

POWER ROOT BERHAD
(Registration No. 200601013517 (733268-U))
(Incorporated in Malaysia)

MINUTES OF EXTRAORDINARY GENERAL MEETING
HELD AT THE MEETING ROOM, NO.1 JALAN SRI PLENTONG,
TAMAN PERINDUSTRIAN SRI PLENTONG, 81750 MASAI, JOHOR
ON MONDAY, 08 AUGUST 2022 AT 2.00 P.M.

Present	:	Dato' Afifuddin bin Abdul Kadir	<i>(Co-Chairman, Independent Non-Executive Director)</i>
		Y.A.D. Tengku Dato' Setia Putra Alhaj Bin Tengku Azman Shah Alhaj	<i>(Co-Chairman, Independent Non-Executive Director)</i>
		Mr. Wong Tak Keong	<i>(Chief Executive Officer)</i>
		Dato' How Say Swee	<i>(Executive Director)</i>
		Mr. See Thuan Po	<i>(Executive Director)</i>
		Mr. Ong Kheng Swee	<i>(Non-Independent Non-Executive Director)</i>
		Encik Azahar bin Baharudin	<i>(Independent Non-Executive Director)</i>
		Ms. Tan Lay Beng	<i>(Independent Non-Executive Director)</i>
Absent with apology	:	Dato' Wong Fuei Boon	<i>(Executive Director)</i>
		Dato' Tea Choo Keng	<i>(Independent Non-Executive Director)</i>
		Mr. Low Jun Lee	<i>(Non-Independent Non-Executive Director)</i>

In Attendance : Ms. Santhi A/P Saminathan

and as per attendance list

CHAIRMAN

The Company's Co-Chairman, Dato' Afifuddin bin Abdul Kadir presided the meeting and welcomed everyone to the meeting.

QUORUM

After noting that there were 34 members present in person and 67 members present by proxies, the Company Secretary confirmed that there was sufficient quorum in accordance with Clause 94 of the Company's Constitution, and the Chairman called the Meeting to order.

NOTICE

The notice convening the Meeting was taken as read.

Before the Chairman proceeded with the Meeting's agenda, he informed the members that the voting of all motions tabled at this Extraordinary General Meeting would be conducted by way of poll pursuant to Para 8.29A of Bursa Securities Listing Requirements. Polling would be conducted at

the end of the deliberation of all the motions of the Meeting to save administrative time and the results would be announced thereafter.

He also reminded the interested Directors, interested substantial shareholders and persons connected with them to abstain from deliberation and voting on the resolutions relating to themselves in the Meeting.

ORDINARY RESOLUTION 1

PROPOSED ESTABLISHMENT OF AN EMPLOYEES' SHARE OPTION SCHEME OF UP TO 10% OF THE TOTAL NUMBER OF ISSUED SHARES OF POWER ROOT (EXCLUDING TREASURY SHARES) AT ANY POINT IN TIME FOR THE ELIGIBLE DIRECTORS AND KEY EMPLOYEES OF POWER ROOT AND ITS SUBSIDIARIES (EXCLUDING DORMANT SUBSIDIARIES) ("PROPOSED ESOS")

The Chairman put the first motion to the floor for deliberation.

Questions raised by members present at the Meeting and the replies from the Board were noted as follows:

No.	Questions raised by members	Reply from the Board
i	Can the employee dispose of the shares immediately upon the exercise of ESOS?	No, not immediately as there is a vesting period of up to 10 years and also, the exercise price will be fixed at premium to the 5-day VWAP of our Shares immediately preceding the Date of Offer. One of the reasons for the ESOS is talent retention.
ii	What is the maximum allocation of ESOS for directors? How was the ESOS allocation to Executive Directors being determined?	The maximum allocation for the whole ESOS is up to 10% of the total number of issued shares of Power Root (excluding treasury shares) at any point in time for the eligible directors and key employees of Power Root and its subsidiaries (excluding dormant subsidiaries). The maximum allocation for each Director is as per Ordinary Resolutions 2 to 12 given in the Notice of Meeting. The ESOS allocation to Executive Directors were determined based on the past performance and expected future contributions to the Company.
iii.	Is the ESOS transferable?	It is not transferable but there is a provision in the By-Laws that allow for the Option Committee to do so. For instance, if the employee passes on or is incapacitated.
iv.	How much of the ESOS will be exercised?	The exercise of ESOS depends on the market price. In the event that the market price is below the exercise price of ESOS, there will be

		no benefit to be derived from the exercise of ESOS.
v.	When did the Company have its first ESOS? How many ESOS scheme do the Company have?	<p>The first ESOS was established in 2008 which was subsequently terminated. A new ESOS was established in year 2012 and expired in July 2022. In year 2019, the Company established an ESOS of up to 20,000,000 new ordinary shares for the eligible Executive Directors and key employees of the Company and its subsidiaries which will be expiring in year 2029.</p> <p>In the event that Ordinary Resolution 1 is passed at this Meeting, this ESOS will expire in the year 2032.</p> <p>In summary, the Company has four ESOS schemes (including the ESOS passed at this meeting). Two ESOS schemes have expired and there are now two remaining ESOS schemes.</p> <p>It was highlighted that under the Main Market Listing Requirement of Bursa Malaysia, the aggregate number of shares issued under the ESOS shall not exceed 15% of the total number of issued shares at any point in time.</p>

The Chairman informed the members that the Company had received a letter dated 28 July 2022 from Minority Shareholders Watch Group (“MSWG”) and raised the following questions whereby the reply from the Board was also duly recorded:

Question: Proposed allocation of ESOS Options to the Directors of POWER ROOT

- Under Resolutions 2, 3, 10, 11 and 12, shareholders' approvals are being sought for the Proposed Allocation of ESOS Options to five independent non-executive directors (“INEDs”), namely Dato’ Afifuddin Bin Abdul Kadir, Y.A.D. Tengku Dato’ Setia Putra Alhaj Bin Tengku Azman Shah Alhaj, Azahar Bin Baharudin, Dato’ Tea Choo Keng and Tan Lay Beng (Notice of EGM, Circular dated 22 July 2022).

Why is the Proposed ESOS Options extended to the five INEDs since they do not perform executive roles?

In line with better corporate governance, MSWG does not encourage the practice of giving ESOS to INEDs as they play the independent check and balance role (and not an executive role) in the Company and are responsible for monitoring the allocation to employees and executive directors.

Furthermore, ESOS, by definition, refers to a scheme for employees only. Independent directors are not employees.

There is also the risk that the INEDs may be fixated with the share price of the Company and this may affect their impartial decision-making, which should be made without reference to share price considerations.

The recognition of the INEDs' contribution to the Company and retaining quality INEDs could be compensated in other ways including a competitive remuneration package. The directors' fee and other benefits that they receive should be structured to adequately compensate the services rendered by them.

Reply:

The Proposed ESOS is extended to the five INEDs for their contributions to the Group in view of the responsibilities and liabilities inherent in their appointments, albeit in non-executive capacities. Our Group gains invaluable input and support from the INEDs in terms of internal control and corporate governance which form the foundation to protect the interests of all stakeholders. We are of the view that their participation in the equity of the Company is not expected in any way to impair their independence and impartiality and level of commitment and contribution to the overall strategic direction of our Group.

Although our INEDs would primarily continue to be remunerated for their services by way of directors' remuneration, the INEDs' participation in POWER ROOT's ESOS is a recognition of their services and contributions to our Group. In addition, the options granted to them are not a significant proportion of the ESOS Options available under POWER ROOT's ESOS.

There will also be a retention period imposed on the INEDs of the Power Root Group in which they shall not sell, transfer or assign the POWER ROOT's shares obtained through the exercise of the ESOS Options offered to him/her within one (1) year from the Date of Offer which is in compliance with the Main Market Listing Requirements.

There being no further question raised by the members present, the Chairman proceeded to table the following Ordinary Resolutions 2 to 12 to the members for deliberation and consideration:

ORDINARY RESOLUTIONS 2 TO 12

PROPOSED ALLOCATION OF ESOS OPTIONS TO THE DIRECTORS OF POWER ROOT

Subject to the passing of Ordinary Resolution 1 and the approvals of the relevant authorities and/or parties (where applicable) being obtained, approval be and is hereby given to the Board to authorise the ESOS Committee to offer, from time to time, throughout the duration of the Proposed ESOS, ESOS Options to subscribe for new Shares under the Proposed ESOS to the following directors of Power Root, provided that not more than 10% of the Shares made available under the Proposed ESOS is allocated to them if they, either singly or collectively through persons connected to them, holds 20% or more of the total number of issued shares of the Company (excluding treasury shares), subject always to such terms and conditions of the By-Laws and/or any adjustments which may be made in accordance with the provisions of the By-Laws and the Main Market Listing Requirements of Bursa Securities or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time.

Ordinary Resolution	Directors	No. of ESOS Options
2	Dato' Afifuddin Bin Abdul Kadir	Up to 200,000
3	Y.A.D. Tengku Dato' Setia Putra Alhaj Bin Tengku Azman Shah Alhaj	Up to 200,000
4	Wong Tak Keong	Up to 15,000,000
5	Dato' How Say Swee	Up to 2,000,000
6	Dato' Wong Fuei Boon	Up to 2,000,000
7	See Thuan Po	Up to 5,000,000
8	Low Jun Lee	Up to 100,000
9	Ong Kheng Swee	Up to 100,000
10	Azahar Bin Baharudin	Up to 100,000
11	Dato' Tea Choo Keng	Up to 100,000
12	Tan Lay Beng	Up to 100,000

There were no questions raised on the Ordinary Resolutions 2 to 12.

The Chairman informed the members that M/s NeedsBridge Advisory Sdn Bhd has been appointed as the Scrutineer for the polling process and verification of poll results. It was noted that there were no objections from the members of the floor.

The Chairman then invited Encik Nu'man Muqarrin, representative of Boardroom Share Registrars Sdn. Bhd. to brief members on the proceeding for polling. A break of 30 minutes was allowed for the counting of votes and verification of poll results.

The Meeting resumed when the poll results were ready for announcement. Details of the verified poll results for the all the ordinary resolutions tabled were as follow:

ORDINARY RESOLUTION	FOR		AGAINST	
	SHARE(S)	%	SHARE(S)	%
1	205,180,827	97.13	6,063,816	2.87
2	188,526,227	89.25	22,718,316	10.75
3	188,526,227	89.25	22,718,316	10.75
4	172,632,727	96.61	6,063,816	3.39
5	124,998,891	95.37	6,063,816	4.63
6	188,840,287	96.89	6,063,816	3.11
7	192,254,227	96.94	6,063,816	3.06
8	137,214,411	85.80	22,718,216	14.20
9	188,291,112	89.23	22,718,216	10.77
10	188,526,227	89.25	22,718,316	10.75
11	188,526,227	89.25	22,718,316	10.75
12	188,526,227	89.25	22,718,316	10.75

Based on the verified poll results, the Chairman declared that Ordinary Resolutions 1 to 12 were carried.

TERMINATION

There being no further business, the Meeting concluded at 3.00 p.m. with a vote of thanks to the Chair.