

**MINUTES OF THE FIFTY-SIXTH (“56<sup>TH</sup>”) ANNUAL GENERAL MEETING (“AGM”) OF DUTCH LADY MILK INDUSTRIES BERHAD (“THE COMPANY”) HELD AT BALLROOM 2, LEVEL 3D, SHERATON PETALING JAYA HOTEL, JALAN UTARA C, 46200 PETALING JAYA, SELANGOR DARUL EHSAN, MALAYSIA ON FRIDAY, 26 APRIL 2019 AT 9.00 A.M**

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**SHAREHOLDERS** : As per Attendance List

**PROXYHOLDERS** : As per Attendance List

**DIRECTORS PRESENT** : Dato’ Zainal Abidin Bin Putih (Chairman)

Mr. Boey Tak Kong

Mr. Tarang Gupta

Ms. Saw Chooi Lee

Mr. Bernardus Hermannus Maria Kodden

Dato’ Dr Rosini Binti Alias

Tengku Nurul Azian Binti Tengku Shahrman

Mr. Jurgen Clemens Johannes Sandmann

Datin Seri Sunita Mei-Lin Rajakumar

**IN ATTENDANCE** : Ms. Katina Nurani Abd Rahim, Company Secretary

**BY INVITATION** : As per Attendance List

**CHAIRMAN OF THE MEETING** : Dato’ Zainal Abidin Bin Putih (“Dato’ Chairman”), as Chairman of the Company, welcomed everyone present at the Meeting and introduced the Board Members and the Company Secretary to the shareholders.

Dato’ Chairman informed that Mr. Boey Tak Kong (“Mr. Boey”), who has served on the Board for more than 17 years, will be stepping down from the Board at the conclusion of the 56<sup>th</sup> AGM. Dato’ Chairman recorded the Board’s appreciation and gratitude to Mr. Boey for his past contribution to the Board and the Company.



**QUORUM & NOTICE** : The requisite quorum being present, Dato' Chairman declared the Meeting duly convened at 9.00 a.m.

**PROCEDURE FOR MEETING** : Before Dato' Chairman proceeded with the items on the Agenda, the Safety Officer from Sheraton Petaling Jaya Hotel was invited to give safety briefing to the floor.

Dato' Chairman explained to the shareholders the procedures to be adhered to in tabling and approving the resolutions at Meeting.

Dato' Chairman informed the shareholders that pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), all resolutions set out in the notice of AGM are to be voted by poll and at least one (1) scrutineer has to be appointed to validate the votes cast at the Meeting.

Dato' Chairman then announced that Boardroom Corporate Services Sdn Bhd (formerly known as Symphony Corporate Services (KL) Sdn Bhd) was appointed as the Independent Scrutineers to observe the polling process and to verify the poll results.

Dato' Chairman further informed the shareholders that the voting via electronic poll ("e-Polling") system would be conducted after dealing with all the items of the agenda of the Meeting.

### **Ordinary Business**

#### **Audited Financial Statements and Reports**

Dato' Chairman informed the shareholders that pursuant to the provision of Section 340(1)(a) of the Companies Act, 2016, a formal approval from the shareholders for the Audited Financial Statements was not required. Therefore, the Audited Financial Statements tabled was meant for discussion only and not put forward for voting.

Dato' Chairman highlighted to the shareholders that the Board of Directors had on 25 April 2019 approved the payment of a standard dividend of 50 sen per ordinary share to the shareholders which is tax exempt under the single-tier tax system to be made on 17 May 2019.



Dato' Chairman invited Mr. Tarang Gupta ("Mr. Tarang"), the Managing Director of the Company to provide an overview of the Company's performance for the financial year ended 31 December 2018.

Upon presentation by Mr. Tarang, Dato' Chairman informed that the Company had received a list of questions from the Minority Shareholders Watch Group ("MSWG").

Ms. Katina Nurani Abd Rahim ("Ms Katina"), the Company Secretary and Mr. Tarang presented the questions raised by MSWG and the corresponding replies from the Management/Board at the Meeting.

Dato' Chairman then invited questions from the floor on the performance and Audited Financial Statements.

The questions raised by the MSWG and the shareholders/proxies, as well as the corresponding replies by Management/Board are set out in **Appendix 1** herewith.

**RESOLUTION 1 : Directors' fees**

Dato' Chairman informed that the second item on the agenda of the Meeting was to approve the proposed increase and payment of Director's fees of up to RM480,000 to the Non-Executive Directors for the financial year ending 31 December 2019, to be made payable quarterly.

On the proposal of Mr. Chong Fook Khing and seconded by Mr Anthony Chew @ Chew Kwee Chuan, the motion to approve the proposed increase and payment of Directors' fees to Non-Executive Directors for the financial year ending 31 December 2019, was put to the Meeting.

**RESOLUTION 2 : Directors' Benefits (Other than Directors' fees)**

Dato' Chairman informed that the third item on the agenda of the Meeting was to approve the payment of Directors' benefits (other than Directors' fees) up to RM100,000 to the Non-Executive Directors for the period from 1 January 2019 until the conclusion of the next AGM of the Company.

On the proposal of Ms. Wong Moi Yin and seconded by Mr Azhar Bin Abdul Wahab, the motion to approve the Directors' benefits



(other than Directors' fees) up to RM100,000 to the Non-Executive Directors for the period from 1 January 2019 until the conclusion of the next AGM, was put to the Meeting.

**RESOLUTIONS 3 & 4 : Re-election of Ms. Saw Chooi Lee and Mr. Bernardus Hermannus Maria Kodden, the Directors retiring by rotation pursuant to Article 93(a) of the Company's Constitution**

Dato' Chairman informed the shareholders that Ordinary Resolutions 3 and 4 were on the re-election of Directors, Ms. Saw Chooi Lee and Mr. Bernardus Hermannus Maria Kodden, who would be retiring by rotation pursuant to Article 93(a) of the Company's Constitution and being eligible, had offered themselves for re-election to the Board.

Dato' Chairman further informed that the re-election of the two (2) Directors would be dealt individually.

On the proposal of Mr. Chong Fook Khing and seconded by Ms. Wong Moi Yin, the motion to re-elect Ms. Saw Chooi Lee to the Board was put to the Meeting.

On the proposal of Mr. Chong Fook Khing and seconded by Ms. Wong Moi Yin, the motion to re-elect Mr. Bernardus Hermannus Maria Kodden to the Board was put to the Meeting.

**RESOLUTIONS 5, 6 and 7 : Re-appointment of Tengku Nurul Azian Binti Tengku Shahrman, Mr. Jurgen Clemens Johannes and Datin Seri Sunita Mei-Lin Rajakumar, who were appointed during the year and retiring pursuant to Article 96 of the Company's Constitution**

Dato' Chairman informed the Ordinary Resolutions 6 to 8 were on the re-appointment of Tengku Nurul Azian Binti Tengku Shahrman, Mr. Jurgen Clemens Johannes and Datin Seri Sunita Mei-Lin Rajakumar, the Directors who were appointed during the year and retiring pursuant to Article 96 of the Company's Constitution and being eligible, had offered themselves for re-appointment to the Board.

Dato' Chairman further informed that the re-appointment of the three (3) Directors would be dealt individually.



On the proposal of Mr. Chiu Yong Soon and seconded by Mr Lew Kheep Seng, the motion to re-appoint Tengku Nurul Azian Binti Tengku Shahrman to the Board was put to the Meeting.

On the proposal of Mr. Chiu Yong Soon and seconded by Ms Wong Moi Yin, the motion to re-appoint Mr. Jurgen Clemens Johannes to the Board was put to the Meeting.

On the proposal of Mr. Abraham David Thanaraj @ David ("Mr. Abraham David") and seconded by Mr. Chiu Yong Soon, the motion to re-appoint Datin Seri Sunita Mei-Lin Rajakumar to the Board was put to the Meeting.

**RESOLUTION 8 : Re-Appointment of Auditors**

Dato' Chairman informed the shareholders that the retiring auditors, PricewaterhouseCoopers PLT, had indicated their willingness to continue in office for the ensuing financial year ending 31 December 2019.

On the proposal of Mr. Chong Fook Khing and seconded by Mr Chiu Yong Soon, the motion to re-appoint PricewaterhouseCoopers PLT as the Auditors of the Company was put to the Meeting.

As all items under Ordinary Business have been dealt with, Dato' Chairman then proceeded to deal with the items under Special Business.

**Special Business**

**RESOLUTION 9 : Proposed New and Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate")**

Dato' Chairman informed the shareholders that the first item under special business was to approve the Proposed Shareholders' Mandate to allow the Company to enter into recurrent related party transactions necessary for the day-to-day operations of the Company.

The Proposed Shareholders' Mandate, if approved, would remain in force until the conclusion of the next AGM of the Company.

The Circular to Shareholders dated 28 March 2019 containing

the relevant information in respect of the Proposed Shareholders' Mandate had been circulated to the shareholders.

Dato' Chairman advised that for avoidance of doubt, Mr. Tarang, Ms. Saw Chooi Lee, Mr. Bernardus Hermannus Maria Kodden and Mr. Jurgen Clemens Johannes Sandmann, the Directors who were deemed interested to the Proposed Shareholders' Mandate, have abstained from Board deliberations. The proxies of Royal FrieslandCampina N.V., being the interested party to the transaction, would abstain from voting on Ordinary Resolution 9.

On the proposal of Mr. Abraham David and seconded by Mr. Lim Jit Chew, the motion to approve the Proposed Shareholders' Mandate was put to the Meeting.

**RESOLUTION 10 : Retention of Dato' Zainal Abidin Bin Putih as Independent Director of the Company**

Dato' Chairman informed the shareholders that the second item under Special Business was related to his retention as Independent Director of the Company. As such he handed over the Chairmanship to Mr. Tarang.

Mr. Tarang informed that shareholders' approval is sought for the retention of Dato' Zainal Abidin Bin Putih, who had served as Independent Non-Executive Director for a cumulative term of more than nine (9) years.

Mr. Tarang further informed the shareholders that the Nominating & Remuneration Committee and the Board have assessed the independence of Dato' Zainal Abidin Bin Putih and recommended that he continues to act as the Senior Independent Director of the Company based on justifications as set out in the 2018 Annual Report of the Company.

On the proposal of Mr. Abraham David and seconded by Mr. Chiu Yong Soon, the motion to retain Dato' Zainal Abidin Bin Putih as an Independent Non-Executive Director was put to the Meeting.

Dato' Chairman then took over the chair to continue with the remaining agenda of the Meeting.

**RESOLUTION 11 : Proposed Adoption of a New Constitution of the Company**

Dato' Chairman informed the shareholders that the last item



under Special Business was to approve the Proposed Adoption of a New Constitution of the Company.

Dato' Chairman explained that the proposed New Constitution will streamline the Company's existing Constitution and corporate practices with the provisions of the Companies Act 2016, to take into account the recent amendments made by Bursa Securities to the Main Market Listing Requirements and to enhance administrative efficiency.

Dato' Chairman further informed that the Circular to Shareholders dated 28 March 2019 containing the necessary information on the Proposal Adoption of a New Constitution had been circulated to the shareholders.

Dato' Chairman advised that the special resolution on Proposed Adoption of a New Constitution would require the approval of a majority of not less than seventy-five (75%) per centum of such members who are entitled to vote and do vote in person, or by proxy at the Meeting.

On the proposal of Mr. Lim Jit Chew and seconded by Ms. Lim Mee Har, the motion to approve the Proposed Adoption of a New Constitution of the Company was put to the Meeting.

As all the resolutions of the Meeting have been dealt with, Ms. Katina then explained the procedures of the e-Polling system to the floor.

*[The shareholders/proxies proceeded to vote at the e-Polling station. The Share Registrars proceeded to generate the Poll Results. Scrutineers then verified the results generated by the e-Polling system.]*

After the poll results have been generated by the Share Registrars and verified by the Scrutineers, Dato' Chairman announced that the results of the poll for all resolutions set out in the Notice of 56<sup>th</sup> AGM dated 26 April 2019 as set out below:

**ORDINARY RESOLUTION 1**

- **PROPOSED INCREASE AND PAYMENT OF DIRECTORS' FEES FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2019**

	Number of shares held	%
<b>FOR</b>	39,538,298	99.3050



<b>AGAINST</b>	276,700	0.6950
<b>TOTAL</b>	39,814,998	100.0000

Based on the results of the poll, Dato' Chairman therefore declared that the Ordinary Resolution 1 was passed, and it was RESOLVED:

**THAT** the proposed increase and payment of Director's fees of up to RM480,000 to the Non-Executive Directors for the financial year ending 31 December 2019, to be made payable quarterly, be hereby approved.

#### **ORDINARY RESOLUTION 2**

- **PROPOSED INCREASE AND PAYMENT OF DIRECTORS' BENEFITS (OTHER THAN DIRECTORS' FEES) OF UP TO RM100,000 TO THE NON-EXECUTIVE DIRECTORS FOR THE PERIOD FROM 1 JANUARY 2019 UNTIL THE CONCLUSION OF THE NEXT AGM**

	<b>Number of shares held</b>	<b>%</b>
<b>FOR</b>	43,201,473	99.9674
<b>AGAINST</b>	14,100	0.0326
<b>TOTAL</b>	43,215,573	100.0000

Based on the results of the poll, Dato' Chairman therefore declared that the Ordinary Resolution 2 was passed, and it was RESOLVED:

**THAT** the proposed increase and payment of Directors' benefits (other than Directors' fees) of up to RM100,000 for the period from 1 January 2019 until the conclusion of the next Annual General Meeting, be hereby approved for payment to the Non-Executive Directors of the Company.

#### **ORDINARY RESOLUTION 3**

- **RE-ELECTION OF MS. SAW CHOOI LEE**

	<b>Number of shares held</b>	<b>%</b>
<b>FOR</b>	43,204,373	99.9741
<b>AGAINST</b>	11,200	0.0259
<b>TOTAL</b>	43,215,573	100.0000



Based on the results of the poll, Dato' Chairman therefore declared that the Ordinary Resolution 3 was passed, and it was RESOLVED:

**THAT** Ms. Saw Chooi Lee, the Director who retired by rotation pursuant to Article 93(a) of the Company's Constitution, be and is hereby re-elected to office as a Director of the Company.

**ORDINARY RESOLUTION 4**

• **RE-ELECTION OF MR. BERNARDUS HERMANNUS MARIA KODDEN**

	Number of shares held	%
<b>FOR</b>	43,199,973	99.9639
<b>AGAINST</b>	15,600	0.0361
<b>TOTAL</b>	43,215,573	100.0000

Based on the results of the poll, Dato' Chairman therefore declared that the Ordinary Resolution 4 was passed, and it was RESOLVED:

**THAT** Mr. Bernardus Hermannus Maria Kodden, the Director who retired by rotation pursuant to Article 93(a) of the Company's Constitution, be and is hereby re-elected to office as a Director of the Company.

**ORDINARY RESOLUTION 5**

• **RE-APPOINTMENT OF TENGKU NURUL AZIAN BINTI TENGKU SHAHRIMAN**

	Number of shares held	%
<b>FOR</b>	43,204,073	99.9734
<b>AGAINST</b>	11,500	0.0266
<b>TOTAL</b>	43,215,573	100.0000

Based on the results of the poll, Dato' Chairman declared that the Ordinary Resolution 5 was passed, and it was RESOLVED:

**THAT** Tengku Nurul Azian Binti Tengku Shahrman, the Director who was appointed during the year and retired pursuant to Article 96 of the Company's Constitution, be and is hereby re-appointed to office as a Director of the Company.



**ORDINARY RESOLUTION 6**

**• RE-APPOINTMENT OF MR. JURGEN CLEMENS JOHANNES**

	Number of shares held	%
<b>FOR</b>	43,127,073	99.7952
<b>AGAINST</b>	88,500	0.2048
<b>TOTAL</b>	43,215,573	100.0000

Based on the results of the poll, Dato' Chairman declared that the Ordinary Resolution 6 was passed, and it was RESOLVED:

**THAT** Mr. Jurgen Clemens Johannes, the Director who was appointed during the year and retired pursuant to Article 96 of the Company's Constitution, be and is hereby re-appointed to office as a Director of the Company.

**ORDINARY RESOLUTION 7**

**• RE-APPOINTMENT OF DATIN SERI SUNITA MEI-LIN RAJAKUMAR**

	Number of shares held	%
<b>FOR</b>	43,204,173	99.9736
<b>AGAINST</b>	11,400	0.0264
<b>TOTAL</b>	43,215,573	100.0000

Based on the results of the poll, Dato' Chairman declared that the Ordinary Resolution 7 was passed, and it was RESOLVED:

**THAT** Datin Seri Sunita Mei-Lin Rajakumar, the Director who was appointed during the year and retired pursuant to Article 96 of the Company's Constitution, be and is hereby re-appointed to office as a Director of the Company.

**ORDINARY RESOLUTION 8**

**• RE-APPOINTMENT OF PRICEWATERHOUSECOOPERS PLT AS THE COMPANY'S AUDITORS**

	Number of shares held	%
<b>FOR</b>	43,204,073	99.9734



<b>AGAINST</b>	11,500	0.0266
<b>TOTAL</b>	43,215,573	100.0000

Based on the results of the poll, Dato' Chairman declared that the Ordinary Resolution 8 was passed, and it was RESOLVED:

**THAT** PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146) be and are hereby re-appointed as Auditors of the Company and to hold office until the conclusion of the next Annual General Meeting at a remuneration to be determined by the Directors.

**ORDINARY RESOLUTION 9**

**• PROPOSED NEW AND RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

	Number of shares held	%
<b>FOR</b>	10,589,073	99.8896
<b>AGAINST</b>	11,700	0.1104
<b>TOTAL</b>	10,600,773	100.0000

Based on the results of the poll, Dato' Chairman declared that the Ordinary Resolution 9 was passed, and it was RESOLVED:

**THAT** approval be and is hereby given to the Company to enter into and to give effect to the Recurrent Related Party Transactions of a Revenue or Trading Nature as stated in Section 2.4 with the specified classes of Related Parties as stated in Section 2.3 of the Circular to Shareholders dated 28 March 2019 which are necessary for the Company's day-to-day operations subject to the following: -

- (i) the transactions are in the ordinary course of business and are on terms not more favorable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders; and
- (ii) the aggregate value of such transactions conducted pursuant to the Shareholders' Mandate during the financial year will be disclosed in the Annual Report for the said financial year;

**AND THAT** such approval shall continue to be in force until:

- (a) the conclusion of the next Annual General Meeting ("AGM")



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of the Company at which time it will lapse, unless by a resolution passed at the Meeting the authority is renewed; or

(b) the expiration of the period within which the next AGM of the Company subsequent to the date it is required to be held pursuant to Section 340(2) of the Companies Act, 2016 ("the Act") (but shall 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 a general meeting;

whichever is the earlier.

**AND THAT** the Directors of the Company be and are hereby authorized to complete and do all such acts and things as they may consider expedient or necessary in the best interest of the Company (including executing all such documents as may be required) to give effect to the transactions contemplated and/or authorized by this Ordinary Resolution.

**ORDINARY RESOLUTION 10**

- **RETENTION OF DATO' ZAINAL ABIDIN BIN PUTIH AS AN INDEPENDENT DIRECTOR**

	Number of shares held	%
<b>FOR</b>	39,536,698	99.3010
<b>AGAINST</b>	278,300	0.6990
<b>TOTAL</b>	39,814,998	100.0000

Based on the results of the poll, Dato' Chairman declared that the Ordinary Resolution 10 was passed, and it was RESOLVED:

**THAT** approval be and is hereby given to Dato' Zainal Abidin Bin Putih, who has served as an Independent Non-Executive Director of the Company for cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company.

**SPECIAL RESOLUTION**

- **Proposed Adoption of a New Constitution of the Company**

	Number of shares held	%
<b>FOR</b>	43,204,073	99.9741



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<b>AGAINST</b>	11,200	0.0259
<b>TOTAL</b>	43,215,273	100.0000

Based on the results of the poll, Dato' Chairman declared that the Special Resolution was passed, and it was RESOLVED:

**THAT** the Proposed New Constitution as set out in the Circular to Shareholders dated 28 March 2019 be and is hereby adopted as the Constitution of the Company in place of the existing Constitution of the Company **AND THAT** the Board of Directors of the Company be and is hereby authorized to assent to any conditions, modifications and/or amendments as may be required by any relevant authorities, and to do all acts and things and take all such steps as may be considered necessary to give full effect to the foregoing.

**CONCLUSION**

Dato' Chairman then moved to the last item on the agenda, which was to transact any other business of the Company for which due notice shall have been given.

There being no further business, the Meeting came to a close at 11.45 a.m., with a vote of thanks to the Chair.



**APPENDIX 1**

**SUMMARY OF KEY MATTERS DISCUSSED AT THE FIFTY-SIXTH ANNUAL GENERAL MEETING OF THE COMPANY HELD AT BALLROOM 2, LEVEL 3D, SHERATON PETALING JAYA HOTEL, JALAN UTARA C, 46200 PETALING JAYA, SELANGOR DARUL EHSAN, MALAYSIA ON FRIDAY, 26 APRIL 2019 AT 9.00 A.M**

**QUESTIONS FROM THE MINORITY SHAREHOLDERS WATCH GROUP (“MSWG”)**

No.	Key Matters raised by MSWG	Responses from the Managing Director, Mr Tarang Gupta
<b>Strategy &amp; Financial Matters</b>		
1.	The Company’s revenue has been stagnant in recent years (FY2016-FY2018 on page 19 of Annual Report (“AR”) 2018). What is the strategy to grow the revenue more significantly in the future?	<p>From FY2016 to 2017, the Company’s revenue grew 1.5% and from FY2017 to 2018, revenue declined by about 1.5%. However, from FY2017 to 2018, sales volumes in kg grew by 3%. This is in line with our strategy to increase milk consumption in the country.</p> <p>It is our Company’s purpose to nourish the Nation by building a healthy and active nation, now and for generations to come. We aim to do this with an occasion-based strategy, which encourages more consumption of milk for all occasions.</p> <p>Recently, we have launched our +Protein milk as the perfect breakfast choice as well as Kurma and Bandung flavored milk for Ramadhan. We will continue with this strategy to increase milk consumption amongst Malaysians.</p>
2.	The Royal Malaysian Customs Department announced that it has postponed the imposition of a 40 sen per liter excise duty on sugary drinks to July 1 this year. It has also raised the threshold of sugar content in flavored milk products to 7g per 100ml from 5g per 100ml earlier for it to be subject	The 7g per 100ml threshold of sugar content which will be subjected to Sugar Sweetened Beverages (“SSB”) tax includes lactose, a natural sugar found in milk. Our products have low levels of added sugar but contain lactose. For e.g., our recently launched +Protein milk which is high in protein, has no added sugar but it contains lactose which is natural sugar. As such, some of our

	<p>to excise duty.</p> <p>Will the Company's products be impacted by the excise duty? If so, what is the percentage and the types of products that will be affected? What are the migrating measures taken to reduce the impact arising from this change?</p>	<p>flavored milks have more than 7g of total sugar (even through it contains added sugar much lower than 5g/100ml) and will be impacted by SSB tax.</p> <p>As our aim is to provide nourishment from milk, therefore for future innovations, we will explore opportunities to reduce sugar levels in our milk products without compromising the levels of nourishment that comes from milk.</p>
3.	<p>Under the Company's Dairy Development Programme, the Company has bought local fresh milk from Malaysian farmers to produce 85 million packs of milk over the last five years (page 36 of AR 2018).</p> <p>What is the percentage of locally-sourced fresh milk over the Company's total dairy raw materials as of last financial year? Is there a plan to further increase the procurement of local fresh milk?</p>	<p>We are the largest purchaser of locally produced fresh milk from the Department of Veterinary Services ("DVS"). We obtain milk from milk collection centers run by the DVS and we also buy directly from local farms.</p> <p>On an average, we currently use 6% locally produced milk, which is higher than the industry average in Malaysia, 4% to 5%. Our ability and commitment to use locally produced milk depends on the quantity and quality of locally produced milk available at any given time.</p> <p>Our Dairy Development Program aims to improve quality and quantity of locally produced fresh milk which could result in increased use of locally produced fresh milk.</p> <p>At the time of the AGM, several RFC Dutch dairy farmers are already in Malaysia to train our local Malaysian farmers to improve quality and quantity of milk produce. This is part of the Company's long-term commitment to impart good Dutch farming knowledge and practices with our farmers to help improve fresh milk yield. Our efforts compliment the Government's agenda to develop our local dairy sector.</p>

<b>Corporate Governance Matters</b>		
4.	<p>As stated on page 50 of the AR 2018 and page 13 of the Corporate Governance Report, the Company has not set a limit on the tenure of its independent directors to nine years. Is there a plan to adopt such policy?</p>	<p>In assessing the tenure of the Directors, the Nominating &amp; Remuneration Committee and Board take into consideration the relevant codes and regulations on independence and retention, and if there is strong justification for each Director to continue with their tenure based on their performance and contribution. Further, in considering the contribution of the Board, the diverse skills and expertise of each Board of member is also taken into consideration.</p> <p>Bearing all this in mind, our longer-term Board members have stepped down on a gradual basis, i.e. Dato' Dr. Nordin and Mr. Foo stepped down in FY2018 and Mr. Boey has indicated that he will step down after this year's AGM. As such, at the close of the forthcoming AGM, none of the Board members will have been on the Board for more than 12 years.</p>
5.	<p>The Company has not adopted Practice 8.4 – Set Up of the Malaysian Code on Corporate Governance which stated the Audit Committee should comprise solely of independent directors. Will the Company consider adopting this Practice?</p>	<p>The Audit Committee currently comprises of 4 independent directors and 2 non-independent directors. Of the 2 non-independent directors, one is a nominee of Royal Friesland Campina, the major shareholder, and one is a nominee of Permodalan Nasional Berhad.</p> <p>The Board considers that the current composition of the Audit Committee fairly reflects the foreign direct investment and the investment of the minority shareholders.</p> <p>The Board also considers the expertise and experience held by all members of the Audit Committee. The higher proportion of independent directors ensures effective checks and balances on the Audit Committee and the independent directors effectively safeguard the interest of the minority shareholders.</p>



## QUESTIONS FROM SHAREHOLDERS

No.	Key Matters raised by the shareholders	Responses from the Board of Directors and Management Team
1.	DLMI should consider using the LUMI e-Polling System, which will show the poll results immediately after each resolution.	Management will look into the LUMI e-polling system for future AGMs.
2.	Whether any other flavor will be introduced by DLMI to the market, besides Kurma and Bandung.	The Company will continue to innovate and develop different flavors and milk products.
3.	The packaging for the breakfast was heavy and environmentally friendly.	Management will look into a more sustainable packaging option for future AGMs.
4.	Why announcement on dividend was made on 25 April 2019 and not in February 2019 and why lower dividend declared compared with last year.	The dividend was announced after it was approved by the Board at the Board Meeting held on 25 April 2019. The Board had looked into the capital expenditure for future investment and cash flow position of the Company when determining how much dividend was to be paid.
5.	Could the Company have factory visits for its members and investors.	As the Company manufactures beverages as well as infant milk powder, extreme cleanliness has to be maintained in the factory. As such allowing too many visitors to the factory at one time may bring about food safety risks.
6.	Would DLMI become more active and/or carry out research or CSR programs in Sabah?	DLMI was open to discussing any proposals on programs in Sabah.
7.	What was the last increase in the Directors' fee and did the Board have any policy for the increase in the Directors' fees in general – is it based on profits?	There was 5% increase in Directors' fees in FY2018. The fees are not based on profits but is benchmarked against fees paid to directors by other companies in the same industry. It is important to pay the right level of fees which could attract the best candidates to join the Company.

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8.	Did the Company assess the re-election of the Auditors, PricewaterhouseCoopers PLT ("PwC") and was there any increase in their fees for FY2019?	The Audit Committee and the Board continuously assesses the performance of the external auditors. The audit fees for FY2018 was lower compared with FY2017 due to a change of scope of work for the auditors. There is no increase in the audit fee expected for FY 2019.
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