

CORPORATE GOVERNANCE REPORT

STOCK CODE : 5199
COMPANY NAME : Hibiscus Petroleum Berhad
FINANCIAL YEAR : June 30, 2021

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.1

The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board of Hibiscus Petroleum Berhad (Board) is primarily responsible for setting Hibiscus Petroleum Berhad (Hibiscus Petroleum or Company) and its subsidiaries' (collectively, Group) overall strategic direction, objectives and goals including the key values, principles and ethos.</p> <p>Our Board has established the Corporate Governance (CG) structure which sets out our framework, processes and lines of authority that govern how our Group's businesses are directed, managed and controlled, thereby delivering value to our stakeholders while ensuring compliance with the applicable laws, rules and regulations, our Company's <i>Constitution</i> and adherence to good CG practices. Our CG Overview Statement can be found on pages 88 to 99 of our Annual Report 2020/2021.</p> <p>As a result of the Board's strong commitment to the principles of good CG, the Company has maintained its accorded <i>Green Lane Policy</i> (GLP) status from Bursa Malaysia Securities Berhad (Bursa Securities) which was first awarded in December 2019. The privileges derived from such a status include certain exemptions which provide for the issuance of "non-complex" circulars without pre-vetting by Bursa Securities and fast-tracking of processing of more "complex" circulars which do not fall within the parameters of the exemptions provided.</p> <p>In December 2020, the Company was accepted as one of the constituents of the FTSE4Good Bursa Malaysia (F4GBM) Index, evidencing recognition of our good Environmental, Social and Governance (ESG) practices. This was achieved pursuant to the attainment of the highest rating of 4 stars from FTSE Russell which placed us in the top 25% of public listed companies in the FBM EMAS Index. Furthermore, in the latest ESG ratings assessed by FTSE Russell in June 2021, the Company retained its highest rating of 4 stars in addition to being included in the FTSE4Good Bursa Malaysia Shariah Index.</p>

Our Board acknowledges that it is accountable to our shareholders for our Group's performance. Its fundamental approach in this regard is to ensure that the right executive leadership, strategy and internal controls for risk management are in place.

The *Board Charter* and *Board Committees' Term of References (TOR)* outlines the roles, responsibilities and authorities of our Board, Board Committees and the Leadership Team. Our Board is supported by three (3) Board Committees:

- (a) Audit and Risk Management Committee (ARMC);
- (b) Nominating Committee (NC); and
- (c) Remuneration Committee (RC).

Our Board Committees operate within the scope of responsibilities delegated by our Board as set out in their respective *Charter* and *TORs*, which are published on our corporate website (<https://www.hibiscuspetroleum.com>). In this respect, the *Board Charter* and *ARMC TOR* have been updated in view of the recently issued Malaysian Code of Corporate Governance 2021 (MCCG 2021), to include a term that the tenure of an Independent Non-Executive Director (INED) must not exceed a 12-year period.

Our Board's role and responsibilities, and the delegations of powers to our Board Committees and Managing Director (MD) are clearly delineated, including in the *Limits of Authority (LOA)* delegated by our Board to our MD and the Leadership Team.

Our Board is highly involved in the end-to-end process of strategic planning, where its key role is to review and challenge the overall strategic plan prepared by our MD and Leadership Team, and to provide various inputs and insights for the development of a plan that will provide optimum benefits to our Group and our stakeholders. The implementation and execution of the approved strategies are closely monitored during the course of the financial year.

The emergence of COVID-19 in early 2020 had a far-reaching impact to all businesses globally, including our Company. Our Group re-evaluated and where appropriate, adapted existing processes due to the impact of the movement control orders on our business operations and recalibrated offshore rotation arrangements for offshore crew teams due to the travel restrictions to ensure business continuity while strictly enforcing Standard Operating Procedures (SOPs) due to COVID-19. For the office-based staff, our workforce transitioned to working from home on a staggered schedule. During such unprecedented times of change and uncertainty, the role of our Board to direct and oversee changes in order to ensure organisational resilience and return to the recovery path became even more critical.

Our Board completed a comprehensive review of the Group's business plan for 2021 in March 2021. Pursuant to this, the new mission and

vision of the Group, the 2021 Group Scorecard and Key Performance Indicators (KPIs) within the context of an uncertain macro-environment impacted by COVID-19 were rolled-out.

Post Board approval, the implementation and progress of the key strategies are monitored. The agenda of our Board meetings focus on the review of strategic, operational and financial performance and matters requiring our Board's attention and/or approval. Updates are provided by the Chair of the respective Board Committees on its deliberations, key findings, and recommendations. Our MD and the relevant Management Team attended our Board and/or Board Committee meetings.

The implementation and progress of the 2021 business plan will be closely monitored by our Board through a structured process to ensure a holistic and disciplined review, decision-making and reporting process so that key projects are delivered in a timely manner.

A total of fifteen (15) Board meetings were held during the financial year ended 30 June 2021 (FY2021), the majority of which were held virtually in light of the COVID-19 pandemic. Board meetings addressed immediate and emerging issues, as well as explored growth opportunities and to prepare our organisation for the new "normal".

As part of its oversight of responsibilities, our Board approved the annual Group Scorecard which set out the key performance indicators (KPIs). The Group Scorecard is a means of regularly monitoring business performance and is a method of motivating the Leadership Team as it is the basis for determining the annual bonus for our employees, including the MD. The FY2021 Group Scorecard comprises of both financial and non-financial KPIs with the appropriate and balance weightages:

- (a) Financials KPIs including Earnings Before Interest, Taxes, Depreciation, and Amortisation (EBITDA); and
- (b) Non-financial KPIs including Production, Health, Safety, Security and Environment (HSSE) and Project Milestones KPIs.

Matters requiring our Board's approval are presented at assembled Board meetings or via written resolutions. A quorum of two (2) Directors is sufficient for Board meetings to be convened, where decisions may be reached by a majority of Directors assenting to the resolution. Approval via written resolutions is to be signed by a majority of Directors in accordance with Clause 151 of our Company's *Constitution*. To date, all resolutions have been unanimously approved by the Board.

Our ARMC reviews our Group's risk profile against risk tolerance thresholds on a quarterly basis. The Executive Risk Management Committee (ERMC) tables our Group's Key Risk Profile and risk mitigation strategies at the ARMC meetings. The ARMC held eight (8) meetings in FY2021 to review matters under its purview, including the

quarterly financial reports, audited financial statements, external auditors' report, risk management reports as well as the status of preparedness arising from the anti-corruption risk assessment conducted.

Our Board through our NC is responsible for, inter-alia, reviewing our Board composition and mix, selection of Board and Board Committee members, appointment of the MD and Leadership Team, among others. Our NC held six (6) meetings during FY2021 to review matters under its purview, including our Group's organisation structure to ensure it is robust and supports our Group's objectives, and the adequacy of Board and management succession plans.

Our Remuneration Committee (RC) has been entrusted to review the overall remuneration framework and policies of our Group. Six (6) meetings were held by our RC in FY2021 to review matters under its purview, including the market-competitiveness of our Non-Executive Directors (NED)'s remuneration, and the performance of our MD and Leadership Team.

Our Board is committed to instilling an organisational culture with high integrity and zero tolerance for corruption. With the introduction and implementation of the corporate liability provisions by Section 17A of the Malaysian Anti-Corruption Commission (MACC) Act 2009 (amended 2018), the Group updated its *Anti-Corruption and Anti-Bribery (ACAB) Policy* in April 2020. The *ACAB Policy* serves as a reminder to Directors and employees of the Group, and those who have dealings with the Group, to be aware of the Group's zero-tolerance policy against all forms of bribery and corruption.

The Group continued its work on the established ACAB programme by further strengthening existing procedures (where necessary) to reduce the likelihood of any improper gratification being exchanged or received. In addition, an anti-corruption risk assessment evaluation at both corporate and project levels to gauge the potential risk exposure of the Group through an existence of gaps in controls were conducted at fixed intervals, and the necessary steps in proportion to the scale, nature, complexity and potential impact of such risks are taken. Briefing sessions were held to generate awareness on the new provisions of the MACC Act and reinforcement training on the *ACAB Policy* conducted. Subsequently, all employees had to fully complete quizzes rolled out to test the awareness and understanding of the *ACAB Policy* in Q1 2021.

Despite all our efforts (including the tightening of internal controls), there was one reported case of attempted non-compliance to the *ACAB Policy*. Our preliminary investigation determined that although there was no gratification received by the staff involved from the complainant, and that he retired from service one month after the reported incident, the surrounding circumstances involved merited a further investigation. Consequently, the incident has been reported to

	<p>the MACC for further action, reinforcing our stance of zero-tolerance for any breach of the law and/or the <i>ACAB Policy</i>.</p> <p>In addition, the Board recognises the importance of sustainability and its increasing impact to the business, and is committed to understanding and implementing sustainable practices to achieve the right balance between the objectives of our shareholders, attaining economic success, fulfilling our ethical obligations to other stakeholders and the wider community in which the Group has a presence.</p> <p>Therefore, the <i>Sustainability Policy</i> of October 2019 was updated in July 2021 and uploaded on our corporate website. The <i>Sustainability Policy</i> has been aligned with the United Nations' Sustainable Development Goals and their call to a Decade of Action, which supports our commitment in the <i>Environment Policy</i> introduced in September 2019 to use energy and natural resources wisely and efficiently, and to ensure our environmental management system continually assesses the impact of our operations to the surrounding environment, while maintaining action plans capable to respond to any arising emergency (as contained in the <i>Group's Crisis Management Plan</i>).</p>	
<p>Explanation for departure</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>		
<p>Timeframe</p>		

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.2

A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

Application	:	Applied
Explanation on application of the practice	:	<p>The Chairman of our Board is Encik Zainul Rahim bin Mohd Zain (Encik Zainul), a non-INED.</p> <p>He is an engineer with more than 43 years of experience in the oil and gas exploration and production (E&P) industry. He is a respected professional and maintains a balanced position in leading/moderating discussions during the Board and/or Board Committees meetings with Management. With his knowledge, business network and experience in the E&P industry, he provides invaluable counsel and leadership to our Board, and together with all our directors, instils a high standard of CG practices.</p> <p>Board and shareholders' meetings are chaired by our Chairman. During Board meetings, our Chairman ensures that all Directors are given an equal opportunity to raise important matters and voice their views on proposals submitted.</p> <p>Our Directors are provided timely and relevant information by our Management team to enable a proper, smooth and informed decision-making process.</p> <p>In enhancing our Group's CG practices, the Chairman of our Board shall not act as the Chairman of any Board Committees for the purposes of separation of roles and responsibilities unless there are valid and strong justifications.</p> <p>Our Chairman's performance was evaluated under the Board assessment in 2021 which was facilitated by our NC with the assistance of the Company Secretaries. The evaluation showed that our Chairman displayed objectivity, engaged in discussions and has the ability to act with conviction based on principles while fostering a fair boardroom process. On this basis, premised on our NC's endorsement, our Board has recommended that Encik Zainul be re-elected as a Director of the Company at our 11th AGM to be held in December 2021. It should be noted that Encik Zainul abstained from the deliberations on this matter.</p>
Explanation for departure	:	

<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.3

The positions of Chairman and CEO are held by different individuals.

Application	:	Applied
Explanation on application of the practice	:	<p>Our Board Chairman and MD positions are separated and held by different individuals.</p> <p>The role and responsibilities of our Board Chairman and MD are formally documented in our <i>Board Charter</i>, which is published on our corporate website, https://www.hibiscuspetroleum.com.</p> <p>The separation of roles ensures there is a balance of influence and authority in accordance with good CG practices. Our Board Chairman is primarily responsible for ensuring our Board's effectiveness on strategy, governance and compliance whilst our MD has the overall responsibility over the business units and day-to-day management of our Group.</p> <p>Our MD ensures the organisational effectiveness and implementation of Board policies, strategies and decisions, and is responsible for providing leadership to Management, advancing relationships with regulators and stakeholders, and is accountable to the Board and reports to the Board at every Board meeting and on all material issues, as and when required.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.4

The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

Application	:	Applied
Explanation on application of the practice	:	<p>Our Board is supported by the services of qualified Company Secretaries.</p> <p>Roles and responsibilities of our Company Secretaries include:</p> <ul style="list-style-type: none">(a) Advising the Board and Management on matters relating to the Company's <i>Constitution</i> and facilitating compliance with the Main Market Listing Requirements (MMLR) and the relevant companies' legislations.(b) Supporting the execution of corporate proposals.(c) Acting as the secretary of the Board and Board Committees.(d) Facilitating communication between the Board and Management.(e) Facilitating the annual Board assessments. <p>For annual general meetings which are held in December, the Company Secretaries play a significant role in ensuring that due processes and proceedings are in place and properly managed. During the meeting, the Company Secretaries assist the Chairman and the Board to conduct the meeting.</p> <p>Our Board is satisfied with the performance and support rendered by the Company Secretaries to the Board in discharging their functions.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.5

Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

Application	:	Applied
Explanation on application of the practice	:	<p>Notice of our Board and Board Committee meetings are issued electronically together with a comprehensive set of meeting papers ahead of each Board and Board Committee meeting. This enables our Board to have immediate access to the meeting materials as they become ready for distribution.</p> <p>Meeting materials are reviewed and endorsed by our MD prior to circulation to ensure they contain comprehensive and accurate information which is required for informed decision-making by our Board. Board approvals are sought for matters beyond our MD's <i>LOA</i> and in respect of matters specifically reserved for our Board. The list of Board reserved matters is set out in our <i>Board Charter</i>.</p> <p>Minutes of our Board and Board Committee meetings are recorded by our Company Secretaries. The minutes record the key issues and deliberations and decisions of our Board and Board Committees. Upon conclusion of a meeting, a draft set of minutes of meeting is prepared, reviewed and subsequently circulated for comments. The minutes are then confirmed by the relevant Chair after comments are accepted. In addition, the status updates to the matters arising from previous meetings are assigned to the relevant responsible person and are continuously tracked and reported at the next Board or Board Committee meeting for further discussions until they are closed out.</p> <p>Our Board is kept apprised of the activities of the Board Committees through circulation of the minutes of the Board Committee meetings. The minutes of the Board Committee meetings are tabled for our Board's notation at our Board meetings. This is in addition to the summary on key matters presented and discussed by the respective Chair of our Board Committees.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

Practice 2.1

The board has a board charter which is periodically reviewed and published on the company's website.

The board charter clearly identifies–

- the respective roles and responsibilities of the board, board committees, individual directors and management; and
- issues and decisions reserved for the board.

Application :	Applied
Explanation on application of the practice :	<p>Our <i>Board Charter</i> sets out the manner in which our Board's powers and responsibilities are exercised and discharged, using as a reference, our Company's Constitution, the Companies Act, 2016 (Act), the MMLR issued by Bursa Securities and other applicable laws and CG best practices.</p> <p>Our <i>Board Charter</i> sets forth, inter alia:</p> <ul style="list-style-type: none">(a) Our Board's responsibilities;(b) Role descriptions of our Board, Board Committees, individual Directors, MD and the Leadership Team;(c) Board processes in relation to meetings;(d) Board reserved matters i.e. matters which require our Board's approval including:<ul style="list-style-type: none">• Group strategic plan• Operational and financial performance• Investments and transactions in excess of <i>LOA</i>• Significant issues• Key activities and opportunities• Appointment of MD, Leadership Team and Company secretaries <p>Our Board has delegated specific powers to our ARMC, NC and RC in accordance with the respective <i>Board Committee's TOR</i>. Our <i>Board Charter</i> and <i>Board Committees' TORs</i> are periodically reviewed and have been published on our corporate website at https://www.hibiscuspetroleum.com. In addition, the reports of our NC, RC and ARMC for FY2021 can be viewed on pages 148 to 157 of our Annual Report 2020/2021.</p> <p>Powers for the day-to-day management our Group have been delegated to our MD within the approved set of <i>LOA</i>. The <i>LOA</i> outlines the decision-making authority of our MD and the delegation of authority by our MD to our Leadership Team and Heads of Department up to a certain monetary threshold. Any commitments exceeding the delegated <i>LOA</i> requires our Board's prior approval.</p> <p>Our Board carried out periodic reviews on the Group's internal control systems to reflect the growth of the business which necessitate additional authorities and controls to be introduced to monitor operations more efficiently. In this regard,</p>

separate LOAs were introduced for Project Teal West and Project Eagle in April 2021.

In addition, our Board is responsible to ensure continuing education/training for the Directors to update their knowledge and enhance their skills through attendance at relevant programmes, so as to enable them to gain insights and enhance their contributions to Board deliberations. In this respect, seminars and/or training and/or programmes and/or professional/industry networking meetings as delegates/invitees and/or speaker/presenter/facilitator attended by our Directors are as follows:

Description
Financial Institutions Directors' Education (FIDE) Forum Webinar : Risks - A Fresh Look from the Board's Perspective
Malaysian Dutch Business Council (MDBC) HR Forum Webinar : Digitalization & Balance
Standard Chartered Bank/Wall Street Journal Webinar: H2'20 Global Market Outlook – Navigating Through Recoveries
EU-Malaysia Chamber of Commerce and Industries (EUROCHAM) : Malaysia – Responding to the Covid19 Pandemic
MDBC/EUROCHAM : ICW Sustainability Leaders 2020
Standard Chartered Bank: Standard Chartered ASEAN Business Forum: Unlocking the Region's Potential
BNM-FIDE Forum : Annual Dialogue with Bank Negara Malaysia's Governor, YBhg Datuk Nor Shamsiah Mohd Yunus
Rabobank / ASEAN Dutch Chamber Network (ADCN)-MDBC: Financial Markets Outlook
Standard Chartered Bank: Climate Risk Management Update for Board
Standard Chartered Bank: Sustainable Finance Training for Subsidiary Boards
DNV-GL : Maritime Forecast to 2050
MDBC : Working with the Dutch
Standard Chartered Saadiq Berhad: 2 nd Shariah Committee Dialogue with Board members
FIDE Forum : Climate Action: The Board's Leadership in Greening the Financial Sector

FIDE Forum : Green Fintech - Ping An's journey to becoming a top ESG-performing Financial Institution.
MDBC/KPMG: KPMG 2021 Budget Briefing
Malaysian Oil and Gas Engineering Council (MOGEC) / Hibiscus Petroleum Berhad : Green Energy, Blue Skies and Black Gold – Are We at Break point?
Malaysia Danish Business Council (MDaBC)/MDBC: Parliament Briefing Series No. 5: The State of Government - What Comes Next?
Institute of Corporate Directors Malaysia (ICDM) : Half the Sky
Standard Chartered Bank/Wall Street Journal : Vaccinating Against Valuations – Global Market Outlook 2021
ICDM: Climate Governance Malaysia – Primer on Climate Governance
Messrs Ernst & Young (EY)/BNM/Securities Commission (SC)/Joint Committee on Climate Change (JC3): Identifying and Reporting Climate Related Financial Risk – Series 2 Climate Risk Management.
EY/BNM/SC/Joint Committee on Climate Change (JC3): Identifying and Reporting Climate Related Financial Risk – Series 2 Climate Scenario Analysis.
MDaBC /MDBC: Parliament Briefing – Political Developments and Vaccine Roll-Out.
FIDE Forum: Rethinking Our Approach to Cyber Defence in FIs.
International Strategy Institute: Malaysia Democracy Forum.
Messrs PricewaterhouseCoopers (PwC) : 24 th Annual Global CEO Survey
Korn Ferry : Why is Digital Everyone’s Business?
Standard Chartered Bank Singapore : Introduction to Climate Risk
Petra Energy Berhad (Petra Energy) / Hibiscus Petroleum Berhad : Keynote Speech at Petra Energy’s Senior Management Away day – Green Energy, Blue Skies and Black Gold – Are we at Break point?
BNM/SC/Joint Committee on Climate Change: JC3 Flagship Conference: Finance For Change
MDBC/Dutch Embassy/Shell: The Tree, The Sky, The Sun – A Pathway Towards Malaysia’s Carbon Neutral Future
BNM/FIDE Forum: Dialogue on RMI Implementation

Pemandu Associates Brown Bag Series: The CIMB Transformation Story by Dato' Sri Mohd Nazir Tun Razak
MDaBC/EUROCHAM : Stacking the Chessboard – Parliament, Pandemic, People
EUROCHAM : European Business in Myanmar during the trying period
Standard Chartered Bank: Geopolitical Dynamics in Biden's Era/Future Global Economic Trends/Network or Corridor Business Trends
Bursa Malaysia : ESG investing - Opportunities in Green Energy
RHB Virtual Conference: HPB's Participation in the Group Sessions
Knowledge Sharing Webinar Series – Green Energy, Blue Skies and Black Gold – Are We At Break point?
BNP Paribas: Key Drivers of BNP Paribas' Oil Outlook
Malaysian Gas Association (MGA) Industry Talk – From the Oil Shock to A New (Green) Normal? A Long-Term View Of COVID-19 and Its Impact on the Energy System
JP Morgan ASEAN Energy Day
Offshore Technology Conference Asia (OTC Asia) 2022 Advisory Committee Meeting
Energy Council – AON ESG Roundtable for C-Suite
OTC Asia 2022 Advisory Committee Meeting
Interview with Upstream Online
SEA Hibiscus Sdn Bhd : Safety Day 2021 Webinar Forum: COVID-19 Vaccination – “Are We Ready?”
S&P Global Platts : APAC Oil Virtual Forum
Financial Times Live : Investing For Good Asia
Integrated Reporting Awareness Training : ESG Risks & Sustainability Landscape (Global & Local) - Organised by: KPMG
Dialogue with Hon Mr Heng Swee Keat, Deputy Prime Minister of Singapore : Post-Covid 19 – Singapore's Recovery Plan
Dialogue with YM Tengku Muhammad Taufik Tengku Aziz, President & Group CEO, PetroliaM Nasional Berhad (PETRONAS) : PETRONAS - Resilience and Sustainability Amidst A Challenging Environment

Dialogue with YB Tengku Dato' Sri Zafrul Tengku Abdul Aziz, Minister of Finance, Malaysia : Post-Budget Dialogue
Power Talk Global Series #1 by ICDM : The Regenerative Business of the Future
Power Talk Global Series #2 by ICDM : Digital Leadership and Communication During Turbulent Times
Power Talk Global Series #3 by ICDM : The Modern Board Architecture
Myanmar Institute of Directors (MloD) / ICDM Webinar – On Board : The Insider's Guide to Surviving Life In The Boardroom
Trident Integrity : Awareness Briefing on MACC Act Section 17A and Adequate Procedures
CHK Consultancy Sdn Bhd : COVID-19's Impact on Trade
CHK Consultancy Sdn Bhd : Get Ready for the Current Global Financial Crisis
CHK Consultancy Sdn Bhd : COVID-19 Pandemic: The Black Swan Theory and Butterfly Effect on World Economy
CHK Consultancy Sdn Bhd : The Legend of Huawei
Kuala Lumpur Business Club (KLBC) Dialogue Session with Minister in the Prime Minister's Department (Economy), YB Minister Dato' Sri Mustapha bin Mohamed : MyDIGITAL & Rangka Tindakan (Blueprint) Ekonomi Digital Malaysia
CEO of Mouvement des Entreprises de France (MEDEF) International, French Ambassador, Mr Philippe Gautier and President of KLBC, YBhg Dato' Mohammad Faiz Azmi : France-Malaysia Business Outlook and Opportunities
Firmus Sdn Bhd : Cybersecurity Training
KLBC Dialogue Session with the Chairman of SC, Datuk Syed Zaid Albar : The Malaysian Capital Market – Towards a More Sustainable Economy
KLBC Dialogue Session with His Excellency Roland Galharague, Ambassador of France to Malaysia Topic : France – The Gateway to EU Trade and Investment Post-Brexit
JC3 Flagship Conference by BNM and SC : Sustainability as a Business Strategy for FIs
JC3 Flagship Conference by Bank Negara Malaysia & Security Commission Malaysia : JC3 Outcomes and Implications for Financial Institutions
JC3 Flagship Conference by Bank Negara Malaysia & Security Commission Malaysia : Sustainable Finance for The Private Sector

	<p>MIDF Conversation with YBhg Datuk Seri Amir Hamzah Azizan, CEO of Employees Provident Fund (EPF) and Group Managing Director of Malaysian Industrial Development Finance Bhd (MIDF), Dato' Charon Mokhzani : Economic Development and Relevant Public Policies</p>	
	<p>ICDM / Sage 3 Sdn Bhd : Board Leadership and Decision Making in Times of Financial Distress</p>	
	<p>Sage 3 Sdn Bhd/ Leaderonomics / Necole :Rethinking Balance Sheets</p>	
	<p>RHB Virtual Conference : Navigating Oil Price Volatility Breakout Session</p>	
	<p>Pareto Securities 28th Annual Energy Conference</p>	
<p>Explanation : for departure</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure :</p>		
<p>Timeframe :</p>		

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.1

The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>Our Group's <i>Code of Conduct and Ethics (Code)</i> outlines the principles and best practices to be applied by our Directors and employees when conducting business, including managing conflicts of interests, respecting confidentiality and not misusing the Company's information, assets or facilities, valuing and maintaining professionalism; acting in the best interest of the Group, shareholders, stakeholders, where applicable; contributing to the Company's reputation as a good corporate citizen, earning the respect of the community and environment within which we operate; performing duties in ways that minimise negative environmental impact and maximise workplace safety; committing to respecting internationally recognised human rights and labour standards which includes to not employ forced, bonded or underage labour, and to take all reasonable steps to ensure that there is no form of slavery in the Group's business and supply chain; exercise fairness, courtesy, respect, consideration and sensitivity in all dealings within our workplace, with our customers, suppliers and the public in general; and, acting with honesty, integrity, professionalism in a responsible manner at all times.</p> <p>Our <i>Code</i> is published on our corporate website at https://www.hibiscuspetroleum.com.</p> <p>The <i>Code</i> sets out the guiding principles relating to the giving and receiving of business courtesies and situations of conflicts of interest. The principles are reiterated in further detail in our Group's <i>ACAB Policy</i> which was adopted in July 2019, and further updated in April 2020.</p> <p>To ensure that our employees have a consistent and clear understanding on the expectations of the Group in the areas of our <i>Policy with Regard to Insider Trading</i> and <i>ACAB Policy</i>, they have taken and completed online quizzes covering these areas.</p>

	<p>In addition, we also have a Whistle Blower Policy to provide a secure platform for which any known malpractices or wrongdoings may be reported.</p> <p>The above policies are reviewed periodically with the most recent update to the <i>Code</i> made in May 2021, to provide clarity on how to manage any conflict of interest situation which may arise. All employees of our Group are required to acknowledge that he or she has read the <i>Code</i> and the other above mentioned policies, and will abide by the provisions contained therein.</p>	
Explanation for departure :		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure :		
Timeframe :		

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.2

The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board and Leadership Team believe that a healthy corporate culture is built on a foundation of meritocracy. To ensure this principle is applied, performance appraisals are conducted frequently but at least formally, twice yearly. In addition, annual performance appraisals of all staff undergo normalisation and calibration processes to ensure, up to the most practical extent possible, that a fair and transparent methodology is applied in the allocation of bonuses, the promotion of staff or the identification of an employee for personal improvement plans.</p> <p>As part of our Group’s commitment to effective risk management and high standards of governance and accountability, our Board has established the <i>Whistle Blower Policy</i> which is applicable to all Directors and employees of the Group, external stakeholders and members of the public (where relevant). The <i>Whistle Blower Policy</i> provides an avenue for the relevant person to report in good faith, belief and without malicious intent, any improper conduct occurring in the course of dealings with the Company and its business operations.</p> <p>In line with our <i>Whistle Blower Policy</i>, any improper conduct may be reported in writing directly to whistleblower@hibiscuspetroleum.com, which is accessible by the Chair of the Board and Chair of the ARMC. The latter is also the Senior INED (SINED). Under the policy, confidentiality of the matter raised is maintained and the identity of the whistle blower is protected, while the necessary actions are taken (where deemed warranted).</p> <p>The <i>Whistle Blower Policy</i> is periodically reviewed by our ARMC to ensure its effectiveness. The policy is available for viewing on our corporate website https://www.hibiscuspetroleum.com.</p> <p>In line with the <i>Whistle Blower Policy</i>, the Group also has in place an <i>ACAB Policy</i> to emphasise the Group’s zero tolerance of all forms of corruption and bribery, while providing clarity on the parameters and controls instituted to facilitate understanding and monitoring.</p>

Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 4.1

At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

Application	:	Applied
Explanation on application of the practice	:	<p>Our Board comprises five (5) Directors, three (3) of whom (60%) are INEDs.</p> <p>This is in line with the Board’s holistic approach in determining its size, composition and level of independence. Our Board believes that there are adequate procedures to ensure that Board decisions are balanced, effective and in the best interest of our Group. Such procedures include:</p> <ul style="list-style-type: none">(a) that at least 2 directors or 1/3 of the Board, whichever is the higher, must be INEDs.(b) a Director is required to abstain from deliberating and voting on any matter in which he/she may be deemed interested, directly or indirectly.(c) that the Chairman’s and MD’s roles are distinct and separate to ensure that an effective balance of empowerment and authority is met.(d) that the Chairman’s main responsibility is to provide overall leadership to the Board while the Managing Director is responsible for ensuring that the Company’s corporate and business objectives are achieved.(e) that Directors will submit themselves for re-election at least every 3 years at a shareholders’ meeting.(f) that a director should inform the Chairman before he/she accepts any new directorships in other companies, if there is any potential conflict of interest.(g) that the tenure of an INED should not exceed a cumulative term of nine (9) years unless it is recommended by the NC and the Board is satisfied that he or she is able to continue to deliver independent judgement for Board deliberations, and subject to obtaining shareholders’ approval. Nevertheless, the tenure of an INED must not exceed a 12-year period.(h) that if the Chairman is not an independent director, the Board shall comprise a majority (more than half) of INEDs. An “Independent Director” shall have the meaning as defined in the MMLR.(i) appointment of SINED from among the INEDs; and(j) appointment of the Chair of the ARMC or the SINED to receive reports of any improper conduct that may be submitted in writing directly to whistleblower@hibiscuspetroleum.com or to whom the disclosure can be made verbally or in writing and forwarded

	<p>in a sealed labelled envelope labelled “To be opened by the Chairman of the Board or Chair of the Audit and Risk Management Committee or Senior Independent Non-Executive Director only” to the registered office address which is also the office address of the Company Secretaries, as follows :-</p> <p>12th Floor, Menara Symphony, No. 5 Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan.</p>	
<p>Explanation for departure</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>		
<p>Timeframe</p>		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 4.2

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should justify and seek annual shareholders' approval. If the board continues to retain the independent director after the twelfth year, the board should seek annual shareholders' approval through a two-tier voting process.

Application	:	Applied - Annual shareholders' approval for independent directors serving beyond 9 years
Explanation on application of the practice	:	<p>Our Company has adopted the policy of a cumulative 9-year term limit for independent directors. Upon completion of an initial 9 years, an independent director may continue to serve on the Board subject to his/her re-designation as a non-independent director, unless the Board wishes to justify and seek shareholders' approval annually in the event it desires to retain the Director as an independent director. Nevertheless, the tenure of an INED must not exceed a 12-year period.</p> <p>Assessments of our INEDs are carried out annually. In this regard, YBhg Dato' Sri Roushan Arumugam (YBhg Dato' Sri Roushan) completed ten years of service in July 2021. Our Board, premised on the NC's recommendation, concluded that, notwithstanding YBhg Dato' Sri Roushan's tenure (which exceeds 10 years), he has continued to be independent within the definition and spirit of Bursa Securities' MMLR. Our Board's view was corroborated by the Board assessment carried out in September 2021 which was facilitated by our NC with the assistance of the Company Secretaries. The evaluation showed that, among others, YBhg Dato' Sri Roushan displayed objectivity in discussions held, engaged in active questioning and contributed to informed and balanced decision making. On this basis, our Board has recommended the retention of YBhg Dato' Sri Roushan Arumugam as an INED at our 11th AGM to be held in December 2021. At this juncture, we wish to highlight that YBhg Dato' Sri Roushan did not participate in deliberations on this matter.</p> <p>Earlier approval for YBhg Dato' Sri Roushan to serve past the 9-year term period was received at the 10th AGM held on 2 December 2020.</p> <p>For clarity, no independent director has served the Company for a period that exceeds 12 years.</p>
Explanation for departure	:	

<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	: The Board will seek shareholders' approval at the forthcoming 11 th AGM of the Company for YBhg Dato' Sri Roushan whose tenure as INED has exceeded 10 years, to continue to serve as an INED of the Company.		
Timeframe	: <table border="1" data-bbox="544 524 1423 613"> <tr> <td></td> <td></td> </tr> </table>		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 4.3 - Step Up

The board has a policy which limits the tenure of its independent directors to nine years.

Application	:	Not Adopted
Explanation on adoption of the practice	:	Our Company has applied Practice 4.2 where our existing policy limits the tenure of an INED to nine (9) years subject to seeking our shareholders' approval for an extended period, provided there are strong justifications. Nevertheless, our <i>Board Charter</i> stipulates that the tenure of an INED must not exceed a 12-year period.

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 4.4

Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

Application	:	Applied
Explanation on application of the practice	:	<p><u>Board Appointments</u></p> <p>Our Board has determined that the general criteria for the appointment of a Director should be based on each individual candidate's competencies, commitment (including time commitment), contribution and performance. The Board also considers the candidate's:</p> <ul style="list-style-type: none">(a) proven leadership and experience in areas that are relevant to our Group's strategies and business plan;(b) character of the individual to ensure that there will be a right fit;(c) ability to dedicate sufficient time to discharge his or her responsibilities; and(d) unblemished reputation for integrity and ability to exercise good business judgement. <p>Independence and diversity are key factors for consideration in board appointments. The balance of gender, tenure and skills and experience of our Board is shown in the CG Overview Statement on page 94 of our Annual Report 2020/2021.</p> <p>It is the responsibility of our NC to assess and recommend to our Board the suitability of candidates who are nominated for appointment to our Board and Board Committees. Our NC considers amongst others, the Boards' skills matrix which maps the age, gender, skills, experience and broad leadership of the existing Directors and the desired attributes and competencies to meet the evolving needs of our Group, as well as address any gaps identified from the annual Board effectiveness evaluation.</p> <p><u>Leadership Team Appointments</u></p> <p>Leadership Team appointments are closely scrutinised and decisions are made based on objective criteria, merit and with due regard for diversity in skills, education, experience and gender. Background reference checks on the candidates are carried out as part of the pre-employment screening process.</p> <p>The appointment of the MD and the candidates recommended by the MD to be appointed to the Leadership Team of the Company are subject</p>

	<p>to review by our NC and if thought fit, a recommendation is made to our Board for approval.</p> <p>Diversity and inclusion are fundamental to our corporate culture and long-term growth. Our Group ensures fair and equitable recruitment and compensation practices, fosters development and supports career progression based solely on performance and merit. Our Group does not practice discrimination in any form, resulting in a very diverse high-performing team within our Group.</p> <p>Gender diversity is evident with women constituting 24.44% of our employees with 35.71% of our Leadership Team positions held by women as of 4 October 2021.</p> <p>In addition, there are 5 nationalities of employees working in the Group (Malaysian, British, Australian, Indian and Dutch).</p>	
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 4.5

The board discloses in its annual report the company's policies on gender diversity, its targets and measures to meet those targets. For Large Companies, the board must have at least 30% women directors.

Application	:	Applied
Explanation on application of the practice	:	<p>Our Board comprises of one (1) female director, namely YBhg Dato' Dr Zaha Rina Zahari (YBhg Dato' Dr Zaha Rina) (representing 20% of the Board) during FY2021.</p> <p>Our Board recognises the importance of diversity in terms of a broad range of skills and competencies, experience, background and gender to ensure balanced and effective decision-making. In this regard, the Board has Directors of Malaysian and foreign nationalities with industry specific skills coupled with Directors who have generalised skills and expertise. Independence is also part of our Board selection criteria for the appointment of new Board members. Other selection criteria are disclosed under Practice 4.4 (Board Appointments). The key criteria for the selection of a Board member is his/her profile, skillset, qualification and experience.</p> <p>The profile of YBhg Dato' Dr Zaha Rina is set out on pages 70 to 71 of our Annual Report 2020/2021 and on our corporate website. YBhg Dato' Dr Zaha Rina is our INED and Chair of our NC as well as a member of the ARMC. She has over 30 years' experience in the finance (including Islamic), commodities and securities industry. She has also been actively involved in developing the Malaysian financial market, mergers, and acquisitions and acted as a board member in insurance and takaful companies.</p> <p>The Board also has in place a <i>Diversity Policy</i>, which sets out the intention of increasing the participation of women in the Group at all levels, with a target of at least 30% women on the Board. Notwithstanding this target, Board appointments are based on merit, focusing on the potential value-add that each candidate will bring to the Board. The <i>Diversity Policy</i> highlights the importance of diversity and inclusion in the Group's culture, for enhanced value creation.</p> <p>Our Board will endeavour to apply the CG best practices where they are relevant to our circumstances and in the best interests of our Group.</p>
Explanation for departure	:	

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 4.6

In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

Application	:	Applied	
Explanation on application of the practice	:	Our Board, in identifying candidates for appointment of Directors, relies on recommendations from various sources including our existing Directors and a wide network of industry contacts including independent sources.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 4.7

The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

Application	:	Applied
Explanation on application of the practice	:	Our NC is chaired by YBhg Dato' Dr Zaha Rina Zahari, who is an INED.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

Intended Outcome

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

Practice 5.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out and its outcome.

For Large Companies, the board engages independent experts periodically to facilitate objective and candid board evaluations.

Application	:	Applied
Explanation on application of the practice	:	<p>Our Board undertakes a formal and objective evaluation to determine the effectiveness of our Board as a whole, our Board Committees and individual directors on an annual basis. The evaluation includes an assessment of the independence of our INEDs. The evaluation is facilitated by our NC with the assistance of the Company Secretaries, and carried out through questionnaires with self and peer assessment.</p> <p>A summary of our NC's activities is contained in the NC Report on pages 148 to 151 of our Annual Report 2020/2021.</p> <p>Our Board as a whole was assessed on the aspects of board mix and composition, quality of information and decision-making, effectiveness in discharging key responsibilities and the role of our Board Chairman. Individual Directors undertook a self and peer assessment in respect of their contributions and performance, calibre and personality, and the INEDs were assessed to ascertain their independence in thought and mind based on a qualitative assessment. The Board assessment for FY2021 also included a review of overall Board meeting process including meeting agenda and materials.</p> <p>The annual Board assessment provides useful insights on the strengths and weaknesses of our Board, the Board Committees and individual Directors, which facilitates improvement of its members to raise the bar on performance for a more progressive Board.</p> <p>The overall performance of our Board, Board Committees and individual Directors were found to be satisfactory. The efficacy of our Board Chairman and the proactiveness of Directors were highlighted as areas of strength. The results of the Board assessment FY2021 show that our Directors have high levels of accountability, were steadfast in providing crucial support to our Management and where necessary, sought and analysed information from external consultants to obtain independent validation and supplementary views on technical matters presented by Management.</p>

	<p>Based on the assessment findings, our Board noted that there is headroom for improvement in monitoring strategy execution, risk management, and engaging further on current issues faced in the oil and gas industry.</p> <p>Our Board has recommended the re-election of Encik Zainul at our forthcoming AGM in December 2021 on the basis that he has contributed to the overall effectiveness of our Board and discharged his duties as Director in the past year. It should be noted that Encik Zainul did not participate in deliberations on this matter.</p> <p>Further, our Board is satisfied that our MD and Leadership Team have the character, experience, integrity and competence to effectively discharge their respective roles.</p>	
Explanation for departure		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure		
Timeframe		

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 6.1

The board has in place policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The policies and procedures are periodically reviewed and made available on the company's website.

Application :	Applied
Explanation on application of the practice	<p><u>Directors' Remuneration Policies and Procedures</u></p> <p>The Board has implemented the <i>Directors' Remuneration Policy</i> which was last updated in July 2021, to ensure that the Directors are fairly remunerated based on the business performance of the Group, the nature and size of the Group's operations, the scope of Directors' duties and accountability, the level of engagement required from NEDs in the form of meetings, workshops and discussions, and benchmarking against fees paid to directors of other companies operating in the same industry which are comparable in size and other key performance/operational metrics.</p> <p>Our philosophy is that the remuneration of NEDs should be attractive to retain existing Board members and motivate individuals of the necessary calibre, expertise and experience to join our Board.</p> <p>Our NEDs' remuneration adheres to a schedule of fixed rates which takes into consideration their responsibilities on our Board and Board Committees. In addition, our Directors are paid a per-day meeting allowance and reimbursed for expenses which are reasonably incurred by them in the discharge of their duties such as travel and accommodations expenses. There is an established process for the reimbursement of expenses incurred by our Non-Executive Directors.</p> <p>To ensure that our Directors receive fair compensation, our Board via our RC, reviews the level of Directors' remuneration on a periodic basis. Our RC's TOR is published on our Company's website.</p> <p>At the 10th AGM held on 2 December 2020, approval from our Company's shareholders was obtained for our current NEDs' remuneration rates (directors' fee as a member of our Board), which include allowances for time expended by any NED to attend Board Committee meetings and/or third party meetings and/or events involving external parties, in the NED's capacity as a Director of the Company for the Company's purposes (or on behalf of the Company).</p> <p>Our Executive Director/MD is not entitled to any Director's fees.</p>

As required under Section 230 of the Act and the MMLR, our Board will be seeking our shareholders' approval at the forthcoming 11th AGM in December 2021 for the payment of NEDs' remuneration for the period commencing 15 December 2021 to the next AGM to be held in 2022 (Relevant Period) in arrears on a quarterly basis :

Type of Fees/Meeting Allowances	Rate
Non-Executive Chairman's Fees per annum	RM180,000 (currently RM120,000)
NEDs Fees (save for the Chairman of the Board) per annum	RM110,000 (currently RM100,000)
<u>Meeting Allowances of Chair</u> For each meeting of the Board and of the Board Committee that a NED attends as Chair of the meeting	RM4,500 (no change proposed)
<u>Meeting Allowances of Member</u> For each meeting of the Board and of the Board Committee that a NED attends as member of the meeting	RM3,500 (no change proposed)
<u>Specific Meeting Allowances</u> For each specific meeting that a NED attends, amongst others, with third parties, for and on behalf of the Company	RM3,500 (no change proposed)

Our RC and Board have reviewed and concluded that the meeting allowances rate for NEDs remains competitive and appropriate based on the responsibilities of our Directors, the current market landscape within which Hibiscus Petroleum operates are within market benchmarks. However, our findings show that the director's fees paid to our Chairman currently lags the market mean significantly whilst the fees paid to our other NEDs fall within the lower end of the "market average" range. Therefore, the relevant proposed increases, as outlined above, shall be tabled for shareholders' consideration and approval during our 11th AGM in December 2021.

Remuneration Policies and Procedures

In selecting a candidate intended to be appointed as part of the Leadership Team, various factors are carefully considered such as skill set, education level, breadth of experience, level of accountability and complexity of job responsibility, that may contribute towards the discharge of their respective duties.

The Leadership Team's remuneration typically comprises a fixed monthly basic salary and a discretionary annual cash performance bonus.

The performance of our MD is evaluated by our NC and his remuneration is reviewed by the RC and Board based on the KPIs and targets set out in the Group Scorecard. The performance of our Leadership Team is assessed by our MD, who recommends

	<p>merit increments (MI) and performance bonuses (PB) based on a performance appraisal process that is reviewed by our NC and RC and then approved by our Board.</p> <p>The overall Group MI pool (budget) is determined through benchmarks against industry remuneration movements, while the PB pool (budget) is dependent on the Group's performance against an agreed Corporate Scorecard. The allocation of MI and PB to individuals is further subject to each individual's performance for that year.</p> <p>Our NC reviews the performance appraisals of our Leadership Team to provide another layer of objectivity to the performance evaluation conducted by the MD, and reports the same to our Board.</p>	
Explanation :		
for departure		
<p>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</p>		
Measure :		
Timeframe :		

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 6.2

The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>Our RC has been entrusted with the responsibility of implementing our Board's policies and procedures for remunerating our Directors and Senior Management (who report directly to our MD).</p> <p>Our RC is chaired by YBhg Dato' Sri Roushan, an INED and comprises exclusively of NEDs, a majority of whom are independent.</p> <p>The primary purpose and functions of our RC are set out in the RC Terms of Reference, which is published on our corporate website at https://www.hibiscuspetroleum.com.</p> <p>A summary of our RC's activities in FY2021 is set out below:</p> <ul style="list-style-type: none">(a) Review of NEDs remuneration for the purposes of seeking annual shareholders' approval;(b) Review of the total bonus and increment proposal for Hibiscus Petroleum employees including the Leadership Team and MD based on our Company's performance against the pre-determined targets set out in the approved Group Scorecard.(c) Review of our MD's performance based on the Group Scorecard and the Leadership Team's performance to ensure a fair distribution that is linked to our Company's and the individual's performance.(d) Review of our RC Report and other remuneration disclosures, as appropriate.
Explanation for departure	:	

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

Measure	:		
Timeframe	:		

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 7.1

There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

Application	:	Applied		
Explanation on application of the practice	:	The detailed breakdown of the individual Directors' remuneration paid in FY2021 on a named basis is set out in the table below:		
		NEDs	Fees	Meeting Allowances
		Zainul Rahim bin Mohd Zain	RM120,000.00	RM215,500.00
		YBhg Dato' Sri Roushan Arumugam	RM100,000.03	RM139,000.00
		Thomas Michael Taylor	RM100,000.03	RM172,500.00
		YBhg Dato' Dr Zaha Rina Zahari	RM100,000.03	RM177,500.00
		Total	RM420,000.09	RM704,500.00
		The MD's remuneration can also be referred to in the Audited Financial Statements on page 252 of the Annual Report 2020/2021.		
Explanation for departure	:			
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.				
Measure	:			
Timeframe	:			

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 7.2

The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>Our Board is satisfied that our Leadership Team's remuneration packages commensurate with the job scope, responsibilities and accountabilities of their positions, as well as their respective individual performance, and that the total compensation for the top five key Leadership Team as a percentage of total revenue is appropriate.</p> <p>Disclosing Leadership Team remuneration would be disadvantageous to the Group, given the competitiveness in the market for talent. We also wish to protect the personal security of the respective personnel. Finally, we believe that remuneration packages of individuals should be kept confidential.</p>
<p>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</p>		
Measure	:	Our Board will continue to re-visit this matter on a periodic basis, including the possible implications if disclosure is made, to determine whether a change in disclosure decision is appropriate and to best interest of our Group.
Timeframe	:	

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 7.3 - Step Up

Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

Application	:	Not Adopted
Explanation on adoption of the practice	:	<p>Our Group holds valid concerns if disclosure on the remuneration of each member of senior management on a named basis is made (as detailed in Practice 7.2). Nevertheless, our Board will continue to revisit this matter on a periodic basis, including the possible implications if disclosure is made, to determine whether a change in disclosure decision is appropriate and in the best interest of our Group.</p> <p>Nevertheless, the Group does provide information on the remuneration paid to individual directors, including the Managing Director (please refer to pages 38 and 42 of this report).</p>

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee’s findings and recommendations. The company’s financial statement is a reliable source of information.

Practice 8.1

The Chairman of the Audit Committee is not the Chairman of the board.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Chair of our ARMC, Mr Thomas Michael Taylor is not the Chairman of our Board. Our ARMC Chair’s profile is on page 69 of our Annual Report 2020/2021 and on our Company’s website.</p> <p>The Chairman of our Board is Encik Zainul whose profile is on page 66 of our Annual Report 2020/2021 and on our Company’s website.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee’s findings and recommendations. The company’s financial statement is a reliable source of information.

Practice 8.2

The Audit Committee has a policy that requires a former key audit partner to observe a cooling-off period of at least two years before being appointed as a member of the Audit Committee.

Application	:	Applied	
Explanation on application of the practice	:	<p>Our Board has not appointed any former audit partner as a member of our Board.</p> <p>The Board has approved the updated ARMC <i>TOR</i> in July 2021, which incorporates the requirement that any former audit partner must observe a cooling-off period of at least three (3) years before being appointed as a member of the ARMC. This is in line with the latest issued MCCG 2021.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 8.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor.

Application	:	Applied
Explanation on application of the practice	:	<p>Our ARMC conducts an annual assessment of the effectiveness of PricewaterhouseCoopers PLT (PwC), our External Auditor for FY2021.</p> <p>In this regard, the <i>External Auditor Independence Policy</i> of the Group has been updated in July 2021 to take into account the updates made in the MCCG 2021. Therefore, in assessing the suitability, objectivity and independence of PwC, the ARMC shall obtain PwC's Annual Transparency Report (when available) and consider the information presented therein. If the Annual Transparency Report is not required to be issued or PwC has yet to issue one, the ARMC shall engage PwC on matters typically covered in an Annual Transparency Report including PwC's governance and leadership structure as well as measures undertaken by the firm to uphold audit quality and manage risks.</p> <p>The areas of assessment conducted by our ARMC on PwC include:</p> <ul style="list-style-type: none">(i) the quality and rigour of the audit performed;(ii) the quality of service provided; and(iii) the audit firm's reputation. <p>The ARMC has received the annual written assurance of independence in accordance with PwC's requirements and the provisions of the By-laws on Professional Independence of the Malaysian Institute of Accountants. With respect to FY2021, PwC has re-affirmed their independence to act as the Company's external auditors as set out in the External Auditor's Report on page 180 of our Annual Report 2020/2021.</p> <p>Based on the abovementioned confirmation by PwC and the assessment undertaken, the ARMC believes that the independence of PwC has been maintained. The ARMC is satisfied that PwC has performed satisfactorily throughout FY2021.</p> <p>Accordingly, the ARMC supports the resolution for their re-appointment at the forthcoming AGM in December 2021.</p>

Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 8.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Not Adopted
Explanation on adoption of the practice	:	<p>A majority of our ARMC members are independent directors.</p> <p>The appointment of our ARMC members is carefully considered by our Board after a robust assessment of the individual Director's qualifications and experience to ensure that our ARMC is able to properly discharge its duties and responsibilities. Procedures such as quorum and voting restriction are in place to ensure balanced and effective decisions are made by our ARMC.</p> <p>As means of ensuring a balanced and effective decision-making, some of the measures that are in place include:</p> <ul style="list-style-type: none">(i) A Director who is interested in a matter shall declare his interest and abstain from deliberating and voting on such resolution. He or she will be requested to recuse himself or herself from any discussions and voting in respect of matters to which they may be interested. This ensures that the non-interested Directors are able to deliberate freely and decide on such matters in their absence, thus ensuring that our Board's decisions are made objectively in the best interest of our Group.(ii) The quorum of our ARMC meeting is two (2) members present, of which both are independent.(iii) The Chair of the ARMC shall ensure consensus is reached on every ARMC resolution and the ARMC discharges its responsibilities without interference from the Leadership Team.

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee’s findings and recommendations. The company’s financial statement is a reliable source of information.

Practice 8.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

Application	:	Applied
Explanation on application of the practice	:	<p>The Chair and members of our ARMC possess the necessary qualifications and experience to discharge their duties and they are financially literate. Their profiles are disclosed on pages 66 to 71 of our Annual Report 2020/2021 and our corporate website.</p> <p>The effectiveness of our ARMC is evaluated as part of the annual Board assessment and based on the findings from the annual Board assessment for FY2021, our Board is satisfied that the ARMC has carried out its responsibilities in accordance with its <i>TOR</i> which has been updated in July 2021 to provide terms of reference which disallow a former audit partner of the Group from being appointed to the ARMC until a 3-year cooling-off period has been observed.</p> <p>A summary of our ARMC’s activities is contained in the Report of ARMC on pages 154 to 157 of our Annual Report 2020/2021.</p> <p>To keep abreast of relevant developments in accounting and auditing standards, our ARMC members are regularly briefed by the External Auditors on key changes in accounting standards, practices and rules.</p>
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	

Timeframe	:		
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Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 9.1

The board should establish an effective risk management and internal control framework.

Application	:	Applied
Explanation on application of the practice	:	<p>Our Board has established an effective risk management and internal control framework which includes processes for identifying, evaluating and managing any significant risk faced by the Group. Risk assessment and evaluation are integral to the Group's strategic planning and day-to-day operations. There is a detailed risk management process, culminating in a Board review, which identifies the key risks facing the Group and each business unit. This information is reviewed by Management as part of the strategic review and periodical business performance review process, of which the most recent was held during this financial year.</p> <p>With the introduction and implementation of the corporate liability provisions by Section 17A of the Malaysian Anti-Corruption Commission (MACC) Act 2009 (amended 2018), the Group has adopted the <i>Anti-Corruption and Anti-Bribery (ACAB) Policy</i> in July 2019, latest revision of which was issued in April 2020. The Group's <i>ACAB Policy</i> is published on Hibiscus Petroleum's website, https://www.hibiscuspetroleum.com and is reviewed periodically.</p> <p>The Group had continued its work on the established ACAB programme by further strengthening existing procedures (where necessary) to reduce the likelihood of any improper gratification being exchanged or received. In addition, an anti-corruption risk assessment evaluation at both corporate and project levels to gauge the potential risk exposure of the Group through any gaps in controls identified are conducted at fixed intervals, and the necessary steps in proportion to the scale, nature, complexity and potential impact of such risks are taken, briefing sessions held to generate awareness on the new provisions of the MACC Act and reinforcement training on the <i>ACAB Policy</i> conducted. Subsequently, all employees had to fully complete quizzes rolled out to test the awareness and understanding of the ACAB Policy in Q1 2021.</p> <p>Despite all our efforts (including the tightening of internal controls), there was one reported case of attempted non-compliance to the ACAB Policy. Our preliminary investigation determined that although there was no gratification received by the staff involved from the complainant, and that he retired from service one month after the</p>

	<p>reported incident, the surrounding circumstances involved merited a further investigation. Consequently, the incident has been reported to the MACC for further action, reinforcing our stance of zero-tolerance for any breach of the law and/or the ACAB Policy.</p> <p>On the matter of insider trading, on a regular basis, our Directors and all of our employees including Principal Officers are reminded of their obligations not to deal in Hibiscus Petroleum securities whenever they may be in possession of price sensitive information, in addition to reminders of disclosure requirements in respect of dealings during the open and closed periods. Insider trading is a prohibited activity under the law and we have in place our <i>Policy with Regard to Insider Dealing</i> to reinforce the prohibition. This policy was refined in November 2020 to provide further clarity on the applicable regulations and the seriousness in which any breach of such provisions would be treated. Our employees have completed compulsory online quizzes relating to the <i>Policy with Regard to Insider Trading</i> to ensure understanding of the policy.</p> <p>Our Board is supported by our ARMC, which has oversight of the risk management and internal control systems of our Group. Our Board is responsible for determining our Group risk tolerance levels for management to operate within.</p> <p>Senior Management is responsible for the implementation of a sound Risk Management Framework (RMF) to ensure:</p> <ul style="list-style-type: none"> (i) a continuous process of risk identification, evaluation and management (to an acceptable level as prescribed within the risk appetite); and (ii) captures the dynamics of changing business and regulatory environments, all of which are subject to regular review by our ARMC and Board. <p>The Risk Management function, led by the Chairman of the ERM, ensures the establishment and maintenance of the framework which includes risk profile reviews and recommended mitigation actions. The ERM reports to our Board via our ARMC on a quarterly basis.</p> <p>Our ARMC is also supported by the Group's Internal Auditor who provides independent assurance of the effectiveness of risk management, control and governance process of our Group.</p>
<p>Explanation for departure :</p>	
<p>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</p>	

Measure	:		
Timeframe	:		

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 9.2

The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The salient features of our risk management and internal control framework are disclosed in the Statement on Risk Management and Internal Control on pages 158 to 165 of our Annual Report 2020/2021 comprise the following:</p> <ol style="list-style-type: none"><u>RMF</u> The RMF is designed to identify, evaluate and manage a specific level risk to a level that is as low as reasonably practicable to achieve business objective and strategies. It provides guidance for a systematic approach known as our risk cycle which includes identification, assessment, response, monitoring and reporting of risks that is consistently applied throughout our Group. Our risk governance structure, which guides the risk management and control processes, adopts a top down approach involving key relevant parties from our Board and ARMC, to ERM followed by the Risk Manager function and Risk officers. The RMF has been updated to reflect the necessary changes required in view of the Group's business growth and expanded operations.<u>Control Activities</u> Our Board and Management are committed to maintaining an effective internal control environment through continuous enhancement to the design of internal control systems to ensure controls are relevant, effective and robust to promote operational agility. The key controls include:<ol style="list-style-type: none">the <i>LOA</i> framework which stipulates the key decision-making and approval authority delegated by our Board to Management. In this regard, the HPB Group's <i>LOA</i> is periodically reviewed to ensure its sufficiency. As part of the periodic review carried out on the Group's internal control systems, separate <i>LOAs</i> were introduced for Project Teal West and Project Eagle in April 2021.

	<ul style="list-style-type: none"> (b) the <i>Code</i>, designed to reduce (if not eradicate) any malpractices, has been refined in May 2021 to provide clarity on how to manage arising conflict of interest situations; (c) the revision made to the <i>ACAB Policy</i> in April 2020 to reiterate the Group’s zero tolerance for all forms of bribery and corruption, while providing clarity on the parameters and controls instituted to facilitate understanding and monitoring; (d) the establishment of the <i>Anti-Modern Slavery Policy</i> in July 2019 to reiterate the Group’s seriousness in ensuring that no form of forced, bonded or underage labour exist in the Group’s business and supply chain; (e) continuous enhancement of our security framework to ensure security threats are managed effectively; (f) operating policies and procedures to ensure processes adequately mitigate risk with appropriate internal controls; (g) insurance coverage to adequately safeguard the Group and our assets; and (h) deliberation by Management of the Group risk profile to ensure overall risks impacting our Group are adequately identified and managed. <p>3. <u>Information and Communication</u> Our Board continuously emphasises through Senior Management, communication with all employees in carrying out their internal control responsibilities. Regular reviews of the work done by the ERM (via the ARM) and the Group Internal Auditor are conducted to ensure risk profiles, policies and procedures are updated and aligned.</p> <p>Additionally, our Group policies are published and updated on our intranet for easy access by employees.</p> <p>4. <u>Monitoring and Reporting</u> Our Board and Management continuously assess the effectiveness of monitoring activities and take necessary measures to strengthen our risk management and internal control environment.</p> <p>The ERM reports to our Board on a quarterly basis through our ARM, on our Group’s risk profile which also addresses preventive and mitigation strategies.</p>
Explanation for departure :	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.	

Measure	:		
Timeframe	:		

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 9.3 - Step Up

The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

Application	:	Not Adopted
Explanation on adoption of the practice	:	<p>Acknowledging the fact that audit and risk management matters are closely linked and taking into consideration our Board size and composition, our Board believes that a single committee is able to oversee the implementation of the audit, internal control and risk management policies and framework effectively.</p> <p>To assist our Board in overseeing our Group's risk management framework and policies, our then audit committee was re-named as our ARMC on 12 February 2013 and the ARMC's TOR were revised to further expand its scope to include risk management oversight.</p> <p>Our ARMC comprises solely of NEDs, with a majority being independent directors.</p>

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 10.1

The Audit Committee should ensure that the internal audit function is effective and able to function independently.

Application	:	Applied
Explanation on application of the practice	:	<p>Our Group's internal audit function is carried out by the Group Internal Auditor (IA). Our ARMC is supported by the IA which provides independent validation on the risk management, internal control and governance processes of our Group.</p> <p>Our ARMC conducts an annual assessment of the IA's effectiveness.</p> <p>The IA's role is governed by the <i>Group Internal Audit Charter</i>. The Group Internal Audit Charter was approved by our ARMC in March 2018.</p> <p>The IA reports functionally and administratively to our ARMC Chair. The appointment of the IA is a matter reserved for our Board based on the ARMC's recommendation. Our ARMC is also responsible for evaluating the independence of the IA, which had been carried out, as per standard practice, in July 2021. Our ARMC meets the IA without the presence of Management on a regular basis.</p> <p>The IA keeps abreast of developments in the profession and industry through attendance at trainings aimed at equipping himself with relevant skills appropriate to his level.</p>
Explanation for departure	:	
<p>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</p>		
Measure	:	
Timeframe	:	

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 10.2

The board should disclose–

- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The IA is required to declare to our ARMC that he is free from any relationship or conflict of interest which would impair her objectivity or independence. Such declaration has been recorded in July 2021.</p> <p>The IA role is governed by the <i>Group IA Charter</i> to ensure that its purpose, authority and responsibility reflect developments in IA's activities promulgated by internal audit professional bodies.</p> <p>Further information on the IA function is included as part of the ARMC Report on page 157 of our Annual Report 2020/2021.</p>
Explanation for departure	:	
<p>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</p>		
Measure	:	
Timeframe	:	

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 11.1

The board ensures there is effective, transparent and regular communication with its stakeholders.

Application	:	Applied
Explanation on application of the practice	:	<p>Our Board believes in effective, transparent and regular communication with its shareholders and other stakeholders.</p> <p>Mr Thomas Michael Taylor, our SINED, acts as our Board's designated contact for consultation and direct communication with our shareholders. Together with our Chairman of the Board, they are the contact persons for shareholder communication as disclosed in our Annual Report 2020/2021.</p> <p>The Group leverages on information technology to disseminate material information to the public. From the website (www.hibiscuspetroleum.com), stakeholders can access information such as annual reports, notice of general meetings, investor briefing slides, webcasts, press releases, public announcements and answers frequently asked questions, amongst others.</p> <p>Our Company holds quarterly analyst briefings supplemented by webcasts and ensures that our Company's website is regularly updated with current and relevant information which provides up-to-date information on our Group.</p> <p>Our Board also engages with shareholders at our AGM. An overview of our Group's results and key achievements was presented by our Managing Director during the said AGM.</p> <p>The AGM affords an opportunity to our shareholders to raise their questions pertaining to our Group's performance directly to our Board, MD and Management.</p> <p>Our 10th AGM was held virtually on 2 December 2020 and afforded an opportunity to our shareholders, particularly individuals not residing in the Klang Valley, to participate and vote at our AGM, including submitting questions directly to our Board, both prior to and during the AGM. The participation was encouraging with over 200 shareholders and proxies representing 21.77% of our Company's issued share capital at the time. All our Board members including our MD and Management team attended the said AGM online and responded to questions raised</p>

	<p>by shareholders on our Group’s performance, financial and business performance and corporate governance. The question and answer session was moderated by Deloitte Risk Advisory Sdn Bhd, the independent moderator appointed for the 10th AGM.</p> <p>Voting at our AGM was carried out by way of e-polling and voting procedures were explained by our Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd, prior to voting. Our Company appointed its Share Registrar as poll administrator to conduct the poll while Deloitte Risk Advisory Sdn Bhd was appointed as independent scrutineer to verify the poll results. The minutes of our past AGMs have been published on our corporate website.</p> <p>In addition, we have updated our <i>Corporate Disclosure Policies and Procedures</i> to take into account the latest updates contained in the MCCG 2021, and this has been uploaded on our corporate website.</p>	
<p>Explanation for departure</p>		
<p>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</p>		
<p>Measure</p>		
<p>Timeframe</p>		

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 11.2

Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Company is not a "Large Company" as defined under the Malaysian Code on Corporate Governance.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 12.1

Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

Application	:	Applied
Explanation on application of the practice	:	<p>Our Company issues Notices of our AGM at least 28 days prior to the meeting to accord sufficient time to our shareholders to prepare for the meeting and make informed voting decisions.</p> <p>In respect of our 10th AGM held on 2 December 2020, the Notice of AGM was issued on 30 October 2020, giving our shareholders notice of 32 days prior to the meeting.</p> <p>Notice of our AGM is also posted on our Company’s website as soon as it is issued to ensure wider and proper dissemination. Clause 72(e) of our Company’s <i>Constitution</i> provides that notices of general meeting may be given in electronic form by way of publication on our Company’s website provided that such notifications have been given in accordance with the Act and MMLR.</p> <p>In respect of our forthcoming 11th AGM scheduled for 14 December 2021, the Notice of the 11th AGM (which will be held via a fully virtual platform) was issued on 29 October 2021, giving our shareholders a notice of 45 days prior to the meeting. A letter was sent on 29 October 2021 to all shareholders notifying them that the 11th AGM, Proxy Form, Administrative Guide, Annual Report 2020/2021 and this CG Report can be downloaded from our corporate website at https://www.hibiscuspetroleum.com. A hardcopy of our Annual Report 2020/2021 will only be sent to our shareholders upon request.</p>
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 12.2

All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

Application	:	Applied	
Explanation on application of the practice	:	<p>All our Directors were present at the 10th AGM on 2 December 2020. Our Chairman presided over the AGM, and together with our MD and Management addressed various questions from our shareholders and their proxies on operational, financial and governance matters.</p> <p>The Chair of our respective Board Committees were present to address the questions relating to matters under the said Committees' purview.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 12.3

Listed companies with a large number of shareholders or which have meetings in remote locations should leverage technology to facilitate–

- including voting in absentia; and
- remote shareholders' participation at General Meetings.

Application	:	Applied
Explanation on application of the practice	:	<p>Our 10th AGM which was held virtually on 2 December 2020 from the broadcast venue at Tricor Business Centre, Manuka 2 & 3 Meeting Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia afforded an opportunity individuals not residing in the Klang Valley, to participate and vote at our AGM, including submitting questions directly to our Board both prior to and during the AGM.</p> <p>The participation was encouraging with over 200 shareholders and proxies representing 21.77% of our Company's issued share capital at the time.</p> <p>All our Board members including our MD and Leadership Team attended the said AGM online and responded to questions on our Group's performance, financial and business performance and corporate governance raised by shareholders. The question and answer session was moderated by Deloitte Risk Advisory Sdn Bhd, the independent moderator appointed for the AGM to ensure all relevant questions were answered.</p> <p>Voting procedures were explained by our Share Registrar prior to commencement of voting. As required by the MMLR, voting on all resolutions at our 10th AGM was conducted by poll with Tricor Investor & Issuing House Services Sdn Bhd and Deloitte Risk Advisory Sdn Bhd serving as poll administrator and independent scrutineer, respectively.</p> <p>All 9 ordinary resolutions tabled were duly passed. Minutes of our 10th AGM was published on our Corporate website.</p>
Explanation for departure	:	
<p>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</p>		

Measure	: Our Company will be holding a virtual AGM on 14 December 2021 in view of the COVID-19 pandemic so as to ensure the safety of all individuals in accordance with the latest Guidance on the Conduct of General Meetings by Listed Issuers issued by the Securities Commission on 16 July 2021 (including any amendment(s) that may be made from time to time) and the latest revised standard operating procedures issued by Majlis Keselamatan Negara (MKN) on 4 October 2021 (including any amendment(s) that may be made).
Timeframe	:

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

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