Corporate Governance at PETRONAS

Board Governance and Structure

PETRONAS has resolutely demonstrated a progressive and resilient performance despite the challenging global business environment. The COVID-19 pandemic has caused a significant economic contraction, putting corporate governance practices of organisations worldwide to the test. PETRONAS, has remained resilient in its commitment to apply the best corporate governance principles across the Group.

Corporate governance plays a crucial role in promoting sustainability by providing the necessary framework for accountability, transparency and structure within the Group. In building a sustainable business, the Board is fully aware of its responsibility towards its shareholders and stakeholders. The Board firmly upholds effective leadership and unwavering ethical standards by providing the framework which serves as a basis for sustainable decision-making.

PETRONAS is led by a Board whose Directors are collectively responsible for creating and delivering long-term sustainable value for the business. A key responsibility of the Board is to balance the interests of the Group and our stakeholders including employees and the wider communities we serve. Our governance structure ensures role clarity by clearly delineating roles and areas of accountability and recognises the independent roles and duties required to effectively govern the Company. The governance structure aims to promote strategic alignment across the Group whilst facilitating efficient decision-making at all levels.

GOVERNANCE STRUCTURE

The governance structure illustrates the oversight role of the Board and the various components of governance which facilitate the interaction and flow between the Board and the Management. The table below describes the Group's governance structure, an overview of the key committees of the Board and Management.



President and Group Chief Executive Officer

Executive Leadership Team (ELT)

The ELT was established to assist the President and GCEO in managing the business affairs of the Company and is responsible for providing a holistic approach to all business strategies as well as high impact and high value investments including mergers and acquisitions. The ELT discusses specific matters which include HSSE, technology and people development.