

# VELESTO energy

**VELESTO ENERGY BERHAD**  
(Registration No: 200901035667) (878786-H)  
(Incorporated in Malaysia under the Companies Act 2016)

## Notice of 13<sup>th</sup> Annual General Meeting

**NOTICE IS HEREBY GIVEN** that the 13<sup>th</sup> Annual General Meeting ("AGM") of Velesto Energy Berhad (the "Company") will be conducted entirely through live streaming from the broadcast venue at Ballroom, Level 2, Aloit KL Sentral, 5, Jalan Stesen Sentral, Kuala Lumpur Sentral, 50470 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia on Monday, 29 May 2023 at 2.00 p.m. for the following business:

### AS ORDINARY BUSINESS

- To receive the Audited Financial Statements for the financial year ended 31 December 2022 and the Reports of the Directors and Auditors thereon.  
(Please refer to Explanatory Note A)
- To re-elect the following Directors, each whom retire in accordance with Article 96 of the Company's Constitution and each of whom being eligible, offer themselves for re-election:  
(i) Mohd Rashid Mohd Yusof  
(ii) Rowina Ghazali Seth  
(iii) Haida Shenny Hazri  
(Please refer to Explanatory Note B)
- To re-elect the Director, Ar. Ahlia Ganesan, who retires in accordance with Article 103 of the Company's Constitution and who being eligible, offers herself for re-election.  
(Please refer to Explanatory Note C)
- (i) To approve the Directors Fees in accordance with the Remuneration Policy and Procedures for Non-Executive Directors of the Company, with effect from this 13<sup>th</sup> AGM to the next AGM of the Company in 2024:-

	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 comprising of allowances, benefits-in-kind and other emoluments payable to them, from the 13<sup>th</sup> AGM to the next AGM of the Company in 2024:-

	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 D)

- To re-appoint Messrs. Ernst & Young PLT as Auditors of the Company for the year ending 31 December 2023 and to authorise the Board of Directors to determine their remuneration.  
(Please refer to Explanatory Note E)

### AS SPECIAL BUSINESS

- Proposed waiver of pre-emptive rights of shareholders over all options granted and/or to be offered/granted and all new shares to be issued in relation to the Employees Share Option Scheme ("ESOS") of the Company.

"THAT further to the approvals granted by the shareholders of the Company at the Extraordinary General Meeting held on 31 October 2019 for the establishment of the Company's ESOS under which options will be granted to eligible employees and executive director of the Company and/or its subsidiaries ("Grantees") to subscribe for new ordinary shares in the share capital of the Company in accordance with the By-laws of the ESOS ("By-Laws") as set out in the Circular to Shareholders dated 2 October 2019, pursuant to Section 85 of the Companies Act 2016 ("the Act"), to be read together with Article 60 of the Constitution of the Company, the shareholders of the Company do hereby waive their pre-emptive rights over all options granted and/or to be offered/granted to the Grantees, as well as all new shares of the Company to be issued pursuant to the ESOS, whether before or after the date of this resolution, such new shares when issued, to rank pari passu with existing shares in the Company."

(Please refer to Explanatory Note F)

- Proposed Granting of ESOS Options to Megat Zariman Abdul Rahim

"THAT, the Company has an existing ESOS which was effective on 1 November 2019 and shall expire on 31 October 2024, and subject to the approvals of the relevant authorities and/or parties (where required) being obtained, the Board of Directors of the Company ("Board") be and is hereby authorised at any time and from time to time during the duration of the ESOS, to offer and grant up to a maximum number of 11,400,000 ESOS options to Megat Zariman Abdul Rahim, being the President and Non-Independent Executive Director of the Company, subject to the provisions of the By-Laws, provided always that:

- he must not participate in the deliberation or discussion of his own allocation, as well as that of the persons connected with him, under the ESOS; and
- not more than 10% (or such other percentage as may be permitted by Bursa Malaysia Securities Berhad ("Bursa Securities") or any other relevant authorities from time to time) of the total number of shares made available under the ESOS shall be allocated to him, if he, either singly or collectively through persons connected with him (as defined in the Main Market Listing Requirements of Bursa Securities ("Listing Requirements")), holds 20% (or such other percentage as may be permitted by Bursa Securities or any other relevant authorities from time to time) or more of the total number of issued shares of the Company (excluding treasury shares, if any), subject always to such terms and conditions and any other adjustments which may be made in accordance with the provisions of the By-Laws and any prevailing guidelines issued by Bursa Securities, the Listing Requirements or any other relevant authorities as amended from time to time.

AND THAT, the Board be further authorised to issue such number of shares arising from the exercise of the ESOS options under the ESOS, from time to time, to the abovementioned person.

AND THAT, in connection with the above, pursuant to Section 85 of the Act, to be read together with Article 60 of the Constitution of the Company, the shareholders of the Company do hereby waive their pre-emptive rights to be offered the ESOS Options and/or any new shares ranking equally to the existing issued shares of the Company."

(Please refer to Explanatory Note G)

- To transact any other ordinary business for which due notice has been given in accordance with provisions in 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 13<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 19 May 2023. Only a depositor whose name appears in the General Meeting Record of Depositors as at 19 May 2023 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 (MIA19254) SSM PC No. 202108000032  
Company Secretaries

Kuala Lumpur  
28 April 2023

### NOTES:

- 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 Members/proxies WILL NOT BE ALLOWED to attend the 13<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 13<sup>th</sup> AGM remotely by using the Remote Participation and Voting ("RPV") facilities provided by SSE Solutions Sdn. Bhd. via Securities Services ePortal's platform at <https://sshsb.net.my>. Please follow the Procedures for RPV in the 13<sup>th</sup> AGM Administrative Guide and take note of procedure in order to participate remotely via RPV.
- A member of the Company entitled to participate through live streaming and vote remotely at this 13<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.
- 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.
- 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 appointor or his/her attorney duly authorised in writing or, if such appointor 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 result in the Proxy Form to be invalid.
- 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, 27 May 2023 at 2.00 pm or at any adjournment thereof:
  - 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 Damania, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan, Malaysia.
  - 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).
- For the purpose of determining a member who shall be entitled to participate in this 13<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 SICDA to issue a General Meeting Record of Depositors as at 19 May 2023. Only a depositor whose name appears in the General Meeting Record of Depositors as at 19 May 2023 shall be entitled to participate in the 13<sup>th</sup> AGM or appoint a proxy to attend and/or vote in his/her stead.
- For Pursuant to Paragraph 8.29A of Bursa Malaysia Main Market Listing Requirements, all resolutions set out in the Notice of the 13<sup>th</sup> AGM will be put to vote on a poll.

### EXPLANATORY NOTES TO THE RESOLUTIONS:

**Explanatory Note A**  
This agenda item is intended for discussion only as section 340(1) (a) of the Act does not require a formal approval of the Shareholders for the Audited Financial Statements of the Company. Hence, this agenda is not put forward for voting.

**Explanatory Note B**  
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 Director shall be eligible to seek re-election.  
At this 13<sup>th</sup> AGM, Mohd Rashid Mohd Yusof, Rowina Ghazali Seth, and Haida Shenny Hazri will be retiring as directors and are standing for re-election as Directors of the Company, and being eligible has individually offered himself/herself for re-election.

**Explanatory Note C**  
Article 103 of the Company's Constitution provides that any Director appointed during the year, shall hold office only until the next AGM and may seek for re-election. The Director shall not be taken into account in determining the Director retiring by rotation. Ar. Ahlia Ganesan was appointed on 12 August 2022, and therefore retire at this 13<sup>th</sup> AGM. Ar. Ahlia Ganesan being eligible, is standing for re-election as Director of the Company, at this 13<sup>th</sup> AGM.

**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 and, its Board Committees.  
The Board Nomination and Remuneration Committee ("BNRC") and the Board were satisfied that all the retiring directors has contributed positively to the overall performance of the Board and the respective Board Committees to which he/she holds membership. In consideration of the wealth of experience which the retiring directors possess, they will continue to bring sound advice and valuable contributions to the Board and Board Committees' deliberations through active participation and decision making.

All retiring directors, have abstained from deliberations and decisions on their own eligibility to stand for re-election at BNRC and Board (whichever is applicable) and will also abstain from deliberation and decision on re-election at this 13<sup>th</sup> AGM. Both the BNRC and the Board recommended the re-election of Mohd Rashid Mohd Yusof, Rowina Ghazali Seth, Haida Shenny Hazri and Ar. Ahlia Ganesan as the Directors of the Company, at this 13<sup>th</sup> AGM. In addition, Rowina Ghazali Seth and Ar. Ahlia Ganesan being the Independent Non-Executive Directors, has provided their annual declaration of independence to the Company.

**Explanatory Note D**  
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 2022 are disclosed under the "Financial Statement" section of the Annual Report.

The benefits payable to Non-Executive Chairman and Non-Executive Directors from the 13<sup>th</sup> AGM to next AGM in 2024 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 5 and 6 concerning remuneration to the Non-Executive Directors at the 13<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 E**  
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.

**Explanatory Note F**  
Resolution 8 is for shareholders to affirm the waiver of their pre-emptive rights under Section 85 of the Act and Article 60 of the Company's Constitution, over all options granted and/or to be offered/granted and all new shares to be issued pursuant to the ESOS. As at the date of this Notice, none of the ESOS options granted were exercised. Refer to the Circular to Shareholders dated 28 April 2023, which is available at the Company's website at <https://velesto.com> and published on Bursa Malaysia's website on Friday, 28 April 2023.

**Explanatory Note G**  
The ESOS, which obtained shareholders' approval at the Extraordinary General Meeting of the Company held on 31 October 2019, was implemented on 1 November 2019. Under the terms of the By-Laws governing and constituting the ESOS, Megat Zariman Abdul Rahim (who was appointed as Non-Independent Executive Director of the Company on 25 February 2022 is eligible to participate in the ESOS. As Megat Zariman Abdul Rahim is deemed interested in the proposed issue of options, he has abstained and will continue to abstain from all deliberations, discussions or voting of his own allocation as well as that of persons connected with him, if any, under the proposed grant of ESOS.

By voting in favour of Resolutions 8 and 9, shareholders of the Company will agree to waive their pre-emptive rights under Section 85 of the Act and under Article 60 of the Constitution of the Company, over all options granted and/or to be offered/granted and all new shares to be issued pursuant to the ESOS.

**Annual Report 2022 & Circular to Shareholders**  
Refer to the Circular to shareholders dated 28 April 2023, which is available at the Company's website at <https://velesto.com> and published on Bursa Malaysia's website on Friday, 28 April 2023.

The Annual Report 2022 together with the Circular to Shareholders are available under "AGM/EGM Reports" 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 2022 and Circular to Shareholders dated 28 April 2023 will be sent to the requestor soonest possible from the date of receipt of request.