

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 5133  
**COMPANY NAME** : PETRA ENERGY BERHAD  
**FINANCIAL YEAR** : December 31, 2021

## OUTLINE:

### **SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE**

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

### **SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PERSUANT TO 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.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Board is focused on the Group's overall governance in order to meet its Company's strategic aims. The Board relies on the reports provided by the Group Chief Executive Officer ("GCEO") who oversees the entire business and operations of the Group.</p> <p>At each Board and Board Committee Meeting, and as and when the need arises, the GCEO together with the Executive Directors (where necessary) briefed the Directors on the current operations, plans and issues encountered by the Group to keep the Board abreast on the Company's current state of affairs. This would help in formulation of the Company's overall strategies, both short-term and long-term.</p> <p>As part of the Group efforts to ensure the effective discharge of its duties, the Board has delegated specific duties and responsibilities to four (4) other Board Committees namely: -</p> <ul style="list-style-type: none"><li>i) Audit Committee ("AC")</li><li>ii) Nominating Committee ("NC")</li><li>iii) Remuneration Committee</li><li>iv) Board Risk Management Committee ("BRMC")</li></ul> <p>Each committee is to assist the Board in overseeing the Company's affairs and in deliberation of issues within their respective functions and Terms of Reference. The Chairman of each Committee will report to the Board on the deliberations and outcome of the Committee's meetings, which includes the key issues deliberated at the Committee's meetings.</p> <p>To enable the Board to discharge its responsibilities in meeting the goals and objectives of the Company during the financial year ended 31 December 2021 ("FYE 2021"), the Board had, amongst others:-</p>

	<p><b>(a) Reviewed, challenged and decided on Management's proposals and monitored the implementation by the Management</b></p> <p>Each of the other Directors is able to bring about objective judgements and advice drawing from their respective knowledge, expertise and experience, and ensured that the Management has taken into account all appropriate considerations in establishing any strategic plans and business proposals for the Company. All other Directors would follow up the implementation status of plans and business activities through the GCEO.</p>
	<p><b>(b) Promote good corporate governance culture</b></p> <p>The Board and the Management fully understand their collective duties and responsibilities in guiding the business activities of the Group in reaching an optimum balance of a sound and sustainable business operation with an optimal corporate governance framework in order to safeguard shareholders' interests.</p>
	<p><b>(c) Ensure that the strategic plan of the Company supports long-term value creation and sustainability</b></p> <p>The Board conducts a review of the Group's overall strategy. The Board ensures that the Company's strategies promote sustainability with attention given particularly to environmental, social and governance aspects of business which underpin sustainability, such as the Company's transformation plan to heighten its competitive ability through continuous research and development efforts which promote operations productivity and cost efficiency.</p> <p>Additionally, the Board would review and guide the corporate strategy, major plans of action, annual budgets and business plans, setting performance objectives, monitoring implementation and corporate performance and overseeing major capital expenditures, acquisitions and divestitures.</p>
	<p><b>(d) Supervised and assessed the Management performance</b></p> <p>The AC and Board monitored the Management performance through the reports provided by the GCEO on a regular basis:-</p> <ul style="list-style-type: none"> <li>• The Group's financial performance</li> <li>• The Group's trade receivables and collection status</li> <li>• The Group's latest business developments</li> </ul>

	<p><b>(e) Ensured there is a sound framework for internal controls and risk management</b></p> <p>The Board has established a sound risk management framework and internal control system as illustrated in the Statement on Risk Management and Internal Control of 2021 Annual Report.</p>
	<p><b>(f) Understood the principal risks surrounding the Group's business and set the risk appetite</b></p> <p>The BRMC assists the Board on reviewing the risk exposure of the Group in order to achieve its business objectives.</p> <p>On a quarterly basis, BRMC receives report on risks that had been identified and evaluated. BRMC scrutinized the reported risks and diligently deliberated them to ensure that they are being duly addressed and mitigated to an acceptable level.</p> <p>With the help of BRMC and the intimate understanding of the risks and business operations, the Board engages with the Management to ensure that business decisions undertaken are based on due considerations of the risks in perspective and a pre-determined set of risk appetite.</p>
	<p><b>(g) Ensured the integrity of the Company's financial and non-financial reporting</b></p> <p>The Board is assisted by the AC in ensuring the Group's financial reporting processes are effective and the quality of the financial reporting is of the high standard. The AC reviewed the quarterly financial reports which were presented by the Chief Financial Officer prior to the AC's recommendation to the Board for approval and announcements to Bursa Malaysia Securities Berhad.</p>
	<p><b>(h) Ensured that the Company has in place procedures to enable effective communication with stakeholders</b></p> <p>The Board is aware of commitment to enhance long-term shareholders' value through regular communication with all its stakeholders.</p> <p>The Board strives to ensure there are regular communications with all its stakeholders, regardless of individual or institutional investors, or the wider stakeholders at large, through the timely releases of quarterly financial results, circulars, press releases, corporate announcements and annual reports.</p> <p>The information of the Company is obtainable by accessing the Company's website at <a href="http://www.petraenergy.com.my">www.petraenergy.com.my</a>. Shareholders and investors are also able to access the latest corporate,</p>

	<p>financial and market information of the Company via Bursa Malaysia Berhad's website at <a href="http://www.bursamalaysia.com">www.bursamalaysia.com</a>.</p> <p>Shareholders may also communicate with the Company on investor relation matters by emailing <a href="mailto:shareholdermatters@penergy.com.my">shareholdermatters@penergy.com.my</a> or post their enquiries to the Company through the Company's web enquiry form on its website. The Company will endeavour to reply to these enquiries in the shortest possible time.</p>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

## **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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Chairman, Tan Sri Datuk Seri Panglima Sulong bin Matjeraie ("<b>Tan Sri Sulong</b>"), an Independent Non-Executive Director leads the Board and responsible for instilling good corporate governance practices, leadership and effectiveness of the Board.</p> <p>Tan Sri Sulong had, during the FYE 2021: -</p> <ul style="list-style-type: none"><li>• leading board meetings and discussions in a manner that encouraged constructive discussions and effective contribution from each Director</li><li>• provided leadership to the Board without limiting the principle of collective responsibility for the Board decisions</li><li>• reviewed the minutes of the Board meetings to ensure that the minutes accurately reflect the Board's deliberations, and matters arising from the minutes have been addressed</li><li>• led the Board in establishing and monitoring good corporate governance practices in the Company</li><li>• ensured appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole</li><li>• performing other responsibilities assigned by the Board from time to time.</li></ul>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## **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.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: The positions of the Chairman of the Board and Group Chief Executive Officer have always been held by two (2) different individuals and each has a clear accepted division of responsibilities between two (2) roles to ensure a balance of power and authority, such that no one individual has unfettered powers of decision making.  The Chairman of the Board, Tan Sri Datuk Seri Panglima Sulong bin Matjeraie, is primarily responsible for the achievement of the Group's strategic vision and also for leading the Board in its collective oversight of management, while the Group Chief Executive Officer, Dato' Anthony @ Firdauz bin Bujang, has overall responsibilities over the business operations and day-to-day management of the Group and the implementation of the Board's policies and decisions.  These division of responsibilities for the two (2) roles are set out in the Company's Board Charter.
<b>Explanation for departure</b>	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:
<b>Timeframe</b>	:

## **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

<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>	
<b>Application</b>	: Departure
<b>Explanation on application of the practice</b>	
<b>Explanation for departure</b>	<p>The Independent Non-Executive Chairman, Tan Sri Datuk Seri Panglima Sulong bin Matjeraie, is a member of the AC.</p> <p>The Board is of the opinion that the experience and qualification of Tan Sri Datuk Seri Panglima Sulong bin Matjeraie is imperative for the AC in forming opinions and deciding on recommendations to be submitted to the Board. To attenuate the potential situation of self-review, conclusion and recommendations made by the AC are largely decided by the other three (3) members of the AC. In addition, during the FYE 2021, all the five (5) AC meetings were attended by the four (4) AC members.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	: Please explain the measure(s) the company has taken or intend to take to adopt the practice.
<b>Timeframe</b>	

## **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.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>Currently, the Company is supported by two (2) suitably qualified and competent Company Secretaries namely, Ms Chua Siew Chuan and Mr. Lim Lih Chau.</p> <p>The Company Secretaries are the external Company Secretaries from Securities Services (Holdings) Sdn. Bhd. with vast knowledge and experience from being in public practice and are supported by a dedicated team of company secretarial personnel.</p> <p>The Company Secretaries support the Board and the relevant Board Committees to ensure their effective functioning in accordance with their terms of reference and best practices, and in managing the corporate governance framework of the Company. The Company Secretaries also advise the Directors on their fiduciary and statutory duties, as well as corporate disclosures and compliances with the Companies Act 2016, the Company's Constitution, the Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements ("MainLR"), the Malaysian Code on Corporate Governance, adopted policies, and other pertinent regulations governing the Company, including guiding the Board towards the necessary compliances.</p> <p>The Company Secretaries also updated the Board on changes/updates in the regulatory requirements to ensure correct procedures are adhered and the Company remains compliant with the relevant rules and regulatory requirements.</p> <p>The Company Secretaries are also acting as the official liaison party for the Company to prepare and submit statutory returns to the Companies Commission of Malaysia ("CCM"). They will ensure that the changes in the Company's statutory information of the Group are notified to the CCM in the relevant prescribed forms in a timely manner.</p> <p>The Company Secretaries are responsible in arranging meetings of Directors and shareholders. This involves the preparation of agenda, issuance of proper notices of meetings, and taking and producing minutes to record the business transacted at the meetings and the decisions taken.</p>

	<p>At least one (1) of the Company Secretaries or their qualified representative attended the Fifteenth Annual General Meeting (“<b>15<sup>th</sup> AGM</b>”) and all Board and Board committee meetings during the FYE 2021. All deliberations at the 15<sup>th</sup> AGM and all Board and Board Committee meetings were well minuted for the Board’s reference and formulation of action plans to be communicated to the Management to work on and to report back to the Board.</p> <p>During the 15<sup>th</sup> AGM, the Company Secretaries coordinated with the Management and Share Registrar or Poll Administrator to manage the processes of the meeting and ensure orderly proceedings, including the conduct of the poll taken on all resolutions tabled at the 15<sup>th</sup> AGM.</p> <p>The Company Secretaries also updated the Board on the Directors’ Resolutions in Writing passed, Directors’ dealings pursuant to Chapter 14 of the MainLR, announcements made to Bursa Securities and circulars or correspondences from Bursa Malaysia Berhad, at every scheduled Board meeting during the year, as well as the changes in the regulatory requirements.</p> <p>The Company Secretaries had and will continue to keep themselves abreast on matters concerning the company laws, the capital market, corporate governance and changes in the regulatory framework, through continuous trainings and industry updates. They have also attended relevant continuous professional development programmes as required by Malaysian Association of the Institute of Chartered Secretaries and Administrators (MAICSA) and other regulatory authorities for practicing Chartered Secretaries.</p> <p>The Board is satisfied with the performance and support rendered by the Company Secretaries in discharging their function, duties and responsibilities.</p>
<b>Explanation for departure</b>	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:
<b>Timeframe</b>	:

## **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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Notice of the Board Meeting is served to the Directors at least seven (7) days prior to the Board Meeting unless there is an exceptional case.</p> <p>During the financial year ended 31 December 2021, all meeting materials are circulated to the Directors at least three (3) days in electronic form prior to the Board Meetings, to allow ample time for Directors to consider the relevant information.</p> <p>The Management takes cognizance of the importance of providing complete and adequate information to the Directors on a timely basis to enable them to make informed decisions to discharge their duties and responsibilities. They will continue to strive in ensuring that the complete meeting materials are circulated at least five (5) business days in advance of the meetings.</p> <p>The Minutes of Board and Board Committee meetings are circulated to the respective Chairman in a timely manner for review before they are confirmed. All Board members reviewed and confirmed the minutes of meetings to ensure they accurately reflect the deliberations and decisions of the Board, including whether any Director abstained from voting or deliberation on a particular matter.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has published the latest Board Charter on the Company's website at <a href="http://www.petraenergy.com.my">www.petraenergy.com.my</a>, which was reviewed, updated and approved by the Board on 1 April 2022. The respective roles and responsibilities of the Board, Board Committees, Executive Directors/Chief Executive Officer, Independent Directors and management are clearly set out in the Board Charter as guidance and clarity to enable them to effectively discharge their duties.</p> <p>The Board Charter and Terms of Reference of the Board Committees will be reviewed as and when necessary to ensure they remain consistent with the Board's objectives and responsibilities, and reflect the latest compliance requirements as a result of changes in the regulatory framework, and remain relevant at all times.</p> <p>The Board keeps itself abreast of the responsibilities delegated to each Board Committee, and matters deliberated at each Board Committee meeting through the minutes of the Board Committee meetings and reports from the respective Board Committee chairmen, which are presented to the Board during Board meetings at the appropriate regular intervals.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### **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.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p><b>Code of Ethics</b></p> <p>The Company had adopted the Code of Ethics issued by the Companies Commission of Malaysia that are applicable to all Directors of the Group. The Code of Ethics provides guidance for proper standards of conduct with sound and prudent practices as well as standards of ethical and behaviour for director, in line with the Company's core values that emphasize on behavioural ethics when dealing with third parties and employees. Directors are expected to conduct themselves with the highest ethical standards and corporate governance.</p> <p><b>Code of Conduct</b></p> <p>The Company had also adopted the Code of Conduct, which governs the professional conduct of its employees and outlines their responsibilities to the Group in performing their duties. The various policies and guidelines within the Code of Conduct spells out the standards and ethics that all employees are expected to adhere to in the course of their work. It highlights the Group's expectations on their professional conduct, which includes good attendance, punctuality and appearance, and prohibits instances on alcohol and drug abuse as well as sexual harassment. The Code of Conduct also covers issues pertaining to employees' commitment, confidentiality, insubordination, public statements, and conflicts of interest. The Code of Conduct is designed to maintain discipline and order in the workplace among employees at all levels. It also sets out the circumstances in which such employees are deemed to have breached the Code of Conduct and the disciplinary actions that can be taken against them.</p> <p>The Code of Conduct is disseminated to employees through the Company's intranet and as part of its enforcement, employees are required, to submit their declaration to adhere to and observe its provisions.</p>

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

### **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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board had on 24 August 2021 revised its Whistleblowing Policy adopted on 21 November 2019 to facilitate whistleblowing or disclosure through established channels about instances of unethical behaviours, actual or suspected fraud, dishonesty, violations or wrongdoings without fear of retaliation should they act in good faith when reporting such concerns.</p> <p>The Policy does not apply to issues or concerns which are malicious in nature, raised from personal interest or ill will, or covered under another Company's procedure and not limited to the issue pending or determined through any tribunal or authority or the court of law, arbitration or other similar proceedings.</p> <p>Should it be determined during initial investigation that an improper or unethical act has been committed, the matter disclosed should be handled in accordance with the existing Disciplinary Procedures specified under the Company's Human Resources Policy for actions to be taken. Apart from that, the corrective actions will be taken against the persons as determined by the Board Risk Management Committee and supported by the Management, which may include disciplinary measures, formal warning or reprimand, demotion, suspension or termination of employment or services with the Company or other forms of punishment through normal Human Resource Domestic Inquiry process and procedures.</p> <p>The Whistleblower Policy is available on the Company's website at <a href="http://www.petraenergy.com.my">www.petraenergy.com.my</a> and would be reviewed by the Board as and when necessary to ensure relevance and effectiveness.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

<b>Measure</b>	:	
<b>Timeframe</b>	:	

### **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.

<b>Application</b>	: Departure
<b>Explanation on application of the practice</b>	
<b>Explanation for departure</b>	<p>The Company is in the midst of establishing a Sustainability Framework and Strategy.</p> <p>The Management is currently working on the Sustainability Framework and Strategy for the Group. The same will be presented to the Board of Directors for review and approval in due course.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	
<b>Timeframe</b>	

### **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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board believe that engagement, consultation, and seeking regular feedback are key steps in driving sustainability at the Company. The collective views, opinions and insight from the stakeholders help the Board make informed decision, while aligning the stakeholders' expectation with the Company sustainability priorities and business approach.</p> <p>Details pertaining to the engagement with the stakeholders are available in the Sustainability Report in the 2021 Annual Report.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board through the NC assesses the training programmes attended by each Director during the financial year to ensure they are kept abreast with the latest development in industry as well as the sustainability issues relevant to the Group.</p> <p>The key training programmes attended by each Director in the FYE2021 are set out in the Corporate Governance Overview Statement in the 2021 Annual Report.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### **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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board and Senior Management have carried out a number of measures targeted at mitigating the risks inherent to the operating model, based on the analysis of material aspects during the financial year including the fluidity of capital market dynamics, regulatory space and the global economic landscape, as well as issues that are important to the stakeholders.</p> <p>The summary of the key priorities and the measures taken in managing related risks and opportunities are set out in the Sustainability Report in the 2021 Annual Report.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### **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.*

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	

## **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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The NC oversees the overall composition of the Board in terms of size, mix of skills, experience and core competencies, as well as the balance between Executive Directors and Independent Non-Executive Directors.</p> <p>The effectiveness of the Board as a whole and the contribution of each Director to the effectiveness of the Board and the contribution of the Board's various committees will be assessed on an annual basis.</p> <p>In addition, the Board Charter provides that the tenure of an Independent Director is limited to nine (9) years. The Independent Director who wishes to serve the Board more than nine (9) years are subject to shareholders' approval at the Annual General Meeting through a two-tier voting process.</p> <p>The annual re-election of retiring Directors has been contingent on satisfactory evaluation of the retiring Directors' performance and contribution to the Board.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### **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.

<b>Application</b> :	Departure																
<b>Explanation on application of the practice</b> :																	
<b>Explanation for departure</b> :	<p>The Board currently comprises two (2) Independent Non-Executive Directors (“INED”), one (1) Senior INED, one (1) Non-Independent Non-Executive Director (“NINED”) and three (3) Executive Directors (“ED”), as listed below:-</p> <table border="1"> <thead> <tr> <th>Name</th> <th>Directorate</th> </tr> </thead> <tbody> <tr> <td>Tan Sri Datuk Seri Panglima Sulong bin Matjeraie</td> <td>INED</td> </tr> <tr> <td>Abdul Rahim bin Abdul Hamid</td> <td>Senior INED</td> </tr> <tr> <td>Ng Ing Peng</td> <td>INED</td> </tr> <tr> <td>Gian Carlo Maccagno</td> <td>NINED</td> </tr> <tr> <td>Dato’ Anthony @ Firdauz bin Bujang</td> <td>ED</td> </tr> <tr> <td>Dato Ahmadi bin Yusoff</td> <td>ED</td> </tr> <tr> <td>Simon Ong</td> <td>ED</td> </tr> </tbody> </table> <p>The Board comprises 42% Independent Directors. Even though it is less than half (50%), the Board views the number of its Independent Non-Executive Directors as adequate to provide the necessary check and balance to the Board’s decision-making process. All the Board members whether Independent or Non-Independent, have been conducting themselves professionally in all the meetings. The directors have demonstrated high degree of objectivity in forming their opinion during Board and Committee meetings. Further, as the Chairman of the Board who is independent, has been providing strong leadership necessary to marshal the Board’s priorities objectively.</p> <p>The Board may consider appointing more Independent Directors to the Board when the need arises in the future.</p>	Name	Directorate	Tan Sri Datuk Seri Panglima Sulong bin Matjeraie	INED	Abdul Rahim bin Abdul Hamid	Senior INED	Ng Ing Peng	INED	Gian Carlo Maccagno	NINED	Dato’ Anthony @ Firdauz bin Bujang	ED	Dato Ahmadi bin Yusoff	ED	Simon Ong	ED
Name	Directorate																
Tan Sri Datuk Seri Panglima Sulong bin Matjeraie	INED																
Abdul Rahim bin Abdul Hamid	Senior INED																
Ng Ing Peng	INED																
Gian Carlo Maccagno	NINED																
Dato’ Anthony @ Firdauz bin Bujang	ED																
Dato Ahmadi bin Yusoff	ED																
Simon Ong	ED																

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

<b>Measure</b>	:	
<b>Timeframe</b>	:	

## **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.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The tenure of an Independent Director ("ID") shall not exceed a cumulative term of nine (9) years as disclosed in the Board Charter. However, upon completion of the nine (9) years, the ID may continue to serve on the Board subject to his redesignation as Non-Independent Director. In the event the Director is to remain designated as an ID, the Board shall first justify and obtain shareholders' approval for such retention through a two-tier voting process.</p> <p>Encik Abdul Rahim bin Abdul Hamid ("Encik Rahim"), who was appointed as an ID since 13 July 2010 and has reached the cumulative period of more than nine (9) years from 13 July 2019.</p> <p>The Nominating Committee had assessed the performance and independence of Encik Rahim and is satisfied that his independence has not been impaired. The NC had recommended to the Board the retention of their directorate as ID based on the following justifications:-</p> <ul style="list-style-type: none"><li>• fulfilled the criteria under the definition of ID pursuant to Paragraph 1.01 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements;</li><li>• not been involved in any business or other relationship which could hinder the exercise of independent judgement, objectivity or his ability to act in the best interests of the Company;</li><li>• no potential conflict of interest, whether business or non-business related with the Company;</li><li>• not established or maintained any significant personal or social relationship, whether direct or indirect, with the Group Chief Executive Officer or Executive Directors, major shareholders or Management of the Company (including their family members) other than normal engagements and interactions on a professional level consistent with his duties and expected of him to carry out his duties as an ID; and</li><li>• did not accept compensation from the Group, other than compensation for board service for the FYE 2021; and</li></ul>

	The Board being satisfied with the justifications and criteria met by Enick Rahim, shall be seeking the shareholders' approval at the forthcoming Sixteenth AGM of the Company to retain Encik Rahim as an ID of the Company.
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

### **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.*

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	

### **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.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>With an objective to achieve sustainable and balanced development, the Company sees diversity at the Board and Senior Management levels as an essential element in supporting the attainment of its strategic objectives and its sustainable development.</p> <p>In any appointment, a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills and knowledge, will be considered to maintain a diversified Board and Senior Management team which will help to grow the Group and contribute to better governance within the Group.</p> <p>The NC is responsible for screening, evaluating and recommending to the Board suitable candidates for appointment as Directors and Key Senior Management members, as well as filling vacancies in the Board Committees.</p> <p>In pursuit of the Diversity Policy, the NC is mindful of its responsibilities to conduct all Board appointments through various approaches and sources in a manner that promotes diversity in the Board which can offer greater depth and breadth in Board discussions. Other factors taken into consideration include suitability for the role, Board balance and composition, the required mix of skills, the candidate's background, knowledge, integrity, competency, experience and potential contribution to the Group, and additionally, in the case of the candidate proposed for appointment as Independent Director, the candidate's independence based on the criteria stipulated in the Listing Requirements.</p>
<b>Explanation for departure</b>	

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

<b>Measure</b>	:	
<b>Timeframe</b>	:	

### **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.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The primary responsibility of screening, evaluating and nominating new Board member(s) for an appointment is delegated to the NC. The nomination process and the criteria used by the NC in the selection process for the appointment of Directors are clearly set out in the Board Charter.</p> <p>In respect of the appointment of Directors, the Company practises a clear and transparent nomination process which involves the following five (5) stages:</p> <p>Stage 1: Identification of candidates Stage 2: Evaluation of the suitability of candidates Stage 3: Shortlisting and meeting up with the candidate Stage 4: Assessment against Assessment Criteria and Guides Stage 5: Recommendation by NC Stage 6: Final deliberation by the Board and decision thereof</p> <p>The identification of candidates for the appointment of Directors is facilitated through recommendations from the Directors, Management or external parties including the Company's contacts in related industries, finance, legal and accounting professions.</p> <p>Although there was no appointment of a new Director during FYE 2021, the Board takes cognisance of the importance of utilising independent sources to identify qualified candidates as recommended by the Malaysian Code on Corporate Governance.</p>
<b>Explanation for departure</b>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	

<b>Measure</b>	:	
<b>Timeframe</b>	:	

### **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.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: The performance of retiring Directors who are recommended for re-election at the forthcoming AGM would be assessed through the Board annual evaluation (including the independence of Independent Non-Executive Director). A statement by the Board and NC satisfying the performance and effectiveness of the retiring Directors who offer themselves for re-election at the AGM will be stated in the Notice of AGM.  The profile of the Directors who are due for retirement and eligible for re-election, which includes the nature of interest with the Company, if any, are set out in the 2021 Annual Report of the Company.
<b>Explanation for departure</b>	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:
<b>Timeframe</b>	:

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The NC is chaired by Madam Ng Ing Peng, the INED of the Company.</p> <p>The profile of Madam Ng Ing Peng is set out in the Directors' Profile of the 2021 Annual Report.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	: Departure
<b>Explanation on application of the practice</b>	
<b>Explanation for departure</b>	<p>The Board currently comprises seven (7) Directors, one (1) of whom is a woman, equivalent to 14.3% female representation at the Board level.</p> <p>The Company sees diversity at the Board as an essential element in supporting the attainment of its strategic objectives and sustainable development. This includes having women on the Board. Whenever there is an opening for new Director in the future, the Board will ensure that women are sought and included among candidates to be considered for appointment.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	
<b>Timeframe</b>	

### **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.

<b>Application</b> :	Departure
<b>Explanation on application of the practice</b> :	
<b>Explanation for departure</b> :	<p>Despite the Board not having any formalised board diversity policy or gender diversity policy, the Board practices non-gender discrimination and endeavours to promote workplace diversity and supports the representation of women in the composition of Board and Senior Management positions of the Company.</p> <p>Currently, there is one (1) female Director on the Board and three (3) female members in senior management team.</p> <p>More women representation on the Board and in senior management will be taken into consideration when vacancies arise, underpinned by the overriding primary aims of selecting the best candidate to support the achievement of the Company's strategic objectives.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

## **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>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>During the FYE 2021, the Board, through the NC, has conducted the following annual assessments to determine the effectiveness of the Board, its Committees and each individual Director:-</p> <ul style="list-style-type: none"><li>(i) Directors' self-assessment;</li><li>(ii) Evaluation on the effectiveness of the Board as a whole and Board Committees;</li><li>(iii) Assessment of Independent Directors; and</li><li>(iv) Review of the term of office and performance of AC and each of its members.</li></ul> <p>The current system of assessment is as described below:-</p> <p class="list-item-l1">(a) <b>Directors' self-assessment</b></p> <p>The annual assessment of the Directors commences with the completion of a set of comprehensive assessment form detailing all assessment criteria were completed by each Director on their own performances in the FYE 2021. Such assessment form then submitted to the Company Secretaries confidentially for tabulation and table the consolidated results to the NC at meeting. Criteria for the self-assessment include ratings on their own knowledge, contribution, performance, calibre and personality.</p> <p>In overall, the NC and the Board were satisfied with the performance of the individual Directors in the FYE 2021.</p> <p class="list-item-l1">(b) <b>Evaluation on the effectiveness of the Board as a whole and Board Committees</b></p> <p>The criteria for the assessment of the performance of the Board as a whole and the Board committees cover composition, processes,</p>

	<p>accountability as well as the fulfilment of duties and responsibilities.</p> <p>Based on the evaluations conducted, the NC and the Board were satisfied with the performance of the Board as a whole as well as the Board Committees in the FYE 2021.</p> <p><b>(c) Assessment of Independent Directors</b></p> <p>The Board through the NC had also assessed the independence of the Independent Directors on the Board, taking into account the criteria based on the definition in Paragraph 1.01 of Bursa Malaysia Securities Berhad Main Market Listing Requirements in ensuring that the Independent Directors are able to contribute to the effective objective functioning of the Board. All Independent Directors had executed their respective undertaking/confirmation that they remain independent.</p> <p>In overall, the NC is satisfied that the Independent Directors have brought independence and objective judgements to the Board and have not been compromised, amongst others, by familiarity or close relationship with other Board members.</p> <p><b>(d) Review of the term of office and performance of AC and each of its members</b></p> <p>Based on the evaluation conducted, the NC and the Board were satisfied with the performance of all the AC members in the FYE 2021, and the Board has renewed the term of office of each of the Audit Committee members for another term of one (1) year.</p>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

### **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.

<b>Application</b>	: Departure
<b>Explanation on application of the practice</b>	
<b>Explanation for departure</b>	<p>The Board believes that competitive remuneration is important to attract, retain and motivate Directors with necessary calibre, expertise and experience to lead the Group in the long term. The Board had adopted 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 to determine the remuneration of Directors and senior management.</p> <p>The formalised Remuneration Policy that sets out the criteria to be used in recommending remuneration packages for the Executive Directors/Group Chief Executive Officer and any senior management personnel will be drafted in due course.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	
<b>Timeframe</b>	

### **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.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Board has a Remuneration Committee ("RC") that assists the Board in reviewing and recommending the proposed remuneration package of the Executive Directors including Directors of subsidiary companies, and senior management to ensure that the executive directors and senior management are fairly rewarded for their contribution to overall performance and that the compensation is reasonable in light of the Group's objectives, which rewards contribution to the long-term success of the Company in promoting business stability and growth.</p> <p>The RC has a detailed Terms of Reference in writing, which includes the RC's:-</p> <ul style="list-style-type: none"><li>• Objectives</li><li>• Authority</li><li>• Membership</li><li>• Meeting procedures</li></ul> <p>The RC comprises two (2) INED and one (1) Non-INED. The RC is chaired by Encik Abdul Rahim bin Abdul Hamid, who is the Senior INED.</p> <p>During the FYE 2021, the RC has undertaken the following activities based on its Terms of Reference:-</p> <ul style="list-style-type: none"><li>(i) Reviewed the payment of Directors' fees to Non-Executive Directors from the period of 21 May 2021 until Sixteenth AGM and recommended the same to the Board to recommend to the shareholders for approval;</li><li>(ii) Reviewed the benefits payable to the Directors from the period of 21 May 2021 until 16<sup>th</sup> AGM of the Company and recommended the</li></ul>

	<p>same to the Board to recommend to the shareholders for approval; and</p> <p>(iii) Deliberated on the remuneration package and service contract agreement of the Executive Director and recommended the same to the Board for approval.</p>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The details of the Directors' remuneration for the FYE 2021 for each individual Director with a breakdown into fees, salaries and bonus, benefits-in-kind and other emoluments are set out in the table below.

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	Dato' Anthony @ Firdauz bin Bujang	Executive Director	-	-	1,008,000.00	262,500.00	-	207,000.00	1,477,500.00	-	-	1,008,000.00	262,500.00	-	207,000.00	1,477,500.00
2	Dato Ahmad bin Yusoff	Executive Director	-	-	623,322.00	152,775.00	-	36,666.00	812,763.00	-	-	623,322.00	152,775.00	-	36,666.00	812,763.00
3	Simon Ong	Executive Director	-	-	623,322.00	235,273.50	-	96,666.00	955,261.50	-	-	623,322.00	235,273.50	-	96,666.00	955,261.50
4	Tan Sri Datuk Seri Panglima Sulong bin Matjeraie	Independent Director	138,000.00	11,200.00	-	-	-	-	149,200.00	138,000.00	11,200.00	-	-	-	-	149,200.00
5	Abdul Rahim bin Abdul Hamid	Independent Director	171,000.00	16,800.00	-	-	-	-	187,800.00	171,000.00	16,800.00	-	-	-	-	187,800.00
6	Gian Carlo Maccagno	Non-Executive Non-Independent Director	96,000.00	16,000.00	-	-	-	-	112,000.00	96,000.00	16,000.00	-	-	-	-	112,000.00
7	Ng Ing Peng	Independent Director	117,000.00	13,600.00	-	-	-	-	130,600.00	117,000.00	13,600.00	-	-	-	-	130,600.00
8	Input info here	Choose an item.	Input info here	Input info here	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**

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.

<b>Application</b>	: Departure												
<b>Explanation on application of the practice</b>													
<b>Explanation for departure</b>	<p>The Board is of the view that it is inappropriate to disclose the remuneration of senior management staff on a named basis, for the best interest of the Group in mind, and taking into consideration the sensitivity, security, and issue of staff morale.</p> <p>The Group has a systematic approach to periodically evaluate employees' performance. The outcome of the evaluation is linked to employees' career development plan and bonuses. While the remuneration package is a critical factor, it is not the only factor to attract and retain talent. The Group is mindful of the holistic wellbeing of employees through the #PETRACares culture initiatives which are implemented to support mental health, promote work-life flexibility, talent mobility and competency development with health, safety and environment as the cornerstone of the Group's operations. Initiatives are aligned to the Group's sustainability framework and ESG targets.</p>												
	<p>The top (5) five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.00, are as follows:</p> <table border="1"> <thead> <tr> <th>Range Remuneration per annum</th> <th>Number of Senior Management</th> </tr> </thead> <tbody> <tr> <td>RM650,001 – RM700,000</td> <td>0</td> </tr> <tr> <td>RM550,001 – RM600,000</td> <td>1</td> </tr> <tr> <td>RM500,001 – RM550,000</td> <td>1</td> </tr> <tr> <td>RM450,001 – RM500,000</td> <td>1</td> </tr> <tr> <td>RM300,001 – RM350,000</td> <td>5</td> </tr> </tbody> </table>	Range Remuneration per annum	Number of Senior Management	RM650,001 – RM700,000	0	RM550,001 – RM600,000	1	RM500,001 – RM550,000	1	RM450,001 – RM500,000	1	RM300,001 – RM350,000	5
Range Remuneration per annum	Number of Senior Management												
RM650,001 – RM700,000	0												
RM550,001 – RM600,000	1												
RM500,001 – RM550,000	1												
RM450,001 – RM500,000	1												
RM300,001 – RM350,000	5												

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

<b>Measure</b>	:	
<b>Timeframe</b>	:	

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

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The AC is chaired by Encik Rahim, the Senior INED, while the Chairman of the Board is Tan Sri Datuk Seri Panglima Sulong bin Matjeraie, also an Independent Non-Executive Director. This had ensured that the objectivity of the Board's review of the AC's findings and recommendations is not impaired.</p> <p>Encik Rahim is responsible to ensure the overall effectiveness and independence of the AC. Together with other members of the AC, he had ensured among others that—</p> <ul style="list-style-type: none"> <li>a) the AC is fully informed about significant matters related to the Company's audit and its financial statements and addresses these matters;</li> <li>b) the AC appropriately communicates its insights, views and concerns about relevant transactions and events to internal and external auditors;</li> <li>c) the AC's concerns on matters that may have an effect on the financial or audit of the company are communicated to the external auditor; and</li> <li>d) there is co-ordination between internal and external auditors.</li> </ul>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	To safeguard the independence of the Audit Committee, Terms of Reference of the AC has been revised to require former key audit partner of external auditors to observe a longer cooling-off period of at least three (3) years before being appointed as a member of the AC. This will mitigate the potential threat of a former key audit partner exerting significant influence over the audit and preparation of the Company's financial statements.  During the FYE 2021, none of the existing AC members was former key audit partners. The Board has no intention to appoint any key audit partner as a member of the AC or Board.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### **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.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>Policies and procedures have been established to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements. The AC continuously monitored and undertook an annual assessment of the suitability, objectivity and independence of the External Auditors ("EA").</p> <p>During FYE 2021, when assessing the EA for re-appointment, the AC had considered the following:-</p> <ul style="list-style-type: none"> <li>a) the competence, audit quality, experience and resource capacity of the EA in relation to the audit;</li> <li>b) the persons assigned to the audit;</li> <li>c) the audit firm's other audit engagements;</li> <li>d) ability to meet deadlines in providing services and responding to issues on a timely manner as contemplated in the audit plan;</li> <li>e) the nature and extent of the non-audit services rendered and the appropriateness of the level of fees; and</li> <li>f) EA's confirmation that they are, and have been, independent throughout the conduct of the engagement in accordance with the terms of all relevant professional and regulatory requirements.</li> </ul> <p>The AC recommended Messrs. PricewaterhouseCoopers PLT ("PwC") to be re-appointed in FYE 2021 based on PwC's:-</p> <ul style="list-style-type: none"> <li>• Active communication with the AC.</li> <li>• Presentation of a comprehensive audit plan and audit findings.</li> <li>• Provision of the necessary quality of services required.</li> <li>• Sufficient resources to carry out the audit.</li> <li>• Declaration of independence in accordance with the By-Laws of the Malaysian Institute of Accountants (on Professional Ethics, Conduct and Practice) are in order.</li> </ul> <p>The Board then noted PwC's willingness to continue in office for the ensuing year and having reviewed the justifications provided by the AC, the Board has in turn, recommended the same for shareholders' approval at the Sixteenth AGM of the Company.</p>

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

**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.

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	

### **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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The NC reviewed the term of office and performance of the AC and each of its members and had recommended that they continue in office for another term of one (1) year.</p> <p>The Board is satisfied with the AC's performance as the Chairman and its members possess the necessary knowledge, experience, expertise and skills which contributed to the overall effectiveness of the AC. All members are financially literate, have sufficient understanding of the Group's business and commercial expertise skills required to discharge their roles and responsibilities effectively. In addition, two (2) of them are members of professional accounting bodies. Please refer to the Board of Directors' Profile that shows wide-ranging experience and qualifications of the AC members.</p> <p>All members of the AC have undertaken and will continue to undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules as and when required.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
------------------	---	--	--

## **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.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Board of Directors (“Board”) is committed to maintaining sound, effective and efficient internal control system and risk management framework that provide reasonable assurance to safeguard the Group’s assets and shareholders’ interests. This includes ensuring operational effectiveness and efficiency, financial reporting reliability and compliance with applicable laws and regulations.</p> <p>The Board recognizes the limitations inherent in any risk management framework and internal control system, hence seeks to mitigate rather than eliminate risk of failure to achieve business objectives. In the pursuit of the Group’s strategies and business objectives, the risk management framework and internal control system established manage the material risks within the Group’s risk appetite. Accordingly, the systems provide reasonable and not absolute assurance against material error, misstatement or loss.</p> <p>The Board confirms that the risk management framework and internal control system have been in place during the financial year.</p> <p>Further details on the Group’s risk management and internal control are provided under the Statement on Risk Management and Internal Control in the 2021 Annual Report.</p>
<b>Explanation for departure</b>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	
<b>Timeframe</b>	

### **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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	Features of risk management and internal control framework have been disclosed in the Statement on Risk Management and Internal Control in the 2021 Annual Report.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	

### **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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Group Internal Audit Department ("GIA") is an in-house function that carries out its activities in accordance with the Internal Audit Charter which defines the scope, authority, roles and responsibilities of internal audit function. It is an independent function that reports directly to the AC and administratively to the Group Chief Executive Officer.</p> <p>In ensuring the GIA is able to function effectively and independently, the AC meets the Head of GIA and reviewed the internal audit reports on a quarterly basis. The AC also reviewed the status of corrective actions taken by the Management as reported by GIA.</p> <p>The AC's term of reference with regards to the internal audit function are stipulated in the Board Charter. The AC ensure adequacy of the scope, functions, competency and resources of the internal audit function and that it has the necessary authority to carry out its work; review and approve the internal audit plan, processes, the results of the internal audit assessment or investigation undertaken and whether or not appropriate actions are taken on the recommendations of the internal audit function.</p> <p>Please refer to the Audit Committee report of the 2021 Annual Report for the summary of works of the AC with regards to internal audit.</p> <p>During the FYE 2021, the AC had reviewed and assessed the adequacy of the scope, functions, competency and resources of the GIA in the financial year ended 31 December 2020 and that they have the necessary authority to carry out their work.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
------------------	---	--	--

## **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.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>Details of the internal audit function are disclosed in the Audit Committee Report of the 2021 Annual Report.</p> <p>GIA is headed by Mr. Foo Sek Thai who was appointed as the Head of GIA in year 2021. He has more than 20 years of experience in internal audit and risk management in diverse industries. Prior to joining PEB, he was heading internal audit and risk management of another listed group. He once served a consulting firm that provided internal audit and risk management service to listed entities. He is a member of the Malaysian Institute of Accountants and a Chartered Member of Institute of Internal Auditors Malaysia.</p> <p>One (1) manager and one (1) executive who have Bachelor Degree and Diploma respectively report directly to him.</p> <p>All members of GIA have signed a written confirmation that they comply with the code of conduct of the Group and are free from any form of conflicts of interest which could impair their objectivity.</p> <p>Based on the internal audit plan approved by the BAC, GIA performs independent assessment on the adequacy and effectiveness of the Group's system of internal control. GIA is guided by the International Professional Practice Framework (IPPF) in their works and the approach is risk based.</p>
<b>Explanation for departure</b>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	

<b>Measure</b>	:	
<b>Timeframe</b>	:	

### **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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board recognises the need for transparency and accountability to the Company's shareholders and regular communication with its shareholders, stakeholders and investors on the performance and major developments in the Company.</p> <p>The AGM is the main forum of dialogue with shareholders as it provides an opportunity for the shareholders to seek and clarify any issues pertaining to the Group and to have a better understanding of the Group's activities and performance. It is also an avenue for the Chairman and Board members to respond personally to all queries and provide clarification on issues and concerns raised by the shareholders. Both individuals and institutional shareholders are encouraged to meet and communicate with the Board at the AGM and to vote on all resolutions set out in the notice.</p> <p>Other than the forum of the AGM, the Company communicates regularly with shareholders and investors through annual reports, quarterly financial reports and various announcements made via Bursa LINK as the Board acknowledges the importance of accurate and timely dissemination of information to its shareholders, potential investors and the public in general. Shareholders and Investors can obtain the Company's latest announcements in the dedicated website of Bursa Malaysia Securities Berhad at <a href="http://www.bursamalaysia.com">www.bursamalaysia.com</a> or via the Company's website at <a href="http://www.petraenergy.com.my">www.petraenergy.com.my</a>.</p> <p>The Company's website which is accessible at <a href="http://www.petraenergy.com.my">www.petraenergy.com.my</a> provides all relevant information on the Company and is accessible by the public. It includes the announcements made by the Company and annual reports. The Board discloses to the public all material information necessary for informed investment and takes reasonable steps to ensure that all shareholders enjoy equal access to such information.</p>
<b>Explanation for departure</b>	:	

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

**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.

<b>Application</b>	:	Not applicable – Not a Large Company
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### **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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>During the FYE 2021, the Annual Report, which contains the Notice of Fifteenth AGM, was sent to shareholders at least twenty-eight (28) days prior to the date of the meeting to give sufficient time to shareholders to consider the resolutions that will be discussed and decided at the AGM. The Notice of AGM, which sets out the businesses to be transacted at the AGM, was also published in a major local newspaper.</p> <p>The notes to the Notice of AGM also provide detailed explanation for each resolution proposed to enable shareholders to make informed decisions in exercising their voting rights.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>All the Directors of the Company attended the Fifteenth AGM of the Company held on 20 May 2021.</p> <p>All the Directors of the Company will endeavour to attend all future General Meetings and the Chair of the Audit Committee, Nominating Committee, Remuneration Committee and Board Risk Management Committee to provide meaningful responses to questions addressed to them.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### **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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company organised the Fifteenth AGM by way of fully virtual basis on 20 May 2021 and hence, shareholders and proxies were able to participate and vote remotely. This facilitated greater shareholders participation at general meetings.</p> <p>The entire AGM proceedings were held through the Securities Services ePortal ("SSeP") platform. The Administrative Notes for the 15th AGM as well as the SSeP User Guide with detailed registration and voting procedures were provided to the shareholders and published on the Company's website at <a href="http://www.petraenergy.com.my/4_annual.htm/">http://www.petraenergy.com.my/4_annual.htm/</a></p> <p>In addition, a step-by-step guide together with a short audio clip on the online voting module was played prior to the commencement of poll voting.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## **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.

*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.*

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Chairman of 15th AGM ensured that sufficient opportunities were given to shareholders to raise issues relating to the affairs of the Company by providing ample time for the Question-and-Answer session during the AGM.</p> <p>The Chief Executive Director of the Company presented the overall performance of the Company for the financial year ended 31 December 2020 and the Business Continuity Management in addressing the COVID-19 pandemic to all participants of the AGM.</p> <p>The shareholders and proxy holders can rely on real time submission of typed text to exercise their rights to speak or communicate in a virtual meeting by submitting questions or remarks in relation to the agenda items into the text box given in the live stream player within the same SSeP page.</p> <p>The Directors had actively responded to relevant questions addressed to them during the 15th AGM. The Group Chief Financial Officer and representatives of external auditors also attended and participated in the 15th AGM.</p>
<b>Explanation for departure</b>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	

<b>Timeframe</b>	:		
------------------	---	--	--

## **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.*

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Board had ensured that the required infrastructures and tools were in place to enable the smooth broadcast of the Fifteenth AGM and meaningful engagement with the shareholders. The questions posed by the shareholders were answered by the Directors but the questions posed were not displayed to the participants of the Fifteenth AGM. Moving forward, the Board shall ensure that questions posed by shareholders are displayed to the meeting participants.</p> <p>The Board recognises the importance of the Fifteenth AGM which serves as an important forum for shareholders to engage with the Directors and Senior Management of the Company.</p> <p>The Board ensure the seamless experience for shareholders in participating the Fifteenth AGM virtually by engaging Securities Services (Holdings) Sdn. Bhd. as the service provider of Remote Participation and Voting facilities, namely SSeP for the Fifteenth AGM.</p> <p>After the comparison of numerous vendors on the meeting platform based on the complexity (i.e. whether the meeting platform is user friendly to shareholders and directors etc.), stability and cost of the meeting platform, the Company decided to opt for SSeP, which was the same meeting platform used for the Fourteenth AGM held on 21 August 2020.</p> <p>The shareholders and proxy holders can rely on real time submission of typed text to exercise their rights to speak or communicate in a virtual meeting by submitting questions or remarks in relation to the agenda items into the text box given in the live stream player within the same SSeP page.</p>

	The Executive Director/Chief Operating Officer of the Company had actively responded to all questions by reading out and answering the questions at the Fifteenth AGM.
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

### **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.

*Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.*

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The Minutes of the Fifteenth AGM, which includes the questions raised by shareholders together with the responses by the Company and outcome of the voting results, was made available to the shareholders within thirty (30) business days after the Fifteenth AGM at the Company's website at <a href="http://www.petraenergy.com.my/4_IR-update.htm">http://www.petraenergy.com.my/4_IR-update.htm</a>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## **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.*

Click or tap here to enter text.

