

## Corporate Governance at PETRONAS

The AC together with the external auditors reviewed the results of the statutory audit and the audit report. The AC also reviewed the proposed fees for the statutory audits and limited review fees for PETRONAS and selected subsidiaries.

### Nomination and Remuneration Committee

- Dato' Razali Mohd Yusof – Chairman
- Ainul Azhar Ainul Jamal
- Tan Sri Zaharah Ibrahim

The NRC carries duties and responsibilities in relation to nomination and remuneration matters with strict adherence to the principles of good corporate governance.

The NRC is responsible in assisting the Board in ensuring that the Board and Board Committees retain an appropriate structure, size, balance of skills and experience, as well as independence and diversity required to meet PETRONAS' strategic objectives. The NRC is also responsible to review, prior to the Board's approval, the appointments and succession planning of PETRONAS' Top Management.

The NRC discharges its responsibilities through its scheduled meetings during the year in accordance with its fixed agenda which covers the matters under the purview of the NRC. The NRC met seven times in 2022.

*[For more information about the NRC's attendance, please refer to page 280]*

### Key Matters in 2022

- The NRC reviewed and made recommendations to the Board on the status of independence of the NEDs of PETRONAS in line with the requirements of the PETRONAS Independent Directors Guidelines on the annual review of independence of the NEDs.
- The NRC reviewed PETRONAS' Top Management appointments, contract renewals and contract cessations, as well as succession planning and development opportunities.

- The NRC also reviewed and endorsed the establishment of the 2022 President and Group CEO's Performance Measurement to balance between Perform and Transform objectives with emphasis on enterprise outcomes to promote desired behaviours.
- The NRC reviewed and endorsed the policy to retain the tenure of independent director at nine years for PETRONAS and its Group of Companies.
- The NRC reviewed and endorsed the Fit and Proper policy for PETRONAS and its Listed Companies as guided by Paragraph 15.01A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and aligned with Bursa Malaysia Berhad's Corporate Governance Guide (4<sup>th</sup> Edition).
- The NRC reviewed and endorsed the Principles of Directors' Remuneration for the PETRONAS Group to ensure PETRONAS is able to attract the talent with the standards adopted by other International Oil Companies, Multinational Companies and National Oil Companies.
- The NRC reviewed and endorsed the roles of Chief Operating Officer for the PETRONAS high-level organisation structure.

### Risk Committee

- Thayaparan S. Sangarapillai - Chairman
- Dato Hj. Ibrahim Hj. Baki
- Dato' Razali Mohd Yusof
- Zakiah Jaafar (Resigned w.e.f. 22.4.2022)

The RC supports the Board in reviewing principal risks and oversees the adequacy and effectiveness of the risk assessment and risk management system for the PETRONAS Group. The Committee also deliberates on risk mitigation strategies and measures, reviews investment proposals that are significant from the risk perspective as well as monitors the activities on integrity-related initiatives for the PETRONAS Group.