

CORPORATE GOVERNANCE REPORT

STOCK CODE : 5199
COMPANY NAME : Hibiscus Petroleum Berhad
FINANCIAL YEAR : June 30, 2022

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 PERSUANT 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 committed to high standards of business integrity, ethics and professionalism; and strives to ensure it is practiced at Hibiscus Petroleum Berhad (Hibiscus Petroleum or Company) and its subsidiaries' (collectively, Group) as a fundamental part of discharging its responsibilities to protect and enhance shareholder value. At Hibiscus Petroleum, good corporate governance is imperative to ensure sustainable long-term performance and growth, as well as maximise returns for our shareholders.</p> <p>Our Board sets the tone at the top by embodying our corporate values of tenacity, being environmentally responsible, trustworthy, agile and people focused, and such core values guide our every action.</p> <p>As a result of the Board's strong commitment to the principles of good corporate governance, for the latest review conducted in the calendar year 2022, the Company continued to maintain its constituency on the FTSE4Good Bursa Malaysia (F4GBM) Index, which was first attained in December 2020, evidencing recognition of our good Environmental, Social and Governance (ESG) practices. The Company has also retained its highest rating of 4 stars from FTSE Russell which placed us in the top 25% by ESG ratings amongst public listed companies in the FBM EMAS Index, in addition to preserving our position in the FTSE4Good Bursa Malaysia Shariah Index.</p> <p>Furthermore, Hibiscus Petroleum continues to maintain its Green Lane Policy (GLP) status accorded by Bursa Malaysia Securities Berhad (Bursa Securities) which was first awarded in December 2019. The privileges of this inclusion include certain exemptions which allow for the issuance of "non-complex" circulars (without pre-vetting) by Bursa Securities and fast-track processing of more "complex" circulars which do not fall within the parameters of the exemptions provided.</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 *Constitution* and adherence to good CG practices. Our CG Overview Statement can be found on pages 104 to 111 of our Annual Report 2021/2022.

In discharging its duties and roles effectively, our Board is also guided by its Board Charter, which sets out the principles and guidelines that are to be applied by the Board. Our Board has delegated certain functions to its Board Committees, namely :

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

The delegations of powers to our Board Committees, our Managing Director (MD) and the Leadership Team are set out in the *Terms of Reference* of the respective Board Committees and complemented by the *Limits of Authority (LOA)* which clearly delineates relevant matters and applicable limits, including those reserved for the Board’s approval.

Key Focus Areas of our Board in FY2022:

Strategy	<p>The Board reviewed the Group’s vision and mission, the proposed path forward and updating our Group corporate values as part of the 2022 Business Plan process over the course of the first half of FY2022, prior to approving the same in February 2022. The Board determined that the long-term Business Plan can deliver material value to the Group in addition to generating the necessary cashflows.</p> <p>Whilst reviewing the Business Plan, the Board considered the following stakeholders:</p> <ul style="list-style-type: none"> - Shareholders: The Group’s ability to generate cashflows and provide returns to shareholders through dividends. - Host countries: The long-term Business Plan is expected to deliver production growth and deliver significant value for Hibiscus Petroleum’s host countries. It also reconfirms the Group’s commitment to further develop and unlock value from its core assets and deliver shared prosperity to our host nations in the process of growing a responsible energy company. We continue to use our resources, founded on upstream oil and gas assets and
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		<p>expertise, to optimally build a sustainable business in line with the Group’s aspiration to become a net zero emissions producer by 2050.</p> <p>- Employees: By creating long-term value for the Group, exciting professional opportunities and career development would be available for employees.</p> <p>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 to strive towards achieving optimum benefits for our Group and stakeholders. The implementation and execution of the approved strategies are closely monitored during the course of the financial year.</p> <p>Pursuant to the above, the new mission and vision of the Group, the 2022 Group Scorecard and Key Performance Indicators (KPIs) were rolled-out. The Group Scorecard is a means of regularly monitoring business performance and serves as the basis for determining the annual bonus for our employees, including the MD.</p>
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	<p>Monitoring Performance</p>	<p>Post Board approval, the implementation and progress of the key strategies are monitored 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.</p> <p>The agenda of our Board meetings focus on the review of strategic, operational and financial performance, and other 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.</p> <p>As part of its oversight of responsibilities, our Board approved the annual Group Scorecard which set out the KPIs (comprising both financial and non-financial) with the appropriate and balance weightages:</p> <ul style="list-style-type: none"> (a) Financials KPIs including <i>Earnings Before Interest, Taxes, Depreciation, and Amortisation (EBITDA)</i>; and (b) Non-financial KPIs including <i>Production, Health, Safety, Security and Environment (HSSE)</i> and Project Milestones KPIs. <p>The Board had also undertaken a robust assessment of the Group’s emerging and principal risks, including those that could threaten its business model, future performance, solvency, liquidity and reputation.</p> <p>Our Board, through the 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.</p> <p>The ARMC held nine (9) meetings in FY2022 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.</p>
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	<p>Governance, compliance and leadership</p>	<p>FY2022 was a year of transition for the business and our workforce. Our Group continued to operate in accordance with relevant regulations and guidance relating to the COVID-19 safety measures to keep our colleagues, contractors and visitors safe. The initiatives by our workforce in delivering key initiatives in a year of transition, moving from a COVID-19 restricted environment to a hybrid and then full-force office presence working environment, undoubtedly have put Hibiscus Petroleum firmly back on the path towards creating sustainable long-term value both for our shareholders and for the communities in which our Group operates. During such unprecedented times of change and uncertainty, our Board continued to provide guidance and support to ensure organisational resilience.</p> <p>A total of fourteen (14) Board meetings were held during FY2022, the majority of which were held through hybrid meetings taking place both in person and virtually for Directors who were not able to be physically present due to travel restrictions. Board meetings addressed immediate and emerging issues, as well as explored growth opportunities.</p> <p>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 issued a reminder on its <i>Anti-Corruption and Anti-Bribery (ACAB) Policy</i>, so that Directors and employees continue to remain vigilant in view of the Group's zero-tolerance policy against all forms of bribery and corruption.</p> <p>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 was conducted at fixed intervals, and the necessary steps in proportion to the scale, nature,</p>
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	<p>complexity and potential impact of such risks are taken. Briefing sessions were held with particular focus on the new Peninsula Hibiscus Sdn Bhd Group of companies pursuant to the recent completion of acquisition of Repsol's assets in Malaysia and Vietnam, to generate awareness on the provisions of the MACC Act and reinforcement training on the <i>ACAB Policy</i> was conducted. Subsequently, as of 30 September 2022 all of Hibiscus Petroleum Group staff completed quizzes rolled out to test the awareness and understanding of 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> was updated in July 2021 while our <i>Climate Change Framework</i> was published in Q4 2021 on our corporate website. Such documents align 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> 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>Our Board continued to review its overall approach to sustainability, with a focus on embedding sustainability in the organisation. We seek to make a positive difference to society, investing in efforts to support economic and community development as further detailed on pages 114 to 183 of our Annual Report 2021/2022.</p>
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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 1.2

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>As Chair of the Board, Encik Zainul Rahim bin Mohd Zain (Encik Zainul), assumes a leadership role on the Board.</p> <p>Encik Zainul was appointed as non-independent non-executive Chair on 14 December 2010.</p> <p>He is an engineer with more than 44 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 such meetings, our Board Chair 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 facilitate a smooth and informed decision-making process.</p> <p>In enhancing our Group's CG practices, the Chair of our Board shall not act as the Chair of any Board Committees for the purposes of separation of roles and responsibilities unless there are valid and strong justifications.</p> <p>Our Board Chair's performance was evaluated under the Board assessment in 2022 which was facilitated by our NC with the assistance of the Company Secretaries. The evaluation showed that our Board Chair displayed objectivity, engaged in discussions and has the ability to act with conviction based on principles while fostering a fair boardroom process.</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 Chair of the Board and MD positions are separated and held by different individuals.</p> <p>The role and responsibilities of our Chair of the Board 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 Chair of the Board is primarily responsible for ensuring our Board's effectiveness on strategy, governance and compliance whilst our Managing Director 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 on all material issues, as and when required.</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

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 Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee

<p><i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i></p>	
Application	: Departure
Explanation on application of the practice	:
Explanation for departure	: Our Chair of the Board has been a member of the Audit and Risk Management Committee (ARMC), Nominating Committee (NC) and the Remuneration Committee (RC) since year 2011. The relevant changes will be made when appropriate candidates have been selected in due course.
	In efforts to ensure the Board Committees remain effective, objective, and independent in their respective deliberation, review and decision-making, each Board Committee is chaired by an independent non-executive Director and the Board Committees comprise exclusively of non-executive directors of which a majority are independent directors. Our Chair of the Board did not participate in any discussion in which he believes there may be a conflict of interest.
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
Measure	: Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	: Choose an item.

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

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 qualified Company Secretaries whose roles and responsibilities 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 the annual general meeting are held in December, the Company Secretaries play a significant role in ensuring that due processes are in place and proceedings 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	:	
<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

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 1.6

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 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 discussion until the respective matter is closed out.</p> <p>Our Board is kept apprised of the activities of the Board Committees through circulation of the minutes of such 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	:	

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 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>, which was updated in May 2022, 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• Appointment and re-election of directors on the board of the Group in accordance with the <i>Fit and Proper Policy for the Appointment and Re-election of Directors</i> of the Group <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 FY2022 can be viewed on pages 184 to 195 of our Annual Report 2021/2022.</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> which has been recently updated on 10 May 2022. 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</p>

certain monetary threshold. Any commitment exceeding the delegated LOA requires our Board’s prior approval.

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 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
Malaysian Dutch Business Council (MDBC)/Dutch Embassy/Shell: The Tree, The Sky, The Sun – A Pathway Towards Malaysia’s Carbon Neutral Future
Bank Negara Malaysia (BNM)/ Financial Institutions Directors’ Education (FIDE) Forum: Dialogue on RMiT Implementation
Pemandu Associates Brown Bag Series: The CIMB Transformation Story by YBhg Datuk Seri Mohd Nazir Tun Razak
Malaysian Danish Business Council (MDaBC)/ EU-Malaysia Chamber of Commerce and Industry (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
Offshore Technology Conference Asia (OTC) 2022 Opening Ceremony, Distinguished Achievement Award Presentation & Executive Plenary Session
Hibiscus Petroleum Knowledge Sharing Webinar : Addressing Climate Change in the O&G Sector
Hibiscus Petroleum’s 2022 Mid-Year Review and Strategic Planning Conference
Sustainable Energy Development Authority (SEDA) Malaysia : 5 th International Sustainable Energy Summit 2022

SEA Hibiscus : Safety Day 2021 Webinar Forum: COVID19 Vaccination – “Are We Ready?”
Pareto Energy Conference 2022
OTC Asia 2022 Advisory Committee Meeting
Economist Intelligence: Growing Your Talent - Succession Planning In the Modern Work Environment
InvestTalk! Webinar with Dr Tan Chong Koay
CGS-CIMB Malaysia Small Mid Cap Virtual Corporate Access Day
Hibiscus Petroleum Knowledge Sharing Webinar : "Gas Business Fundamentals"
Hibiscus Petroleum Knowledge Sharing Webinar : "Addressing Climate Change in the O&G Sector"
APAC Awards Dinner
Maybank Invest ASEAN 2022 Corporate Access Malaysia Week Presentation
SEQU OPITO Basic Hydrogen Sulphide (BH2S) Refresher Course
Financial Times Live : Investing for Good Asia
Securities Commission of Malaysia : Audit Oversight Board Webinar
Hibiscus Petroleum and ERM Worldwide Group Limited and/or its affiliates : Task Force on Climate Related Financial Disclosure (TCFD) Briefing Session
MIDF Conversation with YBhg Datuk Seri Amir Hamzah Azizan, CEO of EPF & Group Managing Director of MIDF, Dato’ Charon bin Mokhzani Topic: Economic Development and Relevant Public Policies
Infocomm Media Development Authority (IMDA) : ATxSummit 2021 & ATxAI Conference (Virtual) Topic: Redefining Tech for a Better Future
Web-Series by Sage 3 Sdn Bhd (Sage 3) and Leaderonomics - Topic: Rethinking Balance Sheet
MIDF Conversation with YBhg Pro Dato’ Dr Adeeba Kamarulzaman, a prominent infectious diseases expert and public health advocate : Women Empowerment & Quality of Public Health Care

Webinar by International Malaysian Society of Maritime Law : Maritime and Insolvency Talk
MIDF Conversation with Mr Adrian Ong, CEO of Mr DIY : Strategy to Drive Growth, Deliver Value and Achieve Operational Efficiencies Amidst the Current Global Pandemic
Institute of Corporate Directors Malaysia (ICDM) / Sage 3 : Board Leadership and Decision Making in Times of Financial Distress
Webinar by Securities Industry Development Corporation (SIDC) : Director as Gatekeeper of Market Participant
Webinar by SIDC : Risk Oversight and Compliance
Webinar by SIDC : Emerging and Current Regulatory Issues in the Capital Market
Web-Series by Sage 3 and Leaderonomics : Rethinking Balance Sheet Series
MIDF Conversation with YBhg Dato' Dr Hartini Zainudin, Co-founder of Yayasan Chow Kit : Struggles and Challenges Attending to the Needs of Migrant and Refugee Children and Families Issues
Maximising Integrity by Trident Integrity: The role of Directors and Senior Management in Keeping the Group Anti-Corruption System Strong
Webinar by SME Lighthouse : Financing, Funding & Grants for SMEs in Turbulent Times
Webinar by IMKL – Invest Malaysia 2021 : Rebuilding A Sustainable Economy – Economic Reform
Webinar Training by Tricor Training Academy : Detecting Financial Frauds & Business Transformation
Webinar: Bursa-FIDE Forum Dialogue : Restructuring Distressed SMEs/Budget 2022
FIDE Forum: Dialogue with Governor of Bank Negara Malaysia : Opportunities and Challenges to cross-border investments and trade
CPE Course By CHK Consultancy Sdn Bhd : Prevention of Financial Crime and Market Misconduct Under CMSA 2007
CPE Course By CHK Consultancy Sdn Bhd : ESG, Stakeholder Capitalism and Sustainable and Responsible Investment (SRI)

	<p>Webinar: MIDF Green Conference 2022 Virtual Event with YB Dato’ Sri Mustapa Mohamed (Minister in PM’s Dept – Economy)</p> <p>Webinar: KLBC – Climate Governance Malaysia (CGM) in collaboration with CEO Action Network (CAN) : Exploring A Low Emission Pathway for Malaysia</p> <p>Islamic Finance for Board of Directors Programme Conducted by ISRA Consulting @ International Centre for Education In Islamic Finance (INCEIF)</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 and 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 underaged 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 Code 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>. In 2021, we updated our <i>Code</i> to include a section to provide clarity on how to avoid potential conflicts of interest and the procedures to make a report in the event such a situation arises and the steps to address the same. In 2022, we continued our refresher <i>ACAB Policy</i> trainings to the Group including the newly acquired subsidiaries of Peninsula Hibiscus Sdn Bhd and implemented the organization of online course and quizzes for the Group to test their awareness and understanding of the <i>ACAB Policy</i> as well as the corporate liability provisions introduced by Section 17A of the Malaysian Anti-Corruption</p>

	<p>Commission (MACC) Act 2009 (amended 2018). As of 30 September 2022, all of Hibiscus Petroleum Group staff completed the required annual course and quizzes.</p> <p>In addition, all employees are reminded of their obligations to highlight behaviours/misconduct they believe is not in alignment with our <i>Code</i>. A <i>Whistle Blower Policy</i> for Directors, our colleagues and other stakeholders may be used for reporting any improper conduct or known organisational malpractice(s) or wrongdoing(s) within the organisation. All reported cases are reviewed and investigated by our Group Internal Auditor, with regular summary updates provided to the ARMC and the Board of Directors.</p> <p>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>	
<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 3.2

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

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.1

The board together with management takes responsibility for the governance of sustainability in the company including setting the company's sustainability strategies, priorities and targets.

The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

Strategic management of material sustainability matters should be driven by senior management.

Application	:	Applied
Explanation on application of the practice	:	<p>The Group wishes to highlight our recently launched vision and mission to grow a respected, valuable and responsible energy company, using our resources, founded on upstream oil and gas assets and expertise, to optimally build a sustainable business.</p> <p>Premised on the above, amongst the key responsibilities of the Board under the Board Charter are to (i) review and adopt the strategic business plans and annual budget for the Group and Company, (ii) monitor the Group's performance and build sustainable value for the shareholders by ensuring that the strategic plan and budget of the Group supports and integrates long-term value creation and includes initiatives on economic, environmental and social considerations underpinning sustainability, (iii) identify principal risks and ensure the implementation of proper and appropriate systems to manage these risks, and (iv) review the adequacy, integrity and effectiveness of the Group's risk management and internal control system to safeguard shareholders' investments and the Group's assets.</p> <p>In this regard, the Board through the Company's Managing Director (MD) oversees direction and development of sustainability strategies and plans, charts the development and implementation of sustainability plans and initiatives and approves execution timeline. The MD is further specifically tasked with the (i) executive management of the Group's business covering, inter alia, the development of a strategic plan, an annual operating plan and budget, the direction and development of sustainability strategies and plans, including implementation of approved execution timelines, and (ii) assigned responsibility for the Group's risk management through the Executive Risk Management Committee (ERMC) which includes the oversight and management of health & safety risks and climate change risks, as part of the consolidated risk register and management monitoring carried out.</p>

	<p>This established framework of oversight and reporting, underpinned by our core values and mission is carried out with the assistance of the Business Sustainability Management Committee (BSMC) which comprises senior representatives from all key business units and departments. Such an inclusive and robust structure ensures that there is regular guidance on the direction, management and reporting of important business sustainability matters.</p> <p>The primary function of the BSMC is to review sustainability strategies and priorities and to assess key initiatives, policies and programmes which the relevant business units highlight to the BSMC. For completeness, the relevant business units manage business unit sustainability matters, executes actions plans specific to the business, in addition to monitoring and reporting to the BSMC on such matters.</p> <p>Together with our :</p> <ul style="list-style-type: none"> (i) published <i>Sustainability Policy</i> which is aligned to the United Nations’ Sustainable Development Goals (UN SDG) and their call to a Decade of Action evidencing the Group’s recognition of the importance of sustainability and 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, and (ii) <i>Climate Change Framework</i> which is also aligned to the UN SDG and encompasses both Climate Mitigation and Climate Adaptation strategies, and also includes an assessment of climate-related risks and opportunities based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), and the relevant action plan to progress forward, <p>it is envisaged that such efforts would facilitate our aspiration to become a net zero emissions producer by 2050, for which our carbon footprint footpath to such objective is being charted by our 3-pronged <i>Energy Transition Strategy</i> comprising of (i) Portfolio Resilience mainly focusing on increasing natural gas in our portfolio of hydrocarbon assets, (ii) Decarbonisation initiatives to optimise operational energy efficiency, fuel switching to renewables, reduce flaring and venting, enhance equipment reliability and deploy carbon capture, utilisation and storage (CCUS) technologies, and (iii) explore Green Investment opportunities.</p> <p>It is expected that such efforts would enhance shareholder value whilst concurrently addressing environment concerns and caring for our people and the community.</p>
<p>Explanation for departure</p>	<p>:</p>

<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

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.2

The board ensures that the company's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company's sustainability objectives, strategies, priorities and net zero emissions aspiration by 2050 are developed and communicated in our Annual Report 2021/2022 and specifically in our Sustainability Report, in addition to being published on our corporate website. These are identified, finalized, approved and monitored after robust internal reviews with the Leadership Team and the Board after taking into account how these could affect our stakeholders and Group's business following engagement carried out with our key stakeholders.</p> <p>Such materiality assessment exercise has resulted in our <i>Energy Transition Strategy</i> being further fine-tuned pursuant to its introduction and publication in the previous financial year.</p> <p>A more comprehensive description of our stakeholder groups, engagements, targets and performance results are contained in our Sustainability Report (which is part of our Annual Report 2021/2022) as well as on our corporate website.</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

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.3

The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

Application	: Applied
Explanation on application of the practice	<p>As part of efforts to ensure that the Board is kept abreast on sustainability issues which are relevant to the Group's business and operations, several training programmes have been organized for the Board and Management to obtain more knowledge and insights on climate change and climate mitigation.</p> <p>To further enhance our capability on greenhouse gas (GHG) reporting standards, the Group participated in a jointly organized workshop by Bursa Malaysia Berhad and the Malaysian Green Technology and Climate Change Centre (MGTC)'s Capacity Building Programme Workshop on Climate Change for the Energy Sector on 28 and 29 October 2021. The workshop covered climate mitigation and adaptation interventions relevant to the oil and gas sector.</p> <p>In addition, on 30 November 2021, the Board, Management and staff had also participated in a briefing on the introduction to TCFD by a credible global environmental consultant. Given the importance of TCFD reporting, our primary team involved in sustainability efforts subsequently also attended a basic TCFD training carried out by Bursa Malaysia in March 2022.</p> <p>Other training and webinars attended included Herbert Smith Freehills entitled "<i>Environment, Social and Governance (ESG) Webinar Series: ESG Ratings & Reporting – what really matters?</i>" on 17 February 2022, the PwC webinar on "<i>Positioning Corporate Malaysia for a sustainable future</i>" on 6 April 2022, the Joint Committee on Climate Change's "<i>JUST Series : The Power of ESG data (the importance of data and disclosures)</i>" on 19 May 2022 and the 5th International Sustainability Energy Summit on 29 and 30 August 2022.</p> <p>Our sustainability team was also invited to participate as part of a sub-working group led by the Economic Planning Unit (EPU) and the National Water Research Institute of Malaysia (NAHRIM) to a workshop developing the United Nation Framework Convention on Climate Change (UNFCCC) to contribute to the UNFCCC's 4th <i>Biennial Update Report (BUR4)</i> and the 4th National Communication (NC4) report focusing on the chapter on climate related vulnerabilities and adaptation. The 2-day workshop on 16 and 17 June 2022 facilitated capacity building for the Group on the physical risk modelling with</p>

	<p>scenario data developed by NAHRIM for our upstream oil and gas business operations.</p> <p>Consequently, we concluded our financial year for 2022 by hosting an in-house Knowledge Sharing Webinar (KSW) on Addressing Climate Change in the oil and gas sector. Experts from PETRONAS and International Petroleum Industry Environmental Conservation Association (IPIECA) provided insights on relevant mitigation and adaptation strategies for the upstream oil and gas sector.</p> <p>In the earlier explanation on the application of Practice 4.1 of MCCG, the Board’s commitment in overseeing sustainability issues through the MD and the BSMC has been detailed. The BSMC comprises of senior representatives from all key business units and departments. Such an inclusive and robust structure ensures that there is regular guidance on the direction, management and reporting of important business sustainability matters.</p> <p>In addition, as previously stated in the same Practice 4.1, the ERMC assists the MD and the Board in the oversight and management of health and safety risks, and climate change risks, as part of the consolidated risk register and management monitoring carried out. Such support enables principal risks to the Group to be identified and ensures the implementation of proper and appropriate systems to manage these risks, as well as the review of the adequacy, integrity and effectiveness of the Group’s risk management and internal control system to safeguard shareholders’ investments and the Group’s assets.</p> <p>As part of the Board Effectiveness Evaluation (BEE), the Directors conducted a self and overall Board assessment of their skills including their performance in relation to sustainability in view of the importance and emphasis on building sustainable value for the shareholders by ensuring that the strategic plan and budget of the Group supports and integrates long-term value creation and includes initiatives on economic, environmental and social considerations underpinning sustainability.</p> <p>During the year, the Board considered and introduced several new initiatives/targets as proposed by the Management, to address sustainability matters premised upon the Group’s business needs and various international regulatory/market standards and best practices.</p>
<p>Explanation for departure</p>	<p>:</p>
<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 company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.4

Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company's material sustainability risks and opportunities.

Application	:	Applied
Explanation on application of the practice	:	<p>The tone of driving and managing sustainability throughout the Group is set from the top through our Board and the MD. Our BSMC, which meets monthly, consists of senior representatives from all key business units and departments.</p> <p>The Group's Corporate Scorecard was developed based on the guiding principle to ensure alignment and effective implementation of strategies outlined in our recently launched vision and mission. The Energy Transition Strategy which supports this overarching objective contains strategic pillars which prioritizes, embeds and integrates sustainability in our long-term value creation for the Group. In this respect, targets with respect to specific sustainability strategies or initiatives have been included as Key Performance Indicators (KPIs) in our Group Scorecard.</p> <p>For this financial year's Group Scorecard, several steps have been taken (as detailed in the Sustainability Report) to ensure the Company retains its constituency on the FG4BM Index, to ensure continued recognition evidence of our good ESG performance. In the calendar year 2022 review, the Company retained its rating of 4 stars (highest rating possible) in addition to being retained in the FG4BM Shariah Index.</p> <p>In conjunction with the BEE for FY2022 and in accordance with Practice 4.4 of the MCCG, the Nominating and Remuneration Committees at their respective meetings held in September 2022 reviewed the performance of the Board and Senior Management, including on the relevant sustainability-related performance results and identified areas for continued focus and potential improvement. It should also be noted that the Group's Scorecard which determines annual remuneration also includes health, safety and security targets.</p> <p>Through the BEE FY2022, it was determined that sustainability issues had been sufficiently deliberated and included in the Group's strategies and business plans for long-term value creation to our shareholders. Nevertheless, the Directors and Senior Management collectively believe that continued focus and attention on sustainability and ESG practices are required for continuous improvement, taking into consideration the increased focus from relevant international regulators/bodies and stakeholders.</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

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.5- Step Up

The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.

Application	:	Adopted
Explanation on adoption of the practice	:	<p>The Board is assisted in the development, management and monitoring of sustainability strategies and plans to integrate long-term value creation to build sustainability value for the shareholders by the BSMC which comprises senior representatives from all key business units and departments.</p> <p>The BSMC's efforts is facilitated by Ms Syarifah Aliza Syed Azauddin, our Vice President of Corporate Governance, who is currently driving our ESG initiatives.</p>

Intended Outcome

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

Practice 5.1

The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

Application	:	Applied
Explanation on application of the practice	:	<p>Our NC reviews the Board Succession Plan i.e., the composition, tenure, skills and experience matrix of the Board, annually, in line with the NC's Terms of Reference. The Board has also stipulated 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.</p> <p>The NC assessed the performance of the Directors standing for re-election at the Company 12th Annual General Meeting (12th AGM) via the BEE FY2022. Amongst other, the BEE FY2022 assessment was made in compliance with <i>Fit and Proper Policy for the Appointment and Re-election of Directors</i> to ensure that any person to be appointed or elected or re-elected as a Director of Hibiscus Petroleum Group possess the necessary quality and character as well as integrity, competency and commitment to discharge the responsibilities required of the position in the most effective manner.</p> <p>The Directors' rotation list was presented to the NC for endorsement prior to recommendation to the Board for approval and the affected Director is required to give his/her consent for re-election prior to the Board's recommendation for the shareholders' approval at the 12th AGM.</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

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

Practice 5.2

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>As of 5 October 2022, our Board comprises six (6) Directors, four (4) of whom (67%) are INEDs.</p> <p>YBhg Dato' Sri Roushan Arumugam has expressed his intention to seek retention as an INED at the 12th AGM in December 2022 and upon conclusion of his 12-year tenure on 24 July 2023, to continue serving as non-INED effective 25 July 2023.</p> <p>Our Board believes that there are adequate procedures to ensure that the Board is independent in its deliberation, and its 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 half of the Board must be INEDs. In the event the Company becomes a Large Company, a majority of the Board must comprise 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 Board Chair's and MD's roles are distinct and separate to ensure that an effective balance of empowerment and authority is met.(d) that the Board Chair'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 Board Chair 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 Board Chair is not an independent director, the Board shall comprise a majority (more than half) of INEDs. An

	<p>“Independent Director” shall have the meaning as defined in the MMLR.</p> <p>(i) appointment of SINED from among the INEDs; and</p> <p>(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 in a sealed labelled envelope labelled “<i>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</i>” 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 5.3

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 provide justification and seek annual shareholders' approval through a two-tier voting process.

Application	:	Applied
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>On 24 July 2023, YBhg Dato' Sri Roushan Arumugam will be completing his 12 years on the Board. He has expressed his intention to seek retention as an independent non-executive Director at the 12th AGM in December 2022 and subsequently then serve as a non-INED of the Company effective 25 July 2023.</p> <p>Taking into consideration the findings of the BEE FY2022 carried out in September 2022 in compliance with the <i>Fit and Proper Policy for the Appointment and Re-election of Directors</i>, having due regard to YBhg Dato' Roushan's performance and ability to continue to contribute to the Board and premised on the NC's recommendation, 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 12th AGM to be held in December 2022 as he has continued to be independent within the definition and spirit of Bursa Securities' MMLR. 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 9th, 10th and 11th AGMs held on from 2019 to 2021.</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 :		
Timeframe :		

Intended Outcome

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

Practice 5.4 - Step Up

The board has a policy which limits the tenure of its independent directors to nine years without further extension.

Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.

Application	:	Not Adopted
Explanation on adoption of the practice	:	Our Company has applied Practice 5.3 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 5.5

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.

Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.

Application	: Applied
Explanation on application of the practice	<p><u><i>Board Appointments</i></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 are shown on pages 80 to 86 and 108 to 109 of our Annual Report 2021/2022.</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. In May 2022, we established the <i>Fit and Proper Policy for the Appointment and Re-election of Directors</i> (https://ir2.chartnexus.com/hibiscuspetroleum/docs/sustainability/Fit-and-Proper-Policy.pdf) to ensure that any person to be appointed or elected or re-elected as a Director of Hibiscus Petroleum Group possess the necessary quality and character as well as integrity, competency and commitment to discharge the responsibilities required of the position in the most effective manner. In view of its importance, the <i>Fit and Proper Policy for the Appointment and Re-election of Directors</i> is also referred to in the <i>Board Charter</i> and the <i>NC's Terms of Reference</i>.</p>

	<p>On 4 October 2022, the Company announced the appointment of Mrs Emeliana Dallan Rice-Oxley as an INED effective on 5 October 2022. She brings extensive international experience in leading and delivering a sustainable growth strategy in the oil and gas industry to Hibiscus Petroleum having worked successfully across Malaysia, Central North Sea, Brazil, United States of America and Latin America for more than 30 years. Her profile can be found on page 86 of the Annual Report 2021/2022 of the Company.</p> <p>Upon joining the Board, Mrs Emeliana Dallan Rice-Oxley shall receive an induction programme which has been specifically designed to complement her background, experience and knowledge with more detailed understanding of the Group’s business operations and other matters regularly discussed by the Board. The programmes include one-to-one meetings with the Leadership Team/Senior Management, functional leaders/heads of business unit and, where possible, visit the Group’s principal offices and operations. She will also receive an overview of her duties, corporate governance policies and Board processes.</p> <p><u><i>Leadership Team Appointments</i></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 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 27.8% of our employees with 28.6% of our Leadership Team positions held by women as of 5 October 2022.</p> <p>In addition, there are 7 nationalities of employees working in the Group (Malaysian, Singaporean, British, Australian, Indian, Vietnamese and Dutch).</p>
<p>Explanation for departure</p>	<p>:</p>

<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 5.6

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.

If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

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	:		
<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 5.7

The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

Application	: Applied
Explanation on application of the practice	<p>Through the BEE FY2022, our NC had assessed the Directors' eligibility for re-election and the retention of Directors by considering their competencies, commitment, contribution, performance, independence and their ability to act in the best interest of the Company as a whole, in accordance with the <i>Fit and Proper Policy for the Appointment and Re-election of Directors</i>.</p> <p>During the year under review, our Board approved the NC's recommendation to seek the shareholders' approval for the following Directors:</p> <ul style="list-style-type: none">- Re-election of Mr Thomas Michael Taylor, the SINED who is retiring pursuant to Cause 134 of the Constitution of the Company- Re-election of Mrs Emeliana Dallan Rice-Oxley, the INED who is retiring pursuant to Clause 110 of the Constitution of the Company- Retention of YBhg Dato' Sri Roushan Arumugam as the INED for a cumulative of more than nine (9) years, to continue to act as an INED until the 12th anniversary of his appointment on 24 July 2023 and subsequently, as a non-INED of the Company effective 25 July 2023. <p>The candidates also declared the following:</p> <ol style="list-style-type: none">(1) No family relationship with any Director/Major Shareholder of Hibiscus Petroleum.(2) No conflict of interest with Hibiscus Petroleum.(3) No conviction of offences within the past five years other than traffic offences, if any.

	<p>(4) Do not hold more than five directorships in listed issuers.</p> <p>In addition, the current INEDs of the Company satisfy the following criteria:</p> <p>(a) Independent from Management and free from any business or other relationship which could interfere with independent judgement or the ability to act in the best interests of the Company.</p> <p>(b) Not involved in the day-to-day operations of the Company other than when collective Board approval is required. This mitigates the risk of undue influence from third parties and allows INEDs to exercise fair judgement.</p> <p>(c) Declare their interest or any possible conflict of interest in any matter tabled prior to the commencement of Board meetings. Directors are able to ascertain their involvement in any proposal as the papers are disseminated to them at least 3 days before each meeting. In a situation where there is conflict of interest, Directors are required to recuse themselves and abstain from deliberation to allow unbiased and free discussion and decision making.</p> <p>The profiles of Directors are published in our Annual Report 2021/2022 on pages 80 and 86. The information includes their age, gender, tenure of service, directorships in other companies, working experience and any conflict of interest as well as their shareholdings in Hibiscus Petroleum Berhad on pages 333 to 336 of our Annual Report 2021/2022, if any.</p>
<p>Explanation for departure</p>	<p>:</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>:</p>
<p>Timeframe</p>	<p>:</p>

Intended Outcome

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

Practice 5.8

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	:		
<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 5.9

The board comprises at least 30% women directors.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<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 FY2022.</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 5.5 (Board Appointments). The key criteria for the selection of a Board member is his/her profile, skillset, qualification and experience.</p> <p>YBhg Dato' Dr Zaha Rina is our INED and Chair of our NC as well as a member of the ARMC. She has more than 33 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>On 4 October 2022, the Company announced the appointment of Mrs Emeliana Dallan Rice-Oxley as an INED effective on 5 October 2022. She brings extensive international experience in leading and delivering a sustainable growth strategy in the oil and gas industry to Hibiscus Petroleum having worked successfully across Malaysia, Central North Sea, Brazil, United States of America and Latin America for more than 30 years. With the appointment of Mrs Emeliana Dallan Rice-Oxley, our gender target of having 30% women directors has been achieved.</p> <p>The profile of YBhg Dato' Dr Zaha Rina and Mrs Emeliana Dallan Rice-Oxley are set out on pages 84 to 86 of our Annual Report 2021/2022 and on our corporate website.</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>	
	<p>Please provide an alternative practice and explain how the alternative practice meets the intended outcome.</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>:</p>	<p>Please explain the measure(s) the company has taken or intend to take to adopt the practice.</p>
<p>Timeframe</p>	<p>:</p>	<p>Choose an item.</p>

Intended Outcome

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

Practice 5.10

The board discloses in its annual report the company's policy on gender diversity for the board and senior management.

Application :	Applied
Explanation on application of the practice :	<p>The Group has adopted a <i>Diversity Policy</i> which outlines its approach to achieving and maintaining diversity (including gender diversity) on its Board of Directors and employees of the Group. This includes the requirement for the Board of Directors to establish measurable objectives for achieving diversity on the Board of Directors and in our workforce.</p> <p>The members of the Board with their combined business management and professional experience, knowledge and experience provide the core competencies to allow for diverse and objective perspectives on the Group's business and direction.</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>We maintain a culture of respect, equality and inclusion and strive to be a company where everyone feels they belong. We focus on ensuring the team has the necessary skills and expertise to deliver the future business strategy whilst achieving a diverse and inclusive workforce population with a nationality mix which is representative of our assets' geographic footprint and improves our gender diversity. Our talented and diverse employees represent 7 different nationalities (Malaysian, Singaporean, British, Australian, Indian, Vietnamese and Dutch), Hibiscus Petroleum is proud of its continuous promotion of women into leadership positions across all levels of the Company, with women representing 28.6% of our Leadership Team as of 5 October 2022.</p> <p>Our Diversity Policy is available at https://ir2.chartnexus.com/hibiscuspetroleum/docs/sustainability/Diversity-Policy.pdf</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

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

Practice 6.1

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 its outcome, actions taken and how it has or will influence board composition.

For Large Companies, the board engages an independent expert at least every three years, to facilitate objective and candid board evaluation.

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
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. For clarity, Hibiscus Petroleum is not a Large Company as at the reporting period.</p> <p>A summary of our NC's activities is contained in the NC Report on pages 186 to 188 of our Annual Report 2021/2022.</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 Chair. 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 BEE FY2022 also included a review of overall Board meeting process including meeting agenda and materials.</p> <p>The annual BEE 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 very good. The efficacy of our Board Chair and the proactiveness of Directors were highlighted as areas of strength. The results of the BEE FY2022 show that our Directors have high levels of accountability, were steadfast in providing crucial</p>

	<p>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 Mr Taylor at our forthcoming AGM in December 2022 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 Mr Taylor did not participate in deliberations on this matter.</p> <p>Pursuant to Clause 110 of the Company's Constitution, a Director appointed to fill a casual vacancy or as an addition to the Board shall hold office until the conclusion of the next AGM and shall be eligible for re-election. Following the appointment of Mrs Emeliana Dallan Rice-Oxley effective on 5 October 2022, our Board has recommended the re-election of Mrs Emeliana Dallan Rice-Oxley at our forthcoming AGM in December 2022 on the basis that she has met the fit and proper criteria for re-election in terms of character, integrity, experience, competence, commitment and time to effectively discharge her role as a Director.</p> <p>In addition, based on YBhg Dato' Sri Roushan's performance and contributions, our Board has also recommended his retention as independent director until 24 July 2023, prior to his tenure exceeding 12 years effective 25 July 2023.</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 :		
<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

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 7.1

The board has remuneration 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 remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. 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 NEDs.</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 11th AGM held on 14 December 2021, approval from our Company's shareholders was obtained for our current NEDs' remuneration rates, which include directors' fee as a member of our Board, allowances for time expended by any NED to attend Board/Board Committee meetings and/or third party meetings and/or</p>

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).

Our Executive Director/MD is not entitled to any Director's fees.

As required under Section 230 of the Act and the MMLR, our Board will be seeking our shareholders' approval at the forthcoming 12th AGM in December 2022 for the payment of NEDs' remuneration for the period commencing a day after the 12th AGM in December 2022 until the date of the next AGM in year 2023 (Relevant Period) in arrears on a quarterly basis.

On review, it was determined that :

- (i) The fees paid to our Chairman is trailing the market mean. It should be noted that the fees for the Chairman position on a number of comparable oil and gas public listed entities have increased from the previous year.
- (ii) The fees paid to our other NEDs fall within the lower end of the "market average" range.
- (iii) The meeting allowances rate for NEDs remain appropriate based on the workload and responsibilities of our Directors, the current market landscape which Hibiscus Petroleum operates in, and are necessary to attract and retain high calibre NEDs.

Based on the above, the changes to the NEDs' remuneration proposed are highlighted below:

Type of Fees/Meeting Allowances	Rate
Non-Executive Chairman's Fees per annum	RM250,000 (current fee : RM180,000)
NEDs Fees (save for the Chairman of the Board) per annum	RM150,000 (current fee : RM110,000)
<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 other than those referred to at the two rows above, for and on behalf of the Company	RM3,500 (no change proposed)

	<p><u>Remuneration Policies and Procedures</u></p> <p>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.</p> <p>The Leadership Team’s remuneration typically comprises a fixed monthly basic salary and a discretionary annual cash performance bonus.</p> <p>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 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 Group 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>	
<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 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 7.2

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 FY2022 is set out below:</p> <ul style="list-style-type: none">(a) Reviewed the bonus allocation for calendar year 2021 of the MD, Leadership Team, Group Internal Auditor and the employee workforce;(b) Reviewed the remuneration package of various members of the Leadership Team based on the revised/increased scope, responsibilities and accountabilities of their respective roles (where applicable) subsequent to the completion of the acquisition of the Repsol assets in January 2022 and made the relevant recommendations to the Board for approval;(c) Reviewed the implementation of revised pay philosophy and principles of the wider workforce, and salary adjustments for eligible members of the Leadership Team members and the Group Internal Auditor, based on the justifications provided by Management;(d) Reviewed the <i>Directors' Remuneration Policy</i>; and(e) Reviewed the proposed fees and meeting allowances for our NEDs for the period from 15 December 2021 to the 12th AGM in December 2022.

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

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 8.1

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	:	Instruction – Please disclose the required information in the table below. Sole reference to the annual report, without disclosing the required information in the table provided is not allowed.

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Zainul Rahim bin Mohd Zain	Non-Executive Non-Independent Director	152.74	190.00	-	-	-	-	342.74	-	-	-	-	-	-	-
2	YBhg Dato' Sri Roushan Arumugam	Independent Director	105.46	110.00	-	-	-	-	215.46	-	-	-	-	-	-	-
3	Thomas Michael Taylor	Independent Director	105.46	152.50	-	-	-	-	257.96	-	-	-	-	-	-	-
4	YBhg Dr Zaha Rina Zahari	Independent Director	105.46	152.50	-	-	-	-	257.96	-	-	-	-	-	-	-
5	-	Choose an item.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	-	Choose an item.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	-	Choose an item.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	-	Choose an item.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	-	Choose an item.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	-	Choose an item.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	-	Choose an item.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	-	Choose an item.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	-	Choose an item.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	-	Choose an item.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	-	Choose an item.	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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 8.2

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.</p> <p>Finally, we believe that remuneration packages of individuals should be kept confidential.</p>	
		Please provide an alternative practice and explain how the alternative practice meets the intended outcome.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
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	:	Choose an item.	

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
2	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
3	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
4	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
5	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.

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 8.3 - 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	:	

No	Name	Position	Company ('000)					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
2	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
3	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
4	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
5	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

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 9.1

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 Taylor is not the Chair of our Board. Our ARMC Chair's profile is on page 83 of our Annual Report 2021/2022 and on our Company's website.</p> <p>The Chair of our Board is Encik Zainul whose profile is on page 80 of our Annual Report 2021/2022 and on our Company's website.</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 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 9.2

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

Application	:	Applied	
Explanation on application of the practice	:	Our Board has not appointed any former audit partner as a member of our Board. The Board has approved the updated ARMC TOR 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.	
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 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 9.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

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 FY2022.</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. The Annual Transparency Report from PwC including PwC's governance and leadership structure as well as measures undertaken by the firm to uphold audit quality and manage risks, has since been presented and discussed with the ARMC on 10 May 2022 and the ARMC is satisfied with such presentation made.</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 FY2022, PwC has re-affirmed their independence to act as the Company's external auditors as set out in the Independent Auditors' Report on page 218 of our Annual Report 2021/2022.</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 FY2022.</p> <p>Accordingly, the ARMC supports the resolution for their re-appointment at the forthcoming AGM in December 2022.</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 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 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application :	Not Adopted
Explanation on adoption of the practice :	

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 9.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent 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 80, 83 to 85 of our Annual Report 2021/2022 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 192 to 194 of our Annual Report 2021/2022.</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	:	
<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

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 10.1

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 evaluations 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 <i>ACAB</i> 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, particularly for the Peninsula Hibiscus Sdn Bhd subsidiaries pursuant to the acquisition of the Repsol assets in Malaysia. Subsequently, as of 30 September 2022, all Hibiscus Petroleum Group staff completed the required annual course and quizzes rolled out to test the awareness and understanding of the <i>ACAB Policy</i>.</p> <p>On the matter of insider trading, on a regular basis, our Directors and employees including Principal Officers are reminded of their obligations not to deal in Hibiscus Petroleum securities whenever they may be in</p>

	<p>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>:</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>:</p>
<p>Timeframe</p>	<p>:</p>

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 10.2

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 196 to 203 of our Annual Report 2021/2022 comprise the following:</p> <p>1. <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.</p> <p>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.</p> <p>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.</p> <p>2. <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:</p> <p>(a) 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 subsidiaries and/or specific named projects to control and govern</p>

	<p>activities within the Group and such <i>LOAs</i> are also periodically reviewed to ensure relevance and applicability.</p> <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 revisions 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 ERMC (via the ARMC) 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 ERMC reports to our Board on a quarterly basis through our ARMC, on our Group's risk profile which also addresses preventive and mitigation strategies.</p>
<p>Explanation for departure</p>	<p>:</p>

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 10.3 - 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	:	Adopted
Explanation on adoption of the practice	:	

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 11.1

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 2022. 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><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

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

Practice 11.2

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 personnel are required to declare to our ARMC that they are free from any relationship or conflict of interest which would impair their objectivity or independence. Such declarations have been recorded in July 2022.</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 pages 194 to 195 of our Annual Report 2021/2022.</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 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 12.1

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 Chair of the Board, they are the contact persons for shareholder communication as disclosed in our Annual Report 2021/2022.</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 11th AGM was held virtually on 14 December 2021 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 300 shareholders and proxies representing 34.32% 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 Business Advisory Sdn Bhd, the independent moderator appointed for the 11th 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 (Tricor), prior to voting. Our Company appointed its Share Registrar as poll administrator to conduct the poll while Deloitte Business 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>:</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>:</p>	
<p>Timeframe</p>	<p>:</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 12.2

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

Application	:	Not applicable – Not a Large Company	
Explanation on application of the practice	:		
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

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

Practice 13.1

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 11th AGM held on 14 December 2021, the Notice of AGM was issued on 29 October 2021, giving our shareholders notice of 45 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 12th AGM scheduled on 1 December 2022, the Notice of the 12th AGM (which will be held via a virtual platform) was issued on 31 October 2022, giving our shareholders a notice of 30 days prior to the meeting. A letter was sent on 31 October 2022 to all shareholders notifying them that the 12th AGM, Proxy Form, Administrative Guide, Annual Report 2021/2022 and this CG Report can be downloaded from our corporate website at https://www.hibiscuspetroleum.com. A hardcopy of our Annual Report 2021/2022 will only be sent to our shareholders upon request.</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

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

Practice 13.2

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 11th AGM on 14 December 2021. Our Chair 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	:		
<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

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

Practice 13.3

Listed companies should leverage technology to facilitate–

- voting including voting in absentia; and
- remote shareholders’ participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

Application	:	Applied	
Explanation on application of the practice	:		
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

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

Practice 13.4

The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company's financial and non-financial performance as well as the company's long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application	: Applied
Explanation on application of the practice	: <p>The 11th Annual General Meeting (AGM) of the Company held on 14 December 2021 was conducted leveraging on technology, holding the AGM virtually in its entirety via Remote Participation and Voting (RPV) facilities. The virtual AGM was streamed on Tricor's website for shareholders to attend, speak (in the form of real time submission of typed texts) and vote (collectively, "participate") remotely. All our Directors were present at the 11th AGM.</p> <p>Our Chairman presided over the AGM, and together with our MD and Management had endeavour to answer various live questions posed by the shareholders and their proxies on operational, financial and governance matters during the Question-and-Answer session. The Company received 64 live questions from the shareholders and their representatives and had addressed 56 live questions during the Question-and-Answer session.</p> <p>In addition, the Company received 17 pre-submitted questions and had addressed all 17 pre-submitted questions at the AGM.</p> <p>The questions which were not answered at the AGM was responded to via publication on the Company's website at https://www.hibiscuspetroleum.com under Investor Relations' page.</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

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

Practice 13.5

The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.

Application	:	Applied
Explanation on application of the practice	:	<p>Hibiscus Petroleum hosted 11th AGM virtually on 14 December 2021 and elected to leverage on new technology to communicate with our shareholders. The virtual 11th AGM was streamed on Tricor’s website for shareholders to attend, speak (in the form of real time submission of typed texts) and vote (collectively, “participate”) remotely at the 11th AGM.</p> <p>The detailed procedures to participate the meeting remotely were provided to the shareholders in the Administrative Guide of the 11th AGM which were sent through email and/or by ordinary post and the same were also published in the Company’s website.</p> <p>At the 11th AGM, more than 300 shareholders and proxies logged in through the RPV, which represented a total of 689,633,187 shares.</p> <p>All our Board members including the MD, certain Leadership Team members including the Chief Financial Officer and the Company Secretary attended physically at the Broadcast venue whereas other Leadership Team members and the Shareholders attended the AGM virtually.</p> <p>The question and answer session was moderated by Deloitte Business Advisory Sdn Bhd, the independent moderator appointed for the AGM to ensure all relevant questions were answered.</p> <p>The independent moderator read the questions posed by the shareholders and the Board Chair and/or MD answered the questions accordingly. To ensure effective communication, each question was also displayed on the screen as and when the Chair and the MD provided their responses to the respective questions accordingly in an orderly manner.</p>

	The 11 th AGM proceeding went smoothly with the choice of RPV facilities.	
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

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

Practice 13.6

Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application	: Departure
Explanation on application of the practice	: Please provide an explanation on how the practice is being applied.
Explanation for departure	: The minutes of the 11 th AGM of the Company held on 14 December 2021 was made available on the Hibiscus Petroleum corporate website at https://ir2.chartnexus.com/hibiscuspetroleum/docs/general-meeting/HPB-11th-AGM-Minutes-final.pdf after 30 business days of the 11 th AGM. We will endeavour to make available the minutes of the 12 th AGM on our corporate website no later than 30 business days after the general meeting.
	: Please provide an alternative practice and explain how the alternative practice meets the intended outcome.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	: Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	: Choose an item.

**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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