

# NOTICE OF 11<sup>TH</sup> ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the 11<sup>th</sup> Annual General Meeting (**AGM**) of Velesto Energy Berhad (**Company**) will be held as a fully virtual meeting conducted entirely through live streaming from **Velesto Energy Berhad, The Centrum, Level 18, Block 3A, Plaza Sentral, Jalan Stesen Sentral 5, 50470 Kuala Lumpur, Malaysia (Broadcast Venue)** on **Monday, 28 June 2021 at 2:00 p.m.** for the following business:

## AS ORDINARY BUSINESSES:

1. To receive the Audited Financial Statements of the Company for the financial year ended 31 December 2020 together with the Reports of the Directors and Auditors thereon.
2. To re-elect Razalee Amin, whom retires in accordance with Article 96 of the Company's Constitution and being eligible, offer himself for re-election.  
(Please refer to Explanatory Note A)

Ordinary Resolution 1

3. (i) To approve the payment of fees to the Non-Executive Chairman and Non-Executive Directors with effect from this 11<sup>th</sup> AGM until the next AGM of the Company to be held in year 2022:-

Ordinary Resolution 2

	Non-Executive Chairman	Non-Executive Directors
	Ringgit Malaysia/per annum	
Directors' Fees	120,000	80,000
Directors' Fees for Board Audit Committee	15,000	10,000
Directors' Fees for Board Nomination & Remuneration Committee	15,000	10,000
Directors' Fees for Board Risk Management Committee	15,000	10,000
Directors' Fees for Board Whistle Blowing Committee	7,500	5,000

(each of the foregoing payments being exclusive of the other)

- (ii) To approve the benefits payable to the Non-Executive Chairman and Non-Executive Directors comprise of allowances, benefits-in-kind and other emoluments payable to them, from the 11<sup>th</sup> AGM to the next AGM of the Company in 2022:-

Ordinary Resolution 3

	Non-Executive Chairman (Board and Board Committee)	Non-Executive Directors & Members of Board Committee
	Ringgit Malaysia/ per meeting attendance	

Meeting Allowances	1,500	1,000
Other benefits including provision of allowances for car inclusive of petrol and car maintenance expenses, with driver provided (for Chairman of the Board only), provision of mobile phone charges, medical, hospitalisation and dental coverage, Directors & Officers Liability Insurance coverage, per diem and other claimable reimbursable expenses.		

(Please refer to Explanatory Note B)

4. To re-appoint Messrs. Ernst & Young PLT as Auditors of the Company for the financial year ending 31 December 2021 and to authorise the Board of Directors to determine their remuneration.  
(Please refer to Explanatory Note C)

Ordinary Resolution 4

5. To transact any other ordinary business of the Company for which due notice shall have been received in accordance with the Companies Act, 2016 and the Company's Constitution.

**FURTHER NOTICE IS HEREBY GIVEN THAT** for the purpose of determining a Member who shall be entitled to participate through live streaming this 11<sup>th</sup> AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd, in accordance with Article 69 of the Company's Constitution and section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a General Meeting Record of Depositors as at 21 June 2021. Only a depositor whose name appears in the General Meeting Record of Depositors as at 21 June 2021 shall be entitled to participate in this AGM or appoint a proxy to participate through live streaming and/or vote in his/her stead.

By Order of the Board,

**LEE MI RYOUNG (MAICSA 7058423) (SSM PC No. 201908002222)**

**SAZLYNA SAPIEE (MIA 19254) (SSM PC No. 202108000032)**

Company Secretaries

Kuala Lumpur

28 May 2021

NOTES:

1. **IMPORTANT NOTICE**

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 of the meeting. The only venue involved is the Broadcast Venue where only the essential individuals are physically present to organise the fully virtual 11<sup>th</sup> AGM.

For the well being and safety of members, and in support of Government initiative to curb the spread of COVID-19, the Members/proxies **WILL NOT BE ALLOWED** to attend the 11<sup>th</sup> AGM in person at the Broadcast Venue on the day of the meeting.

Members, proxies, attorneys or authorised representatives will have to register to participate (including posing questions to the Board via real time submission of typed texts) and vote in the 11<sup>th</sup> AGM remotely by using the Remote Participation and Voting (**RPV**) facilities provided by SS E Solutions Sdn. Bhd. via Securities Services ePortal's platform at <https://sshsb.net.my/>. **Please follow the Procedures for RPV in the 11<sup>th</sup> AGM Administrative Guide** and take note of procedure in order to participate remotely via RPV.

2. A member of the Company entitled to participate through live streaming and vote remotely at this 11<sup>th</sup> AGM may appoint a proxy or proxies to attend through live streaming and vote remotely in his/her stead. A proxy may but need not be a member of the Company. Where there is more than one proxy, the member shall specify the proportion of his/her holdings to be represented by each proxy, failing which the appointment shall be invalid.
3. Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (**Omnibus Account**), there is no limit to the number of proxies which the said nominee may appoint in respect of each omnibus account it holds.
4. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 (**SICDA**), he/she may appoint a proxy in respect of each securities account he/she holds with ordinary shares of the Company standing to the credit of the said securities account. Every appointment submitted by an authorised nominee as defined under the SICDA, must specify the CDS Account Number. The instrument appointing a proxy must be in writing under the hands of the appointer or his/her attorney duly authorised in writing or, if such appointer is a corporation, under its common seal or that of an officer or attorney duly authorised. If the Proxy Form is signed by the officer duly authorised, it should be accompanied by a statement reading "signed as authorised officer under Authorisation Document which is still in force, no notice of revocation having been received". If the Proxy Form is signed by the attorney duly authorised, it should be accompanied by a statement reading "signed under Power of Attorney which is still in force, no notice of revocation having been received". A certified true copy of the Authorisation Document or the Power of Attorney, which should be valid in accordance with the laws of the jurisdiction in which it was created and is exercised, should be enclosed with the Proxy Form. Failure to comply with the above requirement would results in the Proxy Form to be invalid.

## NOTICE OF 11<sup>TH</sup> ANNUAL GENERAL MEETING

5. The Proxy Form together with the duly registered Power of Attorney referred to in Note 4 above, if any, in hardcopy form or by electronic means must be received by the Share Registrar no later than Saturday, 26 June 2021 at 2.00 pm or at any adjournment thereof:
  - (i) In Hardcopy Form  
The Proxy Form shall be deposited at the Share Registrar's office, Securities Services (Holdings) Sdn Bhd at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan, Malaysia.
  - (ii) By Electronic Means  
The Proxy Form shall be electronically lodged via Securities Services ePortal's platform at <https://sshsb.net.my/> or by fax to +603-2094 9940 or by email to [eservices@sshsb.com.my](mailto:eservices@sshsb.com.my).
6. For the purpose of determining a member who shall be entitled to participate in this 11<sup>th</sup> AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd, in accordance with Article 69 of the Company's Constitution and section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a General Meeting Record of Depositors as at 21 June 2021. Only a depositor whose name appears in the General Meeting Record of Depositors as at 21 June 2021 shall be entitled to participate in the 11<sup>th</sup> AGM or appoint a proxy to attend and/or vote in his/her stead.
7. Pursuant to Paragraph 8.29A of Bursa Malaysia Main Market Listing Requirements, all resolutions set out in the Notice of the 11<sup>th</sup> AGM will be put to vote on a poll.

### EXPLANATORY NOTES ON ORDINARY BUSINESSES:

#### Audited Financial Statements for the financial year ended 31 December 2020

This agenda item is intended for discussion only in accordance with Section 340(1) (a) of the Companies Act, 2016 (**Act**) and does not require approval of the Shareholders for the Audited Financial Statements of the Company. Hence, this agenda is not put forward for voting.

#### Explanatory Note A

Article 96 of the Company's Constitution expressly states that one-third (1/3) of the Directors for the time being or the number nearest to one-third with a minimum of one, shall retire from office at all AGM, PROVIDED ALWAYS all Directors shall retire from office at least once in every three (3) years. A retiring Directors shall be eligible to seek re-election.

At this 11<sup>th</sup> AGM, Razalee Amin, Rizal Rickman Ramli and Dato' Ibrahim Marsidi will be retiring as directors. Razalee Amin is standing for re-election as Director of the Company, and being eligible has offered himself for re-election. Dato' Ibrahim Marsidi and Rizal Rickman Ramli have informed the Company of their intention to retire and not to seek for re-election as an Independent Non-Executive Director and Non-Independent Non-Executive Director, respectively at 11<sup>th</sup> AGM of the Company.

The Board of Directors on behalf of the Company extends appreciation to Dato' Ibrahim Marsidi and Rizal Rickman Ramli for their contributions to the Company over the years.

#### Recommendation for Re-Election of Retiring Directors

For the financial year under review, the Board undertook a formal and objective annual evaluation to determine the effectiveness of the Board, its Board Committees as well as each of the individual director.

The Board Nomination & Remuneration Committee (**BNRC**) and the Board were satisfied that the retiring director, Razalee Amin has contributed positively to the overall performance of the Board and that in consideration of his wealth of experience, he will continue to bring sound advice and valuable contributions to the Board's deliberations through active participation and decision making by the Board.

Razalee Amin has abstained from deliberations and decisions on his own eligibility to stand for re-election at the Board and will also abstain from deliberation and decision on re-election at this 11<sup>th</sup> AGM.

The BNRC and the Board have recommended the re-election of Razalee Amin as the Director of the Company, at this 11<sup>th</sup> AGM. In addition, Razalee Amin being the Senior Independent Non-Executive Director, has provided his annual declaration of independence to the Company.

### **Explanatory Note B**

Article 105 of the Company's Constitution provides that the Directors' remuneration shall be determined by a fixed sum by an ordinary resolution of the Company in general meeting.

Section 230 (1) of the Act provides that the fees of directors and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting.

For guidance on estimated amount of meeting allowances paid to the Non-Executive Chairman and other Non-Executive Directors for Board and Board Committee meetings held in the financial year ended 31 December 2020 are disclosed under the "Financial Statement" section of the Annual Report.

The benefits payable to Non-Executive Chairman and Non-Executive Directors from the 11<sup>th</sup> AGM to next AGM in 2022 will be based on the Remuneration Policy & Procedures for Non-Executive Directors, and taking into account various factors including the number of scheduled meetings for Board and Board Committees, and the number of Directors involved are based on consideration that they remain in office.

Any Non-Executive Directors who are shareholders of the Company will abstain from voting resolutions 3(i) and (ii) concerning remuneration to the Non-Executive Directors at the 11<sup>th</sup> AGM.

A copy of the Remuneration Policy and Procedures for Non-Executive Directors is available at the Company's corporate website <https://www.velesto.com>

### **Explanatory Note C**

Pursuant to Section 271 (4)(a) of the Act, the Shareholders are required to approve the re-appointment of Auditors who shall hold office until the conclusion of the next AGM and to authorise the Board of Directors' to determine their remuneration thereof. The present Auditors, Messrs. Ernst & Young PLT has indicated their willingness to continue its services for another year.

The Board Audit Committee and the Board have considered the re-appointment of Messrs. Ernst & Young PLT as Auditors of the Company, having undertaken an annual assessment of the suitability and independence of the external Auditors, have collectively agreed that Messrs. Ernst & Young PLT has met the relevant criteria prescribed by Paragraph 15.21 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. Messrs. Ernst & Young PLT's re-appointment is subject to the approval of the Shareholders at the forthcoming AGM. If their appointment is approved, they shall hold office until the conclusion of the next AGM of the Company.

### **Annual Report 2020**

The Annual Report 2020 is available under "Reports & Presentations" of the "Investor Relations" page on the Company's website at <https://www.velesto.com> and also on Bursa Malaysia's website at <https://www.bursamalaysia.com> under "Company Announcements" of the Listed Companies tab.

Any request for printed Annual Report 2020 will be sent to the requestor soonest possible from the date of receipt of request, subject to any applicable Movement Control Order.