



GROMUTUAL BERHAD

Registration No. 200301022614 (625034-X)
(Incorporated in Malaysia)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 18th Annual General Meeting of Gromutual Berhad (“the Company”) will be held at **Austin 18, Jalan Austin Perdana 3, Taman Austin Perdana, 81100, Johor Bahru, Johor, Malaysia** on **Monday, 24 May 2021** at **10.00 a.m.** to transact the following businesses :

AGENDA

Resolution on Proxy Form

AS ORDINARY BUSINESS:

1. To receive the Audited Financial Statements of the Company for the financial year ended 31 December 2020 and the Reports of the Directors and Auditors thereon. *(Please refer Explanatory Note 1)*
2. To approve the payment of Directors’ Fee of RM310,000 for the financial year ended 31 December 2020. *(Ordinary Resolution 1)
(Please refer Explanatory Note 2)*
3. To approve the payment of Directors’ benefits at the capping amount of RM30,000 for the period commencing from the date immediately after the 18th Annual General Meeting up to date of the next 19th Annual General Meeting of the Company to be held in 2022. *(Ordinary Resolution 2)
(Please refer Explanatory Note 2)*
4. To re-elect the following Directors who retire by rotation pursuant to Clause 76(3) of the Company’s Constitution (“Constitution”):-
 - 4.1 Ms. Chew Kwee Hiok *(Ordinary Resolution 4)*
 - 4.2 Mr. Yeoh Beng Sang *(Ordinary Resolution 5)*
 - 4.3 Encik Azahar Bin Baharudin *(Ordinary Resolution 6)*
5. To re-appoint BDO PLT as Auditors of the Company for the financial year ending 31 December 2021 and to authorise the Directors to fix their remuneration. *(Ordinary Resolution 6)
(Please refer Explanatory Note 4)*

AS SPECIAL BUSINESS:

To consider and if thought fit, to pass the following Ordinary Resolutions with or without modifications: -

6. **AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016** *(Ordinary Resolution 7)
(Please refer Explanatory Note 5)*
“THAT pursuant to Sections 75 and 76 of the Companies Act, 2016, Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“Listing Requirements”) and the approval of the relevant regulatory authorities, where such

approval is required, the Directors of the Company be and are hereby authorised to issue and allot shares in the capital of the Company, grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer ("New Shares") from time to time, at such price, to such persons and for such purposes and upon such terms and conditions as the Directors may in their absolute discretion deem fit, provided that the aggregate number of such New Shares to be issued, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer, pursuant to this resolution, when aggregated with the total number of any such shares issued during the preceding 12 months does not exceed 20% of the total number of issued shares (excluding any treasury shares) of the Company for the time being ("Proposed 20% General Mandate")."

THAT such approval on the Proposed 20% General Mandate shall continue to be in force until 31 December 2021.

THAT with effect from 1 January 2022, the general mandate shall be reinstated from a 20% limit to a 10% limit pursuant to Paragraph 6.03 of the Listing Requirements provided that the aggregate number of such New Shares to be issued, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer by the Company from time to time, at such price, to such persons and for such purposes and upon such terms and conditions as the Directors may in their absolute discretion deem fit, pursuant to this resolution, when aggregated with the total number of any such shares issued during the preceding 12 months does not exceed 10% of the total number of issued shares (excluding any treasury shares) of the Company for the time being ("Proposed 10% General Mandate").

THAT such approval on the Proposed 10% General Mandate shall continue to be in force until:

- a. the conclusion of the next Annual General Meeting of the Company held after the approval was given;
 - b. the expiration of the period within which the next Annual General Meeting of the Company is required to be held after the approval was given; or
 - c. revoked or varied by resolution passed by the shareholders of the Company in a general meeting,
- whichever is the earlier.

(The Proposed 20% General Mandate and Proposed 10% General Mandate shall hereinafter refer to as "Proposed General Mandate".)

THAT the Directors of the Company be and are hereby also empowered to obtain the approval from Bursa Securities for the listing of and quotation for such New Shares on the Main Market of Bursa Securities.

THAT authority be and is hereby given to the Directors of the Company, to give effect to the Proposed General Mandate with full powers to assent to any conditions, modifications, variations and/or amendments as they may deem fit in the best interest of the Company and/or as may be imposed by the relevant authorities.

AND FURTHER THAT the Directors of the Company, be and are hereby authorised to implement, finalise, complete and take all necessary steps and to do all acts (including execute such documents as may be required), deeds and things in relation to the Proposed General Mandate.

7. CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTORS

*(Please refer
Explanatory Note
6)*

“THAT approval be and is hereby given to the following Directors who have served as Independent Non-Executive Directors of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Directors of the Company and to hold the office until the conclusion of the next Annual General Meeting held in 2022:-

8.1 Mr. Yeoh Beng Sang

**(Ordinary
Resolution 8)**

8.2 Encik Azahar Bin Baharudin”

**(Ordinary
Resolution 9)**

8. To transact any other business of which due notice shall have been given.

BY ORDER OF THE BOARD
GROMUTUAL BERHAD

**YONG MAY LI (f) (LS0000295)
(SSM Practicing Certificate No. 202008000285)
THAM YAP MEY (f) (MIA29389)
(SSM Practicing Certificate No. 202008001870)**

Company Secretaries

Johor Bahru
26 April 2021

NOTES:

1. For the purpose of determining who shall be entitled to attend this Annual General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, a Record of Depositors as at 17 May 2021. Only a member whose name appears on this Record of Depositors shall be entitled to attend this Annual General Meeting or appoint a proxy to attend, speak and vote on his/her/its behalf.
2. A member entitled to attend and vote at this Annual General Meeting is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.
3. A member of the Company who is entitled to attend and vote at an Annual General Meeting of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the Annual General Meeting.
4. If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the listing requirements of the stock exchange.
5. Where a member of the Company is an authorised nominee as defined in the Central Depositories Act, it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
6. Where a member of the Company 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 exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act") which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.

7. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
8. The appointment of a proxy may be made in a hard copy form or by electronic form. In the case of appointment made in hardcopy form, the proxy form must be deposited with the Registered Office of the Company at Suite 1301, 13th Floor, City Plaza, Jalan Tebrau, 80300 Johor Bahru, Johor. In the case of electronic appointment, the proxy form must be deposited via TIIH Online at <https://tiih.online>. Please follow the procedure as set out in the Administrative Guide for the electronic lodgement of proxy form. All proxy form submitted must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the Annual General Meeting or adjourned Annual General Meeting at which the person named in the appointment proposes to vote.
9. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Registered Office of the Company situated at Suite 1301, 13th Floor, City Plaza, Jalan Tebrau 80300 Johor Bahru, Johor, Malaysia not less than forty-eight (48) hours before the time appointed for holding the Annual General Meeting or adjourned Annual General Meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
10. Please ensure ALL the particulars as required in this proxy form are completed, signed and dated accordingly.
11. Last date and time for lodging this proxy form is 10 a.m., 22 May 2021 (Saturday).
12. Please bring an **ORIGINAL** of the following identification papers (where applicable) and present it to the registration staff for verification:
 - a) Identity card (NRIC) (Malaysian), or
 - b) Police report (for loss of NRIC) / Temporary NRIC (Malaysian), or
 - c) Passport (Foreigner).
13. For a corporate member who has appointed a representative instead of a proxy to attend this meeting, please bring the **ORIGINAL** certificate of appointment executed in the manner as stated in this proxy form if this has not been lodged at the Company's registered office earlier.
14. Shareholders are advised to check the Company's website at www.gromutual.com and announcements from time to time for any changes to the administration of the 18th AGM that may be necessitated by changes to the directives, safety and precautionary requirements and guidelines prescribed by the Government of Malaysia, the Ministry of Health, the Malaysian National Security Council, Securities Commission Malaysia and/or other relevant authorities.

EXPLANATORY NOTES:

ORDINARY BUSINESS :

1. ITEM 1 OF THE AGENDA - AUDITED FINANCIAL STATEMENTS

This Agenda item is meant for discussion only as an approval from shareholders for the Audited Financial Statements is not required pursuant to the provisions of Section 248(2) and 340(1) of the Companies Act, 2016. Hence, this item is not put forward for voting by shareholders of the Company.

2. ITEMS 2 AND 3 OF THE AGENDA RESPECTIVELY **ORDINARY RESOLUTION 1: PAYMENT OF DIRECTORS' FEES **ORDINARY RESOLUTION 2: PAYMENT OF DIRECTORS' BENEFITS****

In compliance with Section 230(1) of the Companies Act 2016, the fees of the Directors and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting.

The Ordinary Resolutions 1 and 2 are proposed to seek shareholders' approval for the payment of Directors' fees for financial year ended 31 December 2020 and Directors' benefits for the period commencing from the conclusion of the 18th AGM until the next AGM of the Company (estimated period is 12 months) to the

Directors of the Company.

The amounts of Directors' fees tabled for approval is based on the current composition of the Board which currently has 7 Non-Executive Directors, including the Non-Executive Chairman. The total amount of Directors' fees proposed for the financial year ended 31 December 2020 is RM310,000.

The estimated amount of RM30,000 for Directors' benefits include allowances payable to Directors and in determining the estimated amount, the Board has considered various factors including the current board size, number of scheduled meetings for the Board and Board Committee for the period from the 18th Annual General Meeting until the 19th Annual General Meeting of the Company. In the event the proposed amount is insufficient, approval will be sought at the next 19th AGM for the shortfall, if any.

**3. ITEM 4 OF THE AGENDA
ORDINARY RESOLUTIONS 3, 4 AND 5: RE-ELECTION OF DIRECTORS**

Ms. Chew Kwee Hiok, Mr. Yeoh Beng Sang and Encik Azahar Bin Baharudin are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the 18th Annual General Meeting.

The Board has through the Nominating Committee, had considered and assessed the retiring Directors and agreed that they meet the qualification of Directors as prescribed by Paragraph 2.20A of the Main Market Listing Requirements of Bursa Securities and have the character, experience, integrity, competence and time to effectively discharge their roles as Directors.

**4. ITEM 5 OF THE AGENDA
ORDINARY RESOLUTION 6: RE-APPOINTMENT OF AUDITORS**

The Board has through the Audit Committee, considered the re-appointment of BDO PLT as the Auditors of the Company. The factors considered by the Audit Committee in making the recommendation to the Board to table their re-appointment at the 18th Annual General Meeting are disclosed in the Audit Committee Report of the 2020 Annual Report.

SPECIAL BUSINESSES :

**5. ITEM 6 OF THE AGENDA
ORDINARY RESOLUTION 7: AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016**

The Proposed Resolution 7 under Item 6, if passed, will empower the Directors of the Company to issue and allot ordinary shares of the Company from time to time and to grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer, provided that the aggregate number of shares allotted pursuant to this resolution does not exceed 20% of the total number of issued shares (excluding treasury shares) of the Company for the time being ("Proposed 20% General Mandate") up to 31 December 2021. With effect from 1 January 2022, the Proposed 20% General Mandate will be reinstated to a 10% limit ("Proposed 10% General Mandate") according to Paragraph 6.03 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The authority for the Proposed 10% General Mandate will, unless revoked or varied by the Company in a general meeting, expire at the conclusion of the next Annual General Meeting ("AGM") or the expiration of the period within which the next AGM is required by law to be held, whichever is earlier.

This proposed Resolution is a new mandate. The mandate is to provide flexibility to the Company to issue new securities without the need to convene separate general meeting to obtain its shareholders' approval so as to avoid incurring additional costs and time.

The Board of Directors of the Company is of the view that the Proposed 20% General Mandate is in the best interest of the Company and its shareholders as:

- (a) Amid the unprecedented uncertainty surrounding the recovery of the COVID-19 pandemic, this 20% General Mandate provides the Company flexibility to raise funds quickly and efficiently during this challenging time to meet its funding requirements for working capital, operational expenditure or for a new business opportunity.
- (b) To provide additional relief to the Company cashflow to support the business operations in view of the tougher economic environment that arose from the COVID-19 pandemic.

The purpose of this general mandate, if passed, will enable the Directors to take swift action in case of a need to issue and allot new shares in the Company for fund raising exercise including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital,

acquisitions and/or for issuance of shares as settlement of purchase consideration, or other circumstances arise which involve grant of rights to subscribe for shares, conversion of any securities into shares, or allotment of shares under an agreement or option or offer, or such other application as the Directors may deem fit in the best interest of the Company.

As at the date of this notice, the Company did not implement its proposal for new allotment of shares under the general mandate pursuant to Sections 75 and 76 of the Companies Act 2016 which was approved by the shareholders at the 17th AGM held on 19 August 2020 and will lapse at the conclusion of the 18th AGM to be held on 24 May 2021. As at the date of this notice, there is no decision to issue new shares. Should there be a decision to issue new shares after the general mandate is sought, the Company will make an announcement of the actual purpose and utilisation of proceeds arising from such issuance of shares.

**6. ITEM 7 OF THE AGENDA
ORDINARY RESOLUTIONS 8 AND 9 - CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTORS**

Pursuant to the Malaysian Code on Corporate Governance, it is recommended that approval of shareholders be sought in the event the Company intends to retain an Independent Director who has served in that capacity for more than nine (9) years.

Mr. Yeoh Beng Sang was appointed to the Board on 23 November 2004 whereas Encik Azahar Bin Baharudin was appointed on 28 February 2011. Both Directors have therefore served as the Independent Directors of the Company for a cumulative term of more than nine (9) years.

The Board has via the Nominating Committee assessed the independence of Mr. Yeoh Beng Sang ("Mr. Yeoh") and Encik Azahar Bin Baharudin ("Encik Azahar") and had considered them to be independent and recommended that they continue to act as the Independent Non-Executive Directors of the Company based on the following justifications:-

- (i) These Directors fulfilled the criteria as an Independent Director pursuant to Main Market Listing Requirements of Bursa Securities;
- (ii) They have good and thorough understanding of the Company's business operation due to long tenures with the Company and exposures in various industries;
- (iii) They have neither impaired nor compromised their independent judgement and continue to provide invaluable feedback/check and balance including to challenge management on matters which they believe to be not in the best interest of the Group;
- (iv) They are able to participate in deliberations and decision making of the Board and Board Committees in objective manner;
- (v) They do not have any interest over the Group's business dealings; and
- (vi) They have devoted adequate time, commitment and due care in all undertakings of the Group and have carried out their fiduciary duties in the interest of the Company and shareholders.

Therefore, the Board has recommended and supported both of them to continue to act as the Independent Non-Executive Directors of the Company for shareholders' approval at the forthcoming 18th Annual General Meeting via single tier voting.

That consequential to the passing of Ordinary Resolutions 4 and 5 of Item 4 of the Agenda, the Ordinary Resolutions 8 and 9 proposed respectively, if passed, will enable Mr. Yeoh Beng Sang and Encik Azahar Bin Baharudin to continue serving as Independent Non-Executive Directors of the Company.