholders Watch Group (“MSWG”) and Employees’ Provident Fund (“EPF”). For the benefits of the shareholders, the Chairman invited Dato’ Lee Yeow Chor (“Dato’ Lee”), the Group Managing Director and Chief Executive (“GMD”) to present the questions and answers (“Q&A”) to the Meeting, in which it was summarised as follows:-

MSWG Questions and Answers (“MSWG’s Q&A”)

Strategy / Financial

- Q1. The Group has embarked on a revitalised mechanisation plan to drive higher productivity and cost reduction (page 44 of the Annual Report).**
- (a) What is Fresh Fruit Bunches (“FFB”) Main Line Evacuation with Mechanical Assisted Infield Collection?**

Response from the Company

FFB Main Line Evacuation was the process of evacuation of fresh fruit bunches piled on a platform along the main access road using a Tractor Grabber (tractor with three or four petals grabbing arm) with a bin, instead of manual labour.

Mechanical Assisted Infield Collection is the evacuation of FFB deeper infield with a Mechanical Buffalo, as opposed to the conventional method of using a buffalo together with a wheelbarrow. Additional slide was shared at the Meeting for better illustration.

- (b) What is expected increase in productivity and cost reduction from the introduction of FFB Main Line Evacuation with the Mechanical Assisted Infield Collection?**

Response from the Company

The main objectives of the mechanisation program were improvement in the crop evacuation turnaround time and the reduction of manual labour in the crop evacuation operation. There would be some net cost savings in the medium to long term but its extent was difficult to be quantified at this moment.

- (c) What is the expected Capital Expenditures (“CAPEX”) to be incurred for the introduction of FFB Main Line Evacuation with the Mechanical Assisted Infield Collection when it is fully implemented?**

Response from the Company

The Group estimated CAPEX of up to RM78 million over the next five years for implementation of FFB Main Line Evacuation with the Mechanical Assisted Infield Collection in applicable estates.

- Q2. The Group reported a realised fair value gain on derivative financial instruments of RM668.6 million. At the same time, the Group reported a realised fair value loss on financial instruments of an amount of RM314.6 million in FY 2019.**

- (a) Which are the derivative financial instruments that recorded the fair value gain and fair value loss respectively?**

Response from the Company

The derivative financial instruments were the plain vanilla forward foreign exchange contracts with financial institutions, which arise from our normal day-to-day hedging activities to cover our foreign exchange risks on foreign-currency denominated sales and purchase contracts and also the palm oil futures traded through the Bursa Malaysia Derivatives Market, which arise from the normal day-to-day commodity hedging activities for the downstream sales contracts.

- (b) What were the risk mitigating measures taken by the Company to mitigate the fair value loss on derivative financial instruments?**

Response from the Company

The Group operates within an established Enterprise Risk Management framework with clearly defined policies and guidelines, which are administered via divisional

Risk Management Committees. Divisional Risk Management Committees report regularly to the Audit and Risk Management Committee, which oversees the management of risk in the Group on behalf of the Board of Directors.

The Company's risk management approach for commodity forward contracts and forward foreign exchange contracts were detailed under Note 39.3.1 (page 207) and Note 39.1.1 (page 195) of our FY2019 Annual Report respectively.

- Q3. The Company has disposed 70% equity interest in Bunge Loders Croklaan Group B.V ("Loders"). What is the reason for the Company deciding to retain the remaining 30% interest in Loders?**

Response from the Company

The CEO added that 30%-owned associate, Loders still fits the Group's integrated business model as a specialty fat business. Although the Company did not intend to sell at first, the management disposed a 70% stake in Loders to Koninklijke Bunge B.V. due to the EV/EBITDA multiple of 13 times that was offered. Through Bunge's network, Loders has managed to expand its portfolio from palm oil specialty fats into soybean oil and sunflower oil to target more customers. The Group achieved cost saving of about US\$70 to 80 million annually post-acquisition and would continue to supply palm oil to Loders as negotiated prior to the disposal.

It was added that the Group's continued equity interest and involvement in Loders, and the expected significant growth in Loders in the future would support IOI's business focus of being a leading integrated and sustainable palm oil player with global presence in both specialty fats and oleochemical segments.

Corporate Governance Matters

- Q1. Proposed Resolution 11 is to pay a gratuity payment to late Tan Sri Dato' Lee of an amount of RM27.36 million in recognition of his 38 years of service and contribution to IOI Group.**
- (a) IOI Corp's Corporate Governance Statement (Practice 6.1) states that there are no termination, retirement and post-retirement benefits that may be granted to Directors and the top 4 management personnel (who is not Group Managing Director) except for those payment pursuant to statutory requirements.**

There is no mention of gratuity payment.

Why is there an exception to pay gratuity payments?

Response from the Company

The proposed gratuity payment was a one-off non-contractual retirement benefit to the late Tan Sri Dato' Lee, as he had given his notice to retire prior to his demise, and was recommended by the Board of Directors in accordance with sections 227 and 230 of the Companies Act 2016.

The gratuity payment was recommended due to the late Tan Sri Dato' Lee's special role as the Founder and driving force behind the Group over the last 38 years.

Since the GMD is deemed interested in the gratuity payment, the Group Chief Financial Officer ("Group CFO"), Mr Lee Tuan Meng presented the MSWG's Q&A in relation to the proposed gratuity payment. The Chairman informed the Meeting that further questions regarding the gratuity payment could be raised under Resolution 11's Q&A session.

- (b) Is the gratuity payment to the late Tan Sri Dato' Lee stated in his service contract?**

Response from the Company

There was no service agreement entered between the former Executive Chairman and the Company.

- (c) Why did the Company choose to pay the gratuity payment instead of making a payment from the retirement benefits scheme of the Company since the Company has such scheme?**

Response from the Company

The retirement benefit schemes of the Group were established pursuant to the collective agreements and handbook of certain companies in the Oleochemical and Plantation divisions for middle and lower-ranked employees only.

- (d) The late Tan Sri Dato' Lee's estate has decided to voluntarily waive the bonus entitlement for FY2019. How much would have the bonus amounted to?**

Response from the Company

FY2019 bonus waived by the estate of the late Tan Sri Dato' Lee amounted to RM13.1 million.

The GMD continued with the remaining MSWG's Q&A.

- Q2. The Executive Share Option Scheme ("ESOS") Committee comprises Dato' Lee Yeow Chor as the chairman and Mr Lee Yeow Seng, Non-Independent Non-Executive Director ("NINED") as stated on page 75 of the Annual Report.**

Why are there no Independent Non-Executive Director ("INED"), be appointed as member of the ESOS Committee to provide check and balance and an independent perspective in the administration of the ESOS Scheme?

Response from the Company

Originally the ESOS Committee comprised three (3) members, who included the previous Executive Chairman. The Company would appoint an INED to be an additional member of the ESOS Committee later.

Prior to establishment of the ESOS Committee, the Governance, Nominating and Remuneration Committee ("GNRC") had reviewed, among others, the maximum allowable allotment, basis of allocation and eligibility of ESOS. The implementation of first

tranche ESOS allocation was strictly in accordance with the parameters set. The GNRC had also reviewed on the second tranche of ESOS allocation prior to its implementation.

- Q3. Mr Lee Yeow Seng, the NINED attended 3 out of 6 Board Meetings during the financial year (page 87 of Annual Report).**

What was the reason for him not being able to attend all the meetings held during the financial year?

Response from the Company

The non-attendance of two (2) Board meetings by Mr Lee Yeow Seng was mainly due to the rescheduling of the meetings, where the new meeting dates clashed with his other important pre-scheduled meetings.

The Group CFO presented the below EPF's Q&As involving the GMD's interest, and was summarised as follows:-

- Q1. Remuneration for the CEO/Managing Director that was disclosed in 2019 annual report**

As represented by IOI Corp's Board in the last AGM, we took note on the remuneration of the CEO in FY2018 which was based on 1% of PATAMI. However, we noticed that the basis of remuneration paid/payable to the CEO for FY2019 has increased to approximately 2.5% of FY2019 PATAMI. We hope the Remuneration Committee could explain the rationale for the change in the basis of remuneration for the CEO.

As highlighted in the previous AGM with regards to the cap or ceiling on the remuneration formula for the Chairman and CEO, we would like to get an update on this as to whether the Remuneration Committee has imposed such cap and if not, to explain the rationale why the committee has decided not to put any cap on the formula.

Response from the Company

During FY2018 AGM, some shareholders expressed reservations about the then Executive Chairman and CEO's bonus for that year, which was based on total Group PATAMI of about RM3.1 billion (including gain on disposal of business) as being too high. Subsequently, the GNRC deliberated and reviewed the fixed percentage bonus formula of the GMD, which is a flat 1.0% on the Group's PATAMI. The Board was of the view that a bonus scheme based on a percentage of only 1.0% of the Group PATAMI was already a fair and appropriate reward for the GMD, and imposing an arbitrary maximum cap on the percentage bonus scheme would undermine the objective of maximising profit for the Group.

Nevertheless, in recognition of the feedback from shareholders and to be fair to the GMD when the Group's PATAMI might dramatically drop due to factors beyond his control such as low palm oil price, the Board approved a variable percentage bonus formula. This PATAMI revision was the main reason for the difference in the GMD remuneration payout ratio between FY2018 and FY2019. Moving forward, net foreign translation gains and losses from borrowings or deposits would be excluded from the ratio calculation above. The EPF representative then requested the Company to publicly disclose any relevant CEO/employee pay ratios in the future.

- Q2. Resolution 11 with regard to the gratuity payment of RM27.36 million to the former Executive Chairman, the late Tan Sri Dato' Lee.**

We understand that the gratuity payment is to recognise the late Tan Sri Dato' Lee's contribution for the past 38 years to the Company as its founder. While we appreciate the transformative contribution, the late Tan Sri Dato' Lee has devoted to the company, its shareholders and nation at large, we were of the view that any recognition and respect for the late Tan Sri Dato' Lee shall not be in monetary or tangible form. Therefore, we would like to seek your clarification on the basis and rationale for the gratuity payment, and who were the ultimate beneficiaries if such payment is made.

Response from the Company

We note that EPF greatly appreciates and recognises the late Tan Sri Dato' Lee's contribution and services as a founder of IOI Group over the last 38 years. Besides being a gesture of recognition, the proposed gratuity payment was also a retirement benefit to the late Tan Sri Dato' Lee, as he had given his notice to retire prior to his demise.

The proposed gratuity payment of RM27.36 million was computed on the basis of 1.5 months of payment for every year of service (i.e. 38 years) based on his last drawn monthly salary of RM480,000. The payment was also in line with the Companies Act 2016 where it did not exceed the total remuneration of the late Tan Sri Lee in the immediate three years that preceded his retirement.

It was reported that the estate of the late Tan Sri Dato' Lee had voluntarily waived the late Tan Sri Dato' Lee 's bonus entitlement of RM13.1 million for FY2019. Therefore, the net extra payment amount to RM14.26 million which in effect was equivalent to a retirement gratuity of 0.8 month per year of the late Tan Sri Dato' Lee's service.

The Chairman further invited the shareholders to raise questions.

Comments from shareholders and/or proxy and the response from the Company

The same shareholder further enquired whether the disposal of 70% equity in Loders by the Company would affect the supply of Crude Palm Oil ("CPO") to Loders. The GMD highlighted that the CPO supply by the Company to Loders was one of the terms that was agreed with Koninklijke Bunge B.V. whereby the sales of the CPO to Loders shall not be lower than quantity prior to the divestment of 70% equity interest in Loders by the Company. Currently, the Company remains as the largest supplier of CPO to Loders.

A shareholder was curious about the impact of the Indian ban on Malaysian palm oil. The GMD clarified that there was no official stand from the Indian government although a vegetable oil trade body there advised its members to refrain from buying Malaysian palm oil. The Group's revenue contribution from customers in India remained negligible in 2019. The Group only sold palm oil products to India indirectly via customers like Cargill and Bunge. The majority of revenue was derived from customers in Japan, Korea, Europe, and the U.S. The GMD viewed the action as a zero-sum game and a short-term disruption.

Another shareholder enquired whether the Group has undertaken any initiatives to adapt the Industrial Revolution 4 and the GMD responded that palm oil industry is a labour-intensive industry, the Company had undertaken the mechanisation exercise in the past 2 years and at the same time, he added that the importance of digitisation in business would help to improve the

efficiency of its process, consistency, and quality. Thus, the Company had embarked the Systems and Applications for Products in Data Processing (“SAP”) for the plantation division. The GMD elaborated that mobile tablet that can gather information on harvesters’ fresh fruit bunch collection, and quickly upload the data to the computers back at the estate’s office instead of having to perform the tedious task of data entry. This means that estate managers not only have the ability to easily track and trace harvesters’ real-time activities on the ground, they can also see for themselves the quality of the fruits and know exactly where problem areas are without having to be in the field. The GMD also reported that the Group would spend approximately RM60 million to RM70 million (equivalent to RM12 million to RM15 million per annum) in stages over the next five years to implement the SAP.

A shareholder highlighted that the Company’s 2019 Annual Report had reported that the Company had recorded a higher oil extraction rate (“OER”) compared with existing national average. In connection aspect, the shareholder enquired whether the Group had received any accolades and awards for the business success. The GMD reported that the higher OER was mainly attributed to the Group’s tissue culture lab imposing higher than minimum selection standards, coupled with Good Agricultural Practices (GAP) in plantations. The GMD added that the Group had received various accolades and awards from among others, Malaysian Palm Oil Board for Best Refinery Award and Best Oleochemical Plant Award, as well as The Edge Billion Ringgit Club 2019, and was also named as the Most Outstanding Company in Malaysia – Plantation Sector for Asiamoney Asia’s Outstanding Companies Poll 2019.

Despite the current negative perception towards genetically modified organisms (“GMO”), the GMD informed that palm oil comes from the fruit of the GMO-free oil palm tree, releases vitamin E and antioxidant-rich carotenoids.

A shareholder enquired about the impact of the European Union (“EU”)’s restriction and ban on palm oil biofuel by 2030. The GMD explained that the EU consumes 5% of the total global palm oil consumption, which is equivalent to about 3.5 million tonnes of palm oil. The organic growth of palm oil consumption worldwide at 2.5% annually would exceed and compensate for the loss from the EU’s ban. In 2019, Europe contributed to 25.7% of the Group’s revenue. The GMD reckoned the ban would not materially affect the Group.

Another shareholder was curious about the reason for the decrease in the audit fees paid to external auditors. The GMD explained that the higher audit fees in FY2018 was mainly due to audit fees paid to external auditors in various foreign jurisdictions and following the disposal of 70% equity interest in Loders, the audit fees were no longer accounted for under the Group and thereby resulting, in the decrease of FY2019 audit fees.

Commenting on the fire-fighting efforts amid dry season in Indonesia, the GMD informed that in supporting the Indonesia Government’s leadership on fire prevention, the Company had joined a voluntary multi-stakeholder group called Fire-Free Alliance since March 2017. He pointed out that the Group had established fire management teams across our plantations and concessions in order to provide immediate response towards any fire occurrence.

In responding to a shareholder’s question on the Group’s CPO export volume to China and the GMD informed that the volume was relatively small, albeit growing, compared with that of United States of America and EU countries.

The GMD explained to another shareholder that the past-prime age for oil palms was above 21 years old. Past prime palms would continue producing fruits until they reach 30 years old. Replanting was done in stages when they reach 25 years old to optimise for sustainable harvests in the years to come. He added that the Group normally spent about between RM120 million and RM180 million on replanting annually (i.e. average 3% to 6% of the total capital expenditure).

The Chairman thanked the floor for the questions raised.

At this juncture, the Chairman informed that the Group had issued a standalone Sustainability Report, copy of which could be downloaded from the Company's website and the shareholders can read the Group's sustainability initiatives and updates.

The Chairman also informed that the Audited Financial Statements for FY2019 and the Directors' and Auditors' Reports thereon, were tabled at the Meeting for discussion only and were not required to be put forward for voting.

The Audited Financial Statements for FY2019 and the Directors' and Auditors' Reports thereon laid before the Meeting in compliance with Section 340(1) of the Companies Act 2016 were noted and received.

4.0 PAYMENT OF A FINAL SINGLE TIER DIVIDEND OF 4.5 SEN PER ORDINARY SHARE FOR THE FY2019

The second item on the agenda was to seek approval from the shareholders on the payment of a final single tier dividend of 4.5 sen per ordinary share for FY2019.

Ordinary Resolution 1 was voted on by poll and the results were summarised, as follows:-

Ordinary Resolution 1	For		Against		Total Voting Shares
	No. of Ordinary Shares	%	No. of Ordinary Shares	%	
Final Single Tier Dividend of 4.5 sen per Ordinary Share	5,294,041,344	99.9999	5,466	0.0001	5,294,046,810

As more than 50% of the votes were cast in favour, the Ordinary Resolution 1 was carried and it was resolved:-

"THAT the payment of a final single tier dividend of 4.5 sen per ordinary share for FY2019, be hereby approved."

5.0 RE-ELECTION OF DIRECTORS RETIRING PURSUANT TO ARTICLE 101 OF THE COMPANY'S CONSTITUTION

5.1 The Chairman informed that the next item on the agenda was the re-election of Directors retiring by rotation pursuant to Article 101 of the Company's Constitution, and as the Chairman was one of the Directors standing for re-election, he passed the chair to Datuk Karunakaran.

5.2 Datuk Karunakaran informed that the following Directors retiring by rotation in accordance with Article 101 of the Company's Constitution and be eligible for re-election, had offered themselves for re-election under Ordinary Resolutions 2 and 3, respectively were as follows:-

- (a) Tan Sri Peter Chin Fah Kui (Ordinary Resolution 2)

(b) Lee Yeow Seng (Ordinary Resolution 3)

5.3 Datuk Karunakaran informed that both Tan Sri Peter Chin Fah Kui and Lee Yeow Seng's profiles were on pages 72 and 73 respectively. It was highlighted that both directors had undergone a performance evaluation and had demonstrated that they remain committed to the role, and continue to be an effective and valuable member of the Board. The re-election of the Directors were proposed to be voted on individually, in a separate motion, in accordance with Article 101 of the Company's Constitution:-

(a) Ordinary Resolution 2 – Re-election of Tan Sri Peter Chin Fah Kui

Ordinary Resolution 2 was voted on by poll and the results were summarised, as follows:-

Ordinary Resolution 2	For		Against		Total Voting Shares
	No. of Ordinary Shares	%	No. of Ordinary Shares	%	
Re-election of Tan Sri Peter Chin Fah Kui	5,277,586,823	99.6968	16,048,671	0.3032	5,293,635,494

As more than 50% of the votes were cast in favour, the Ordinary Resolution 2 was carried and it was resolved:-

“THAT Tan Sri Peter Chin Fah Kui, the Director retiring by rotation pursuant to Article 101 of the Company's Constitution and being eligible, be hereby re-elected as a Director of the Company.”

At this juncture, Datuk Karunakaran congratulated Tan Sri Peter Chin Fah Kui for being re-elected as a Director of the Company and passed the chair back to Tan Sri Peter Chin Fah Kui.

(b) Ordinary Resolution 3 – Re-election of Lee Yeow Seng

Tan Sri Peter Chin Fah Kui continued with the Meeting's proceedings and Ordinary Resolution 3 was voted on by poll and the results were summarised, as follows:-

Ordinary Resolution 3	For		Against		Total Voting Shares
	No. of Ordinary Shares	%	No. of Ordinary Shares	%	
Re-election of Lee Yeow Seng	4,852,747,321	91.6835	440,188,955	8.3165	5,292,936,276

As more than 50% of the votes were cast in favour, the Ordinary Resolution 3 was carried and it was resolved:-

“THAT Lee Yeow Seng, the Director retiring by rotation pursuant to Article 101 of the Company’s Constitution and being eligible, be hereby re-elected as a Director of the Company.”

6.0 DIRECTORS’ FEES FOR FINANCIAL YEAR ENDING 30 JUNE 2020

The fourth item on the agenda was to seek approval from the shareholders on the payment of Directors’ fees of RM1,085,389 (inclusive of Board Committees’ fees) for the financial year ending 30 June 2020 (“FY2020”), payable quarterly in arrears after each month of completed service of the Directors during the financial year.

It was highlighted that the details of the remuneration of Directors of the Company comprising remuneration received/receivable from the Company and subsidiaries during FY2019 were disclosed on page 8 89 of Annual Report.

Ordinary Resolution 4 was voted on by poll and the results were summarised, as follows:-

Ordinary Resolution 4	For		Against		Total Voting Shares
	No. of Ordinary Shares	%	No. of Ordinary Shares	%	
Directors’ fees for the financial year ending 30 June 2020	5,212,104,715	98.4615	81,440,748	1.5385	5,293,545,463

As more than 50% of the votes were cast in favour, the Ordinary Resolution 4 was carried and it was resolved:-

“THAT the payment of Directors’ fees of RM1,085,389 (inclusive of Board Committees’ fees) for the financial year ending 30 June 2020, payable quarterly in arrears after each month of completed service of the Directors during the financial year, be hereby approved.”

7.0 DIRECTORS’ BENEFITS FOR THE PERIOD FROM 25 OCTOBER 2019 UNTIL THE NEXT AGM

The next item on the agenda was to seek approval from the shareholders on the payment of Directors’ Benefits for the period from 25 October 2019 until the next AGM.

Ordinary Resolution 5 was voted on by poll and the results were summarised, as follows:-

Ordinary Resolution 5	For		Against		Total Voting Shares
	No. of Ordinary Shares	%	No. of Ordinary Shares	%	
Directors' benefits for the period from 25 October 2019 until the next AGM	5,293,428,262	99.9973	145,001	0.0027	5,293,573,263

As more than 50% of the votes were cast in favour, the Ordinary Resolution 5 was carried and it was resolved:-

"THAT the payment of Directors' benefits (other than Directors' fees) of up to RM280,000 for the period from 25 October 2019 until the next AGM be hereby approved."

8.0 RE-APPOINTMENT OF AUDITORS

The Chairman informed the Meeting that this item on the agenda was to seek approval from the shareholders on the re-appointment of Messrs BDO PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Audit and Risk Management Committee ("ARMC") to fix their remuneration.

Ordinary Resolution 6 was voted on by poll and the results were summarised, as follows:-

Ordinary Resolution 6	For		Against		Total Voting Shares
	No. of Ordinary Shares	%	No. of Ordinary Shares	%	
Re-appointment of Messrs BDO PLT as Auditors	5,270,957,192	99.5734	22,580,826	0.4266	5,293,538,018

As more than 50% of the votes were cast in favour, the Ordinary Resolution 6 was carried and it was resolved:-

"THAT Messrs BDO PLT be hereby appointed as the Auditors of the Company to hold office until the conclusion of the next Annual General Meeting and that the ARMC be authorised to determine their remuneration."

9.0 CONTINUING IN OFFICE AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR

The Chairman informed the Meeting that the proposed ordinary resolution under item 7.1 of the agenda as special business was to seek approval for Datuk Karownikaran @ Karunikaran a/l

Ramasamy, to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next AGM of the Company.

The Chairman reported that the GNRC and Board had assessed the independence of Datuk Karunakaran, who would be attaining a cumulative term of more than 9 years on 17 January 2020. The Chairman added that the Board also recognises that the benefits of experience and stability brought by the longer serving Directors are often in the best interest of the Company and its shareholders. The Chairman further informed that based on the evaluation of both GNRC and the Board, they were satisfied that Datuk Karunakaran met the criteria under the definition of Independent Director pursuant to Listing Requirements of Bursa Malaysia, and Datuk Karunakaran possess the attributes necessary in discharging his role as an Independent Director of the Company. There were no questions received from the shareholders and accordingly, Ordinary Resolution 7 was voted on by poll and the results were summarised, as follows:-

Ordinary Resolution 7	For		Against		Total Voting Shares
	No. of Ordinary Shares	%	No. of Ordinary Shares	%	
Approval for Datuk Karownakaran @ Karunakaran a/l Ramasamy to continue in office as an Independent Non-Executive Director	4,686,443,958	88.5311	607,111,435	11.4689	5,293,555,393

As more than 50% of the votes were cast in favour, the Ordinary Resolution 7 was carried and it was resolved:-

“THAT authority be hereby given to Datuk Karownakaran @ Karunakaran a/l Ramasamy, who will be attaining a cumulative term of more than nine (9) years on 17 January 2020 as an Independent Non-Executive Director of the Company, to continue act as an Independent Non-Executive Director of the Company until the conclusion of the next AGM.”

10.0 AUTHORITY TO DIRECTORS TO ALLOT AND ISSUE SHARES PURSUANT TO SECTION 76 OF THE COMPANIES ACT 2016

The Chairman informed the Meeting that the proposed ordinary resolution under item 7.2 of the agenda as special business was to seek renewal of a general mandate, which if passed, would empower the Directors to allot and issue shares pursuant to Section 76 of the Companies Act 2016.

The Chairman highlighted that the Company did not issue any new shares pursuant to Section 76 of the Companies Act 2016 although the general mandate was given at the last AGM of the Company.

Ordinary Resolution 8 was voted on by poll and the results were summarised, as follows:-

Ordinary Resolution 8	For		Against		Total Voting Shares
	No. of Ordinary Shares	%	No. of Ordinary Shares	%	
Authority to Directors to allot and issue shares pursuant to Section 76 of the Companies Act 2016	4,593,829,109	86.9082	692,011,206	13.0918	5,285,840,315

As more than 50% of the votes were cast in favour, the Ordinary Resolution 8 was carried and it was resolved:-

“THAT pursuant to Section 76 of the Companies Act 2016, the Directors be hereby authorised with full powers to allot and issue shares in the Company from time to time and upon such terms and conditions and for such purposes as they may deem fit subject always to the approval of the relevant authorities being obtained for such issue and provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed ten percent (10%) of the issued share capital for the time being of the Company and that such authority shall continue in force until the conclusion of the next AGM of the Company and that the Directors be also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued.”

11.0 PROPOSED RENEWAL OF EXISTING SHARE BUY-BACK AUTHORITY

The Chairman informed the Meeting that the proposed ordinary resolution under item 7.3 of the agenda as special business was to seek renewal of the authority to purchase up to ten percent (10%) of the issued share capital of the Company. The details of the Proposed Renewal of Existing Share Buy-Back Authority were stated in Part A of the Circular to shareholders dated 27 September 2019.

One of the shareholders enquired the status of treasury shares and in response, Dato’ Lee clarified that the Company did not purchase any shares in the past few years and the previous treasury shares were cancelled on 30 June 2017.

Ordinary Resolution 9 was voted on by poll and the results were summarised, as follows:-

Ordinary Resolution 9	For		Against		Total Voting Shares
	No. of Ordinary Shares	%	No. of Ordinary Shares	%	
Proposed Renewal of Existing Share Buy-Back Authority	5,291,504,837	99.9918	433,668	0.0082	5,291,938,505

As more than 50% of the votes were cast in favour, the Ordinary Resolution 9 was carried and it was resolved:-

“THAT subject to compliance with applicable laws, regulations and the approval of all relevant authorities, approval be hereby given to the Company to utilise up to the aggregate of the Company’s latest audited retained earnings, to purchase, from time to time during the validity of the approval and authority under this resolution, such number of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Malaysia Securities Berhad (“Bursa Securities”) upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that the aggregate number of shares to be purchased and/or held by the Company pursuant to this resolution does not exceed ten percent (10%) of the issued share capital of the Company at the time of purchase (“Proposed Purchase”);

THAT at the discretion of the Directors of the Company, the shares of the Company to be purchased are to be cancelled and/or retained as treasury shares and distributed as dividends or resold on Bursa Securities;

THAT the Directors of the Company be hereby empowered generally to do all acts and things to give effect to the Proposed Purchase with full powers to assent to any condition, modification, revaluation, variation and/or amendment (if any) as may be imposed by the relevant authorities and/or do all such acts and things as the Directors may deem fit and expedient in the best interest of the Company;

AND THAT such authority shall commence immediately upon passing of this resolution until:

- (i) the conclusion of the next AGM of the Company at which time the authority shall lapse unless by ordinary resolution passed at a general meeting, the authority is renewed either unconditionally or subject to conditions;
- (ii) the expiration of the period within which the next AGM after that date is required by law to be held; or
- (iii) revoked or varied by ordinary resolution of the shareholders of the Company in a general meeting,

whichever is the earlier but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the Main Market Listing Requirements of Bursa Securities or any other relevant authorities.”

12.0 PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

The Chairman informed the Meeting that item 7.4 on the agenda, as special business, was to renew the existing Shareholders’ Mandate for the Recurrent Related Party Transactions of a revenue or trading nature which are necessary for day-to-day operations involving the interests of Directors, Major Shareholders or persons connected to the Directors and/or Major Shareholders of the Company and its subsidiaries (“Proposed Renewal Shareholders’ Mandate”).

The Chairman informed the Meeting that the details with regards to the Proposed Renewal Shareholders’ Mandate were set out in Part B(I) of the Circular dated 27 September 2019.

The Chairman highlighted that Dato’ Lee Yeow Chor, Mr Lee Cheng Leang, Progressive Holdings Sdn Bhd and the persons connected to them (collectively, the “Interested Persons”) were interested in the Proposed Renewal Shareholders’ Mandate. Hence, the Interested Persons would abstain from voting on Ordinary Resolution 10 in respect of their direct shareholdings in the Company.

The Ordinary Resolution 10 was voted on by poll and the results were summarised, as follows:-

Ordinary Resolution 10	For		Against		Total Voting Shares
	No. of Ordinary Shares	%	No. of Ordinary Shares	%	
Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature	2,267,267,958	99.9773	515,452	0.0227	2,267,783,410

As more than 50% of the votes were cast in favour, the Ordinary Resolution 10 was carried and it was resolved:-

“THAT subject always to the provisions of the Companies Act 2016 (“the Act”), the Constitution of the Company, Main Market Listing Requirements of Bursa Malaysia Securities Berhad or other regulatory authorities, approval be hereby given to the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature which are necessary for day-to-day operations involving the interests of Directors, major shareholders or persons connected to the Directors and/or major shareholders of the Company and its subsidiaries (“Related Parties”), as detailed in Part B(I), Section 4 of the Circular to Shareholders of the Company dated 27 September 2019 (“Shareholders’ Mandate”) subject to the following:

- (i) the transactions are carried out in the ordinary course of business 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
- (ii) disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the Shareholders’ Mandate during the financial year.

THAT authority conferred by this resolution will commence immediately upon the passing of this resolution and shall continue to be in force until:

- (i) the conclusion of the next AGM of the Company, at which time it will lapse, unless renewed by a resolution passed by the shareholders of the Company in a general meeting;
- (ii) the expiration of the period within which the next AGM of the Company after that date it is required to be held pursuant to Section 340(2) of the Act (*but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act*); or
- (iii) revoked or varied by resolution passed by the shareholders of the Company in a general meeting,

whichever is the earlier,

AND THAT the Directors of the Company be hereby authorised to complete and do all such acts and things as they may consider expedient or necessary to give effect to the Shareholders’ Mandate.”

13.0 PROPOSED GRATUITY PAYMENT TO FORMER EXECUTIVE CHAIRMAN OF THE COMPANY

The Chairman informed the Meeting that item 7.5 on the agenda, as special business, was to seek shareholders' approval on the proposed gratuity of RM27.36 million to the late Tan Sri Lee Shin Cheng in recognition of his 38 years of service and contribution to IOI Group.

The gratuity payment was mentioned as a 'one-off discretionary and non-contractual' retirement benefit by the Chairman, The Chairman also reported that the late chairman's estate had decided to voluntarily waive his bonus entitlement that amounted to RM13.1 million in 2019.

Subsequently at the Meeting, with the permission of the Chairman, the GMD had made a few statements for and on behalf of Puan Sri Datin Hoong May Kuan ("Puan Sri Hoong"), the spouse of the late Tan Sri Lee and the representatives of the Lee family. The GMD, on behalf of Puan Sri Hoong, expressed her appreciation to the Board of the Company for recommending the gratuity payment to the late Tan Sri Lee in recognition of his service and contribution to the Group. The GMD also announced on behalf of Puan Sri Hoong, if the resolution were carried, 50% of the gratuity payment would be donated for charitable purposes. The GMD clarified that after excluding the donation of 50% of the gratuity payment for charitable purposes and a waiver of bonus of RM13.1 million (equivalent to 48% of the gratuity payment), the gratuity to be received by the late Tan Sri Lee Shin Cheng would be effectively merely 2%. The Chairman appreciated Puan Sri Hoong's benignity and her concern for the well-being of the Group.

As an interested party, the Lee family did not vote in the resolution. Consequently, the resolution was carried forward by garnering 52.6% of the remaining votes from shareholders.

While acknowledging the philanthropic efforts of the estate of the late Tan Sri Lee, the CEO of MSWG pointed out that the money would be donated by the estate and not on behalf of the Company. Therefore, the donation should not be considered as part of the Company's corporate social responsibility. Secondly, the late Executive Chairman was no longer around to receive the payment. In his opinion, the amount was better paid as a special dividend to shareholders as both minority shareholders and the estate of the late Executive Chairman, which holds substantial stake in the Company would benefit.

The EPF representatives expressed their utmost respect and appreciation to the late Tan Sri Lee for his contribution to the Company and the country. A representative from EPF further stated that any recognition and respect for the late chairman should not be in monetary or tangible form. The same representative from EPF urged the Board to reconsider the resolution. The CFO explained that the payment was computed at 1.5 months per year for 38 years of service by the late Tan Sri Lee, based on his last-drawn monthly salary of RM480,000. According to the Group CFO, such gratuity payments are not new among government-linked companies.

Datuk Karunakaran clarified that the gratuity payment was discussed by Independent Directors in the absence of related parties in alignment with the Companies Act 2016. He added that the proposed gratuity payment was not an easy decision made by the Board, and there were various factors for them to evaluate and debate amongst the Board. The Board had decided to derive the amount of the proposed gratuity based on the basis commonly used in the market. Although the proposed gratuity was a substantial amount of money and this was mainly due to 38 years' tenure in office.

One of the shareholders enquired whether all the persons connected to the late Tan Sri Lee would be abstained from voting on the resolution. In response, the Chairman and the GMD informed that all Lee family members are deemed persons connected to the late Tan Sri Lee and for good governance practice, they would abstain from voting.

The Chairman then informed that Dato' Lee Yeow Chor, Progressive Holdings Sdn Bhd and the persons connected to the late Tan Sri Dato' Lee were interested in the Proposed Gratuity Payment resolution. Hence, they would abstain from voting on Ordinary Resolution 11 in respect of their direct shareholdings in the Company.

The Ordinary Resolution 11 was voted on by poll and the results were summarised, as follows:-

Ordinary Resolution 11	For		Against		Total Voting Shares
	No. of Ordinary Shares	%	No. of Ordinary Shares	%	
Proposed Gratuity Payment to Former Executive Chairman	1,193,967,845	52.6467	1,073,918,595	47.3533	2,267,886,440

As more than 50% of the votes were cast in favour, the Ordinary Resolution 11 was carried and it was resolved:-

“THAT approval be hereby given for the Company to pay a gratuity amounting to RM27.36 million to the late Tan Sri Lee in recognition of his 38 years of service and contribution to IOI Group.

AND THAT authority be hereby given to the Directors of the Company to take all such actions as they may consider necessary to give full effect to this resolution.”

14.0 PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY

The Chairman informed the Meeting that item 7.6 on the agenda, as special resolution, was to alter or amend the whole of the existing Constitution of the Company.

The Chairman informed the Meeting that the detailed Constitution was set out in the Appendix 1 of the Circular to Shareholders of the Company. The proposed amendments were to streamline and ensure compliance with the relevant provisions of the Companies Act 2016 and Listing Requirements of Bursa Malaysia. The proposed amendments were also to provide clarity and consistency throughout in order to facilitate and further enhance practicality and administrative efficiency.

The Special Resolution was voted on by poll and the results were summarised, as follows:-

Special Resolution	For		Against		Total Voting Shares
	No. of Ordinary Shares	%	No. of Ordinary Shares	%	
Proposed Amendments to the Constitution of the Company	5,243,723,266	99.9150	4,459,742	0.0850	5,248,183,008

As more than 75% of the votes were cast in favour, the Special Resolution was carried and it was resolved:-

“THAT approval be hereby given to alter or amend the whole of the existing Constitution of the Company by the replacement thereof with a new Constitution of the Company as set out in Part B(II) of the Circular to Shareholders of the Company dated 27 September 2019 with immediate effect AND THAT the Directors and Company Secretary of the Company be hereby authorised to do all acts and things and take all such steps as may be considered necessary to give full effect to the foregoing.”

15.0 CLOSURE

The Chairman informed the Meeting that there were no notices received from the shareholders for any other business to be conducted at the Meeting. With that, the Chairman concluded the Meeting and thanked all present. The Chairman declared the Meeting closed at 1.05 p.m.

Confirmed

Tan Sri Peter Chin Fah Kui
Chairman

Date: 8 November 2019