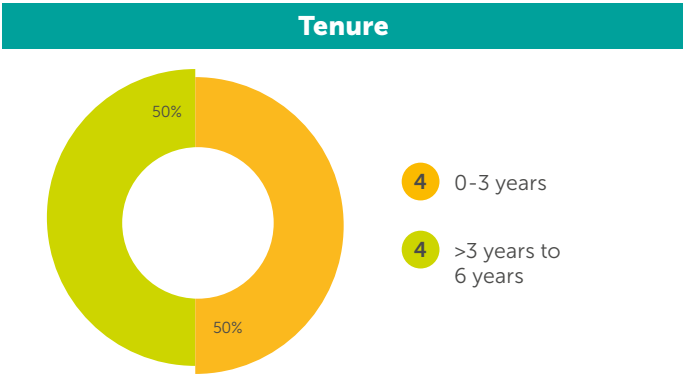
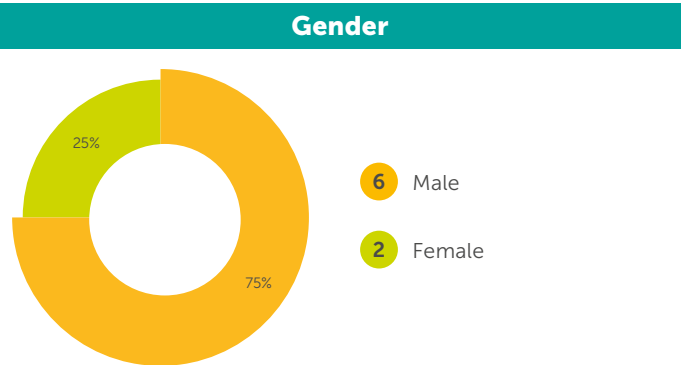
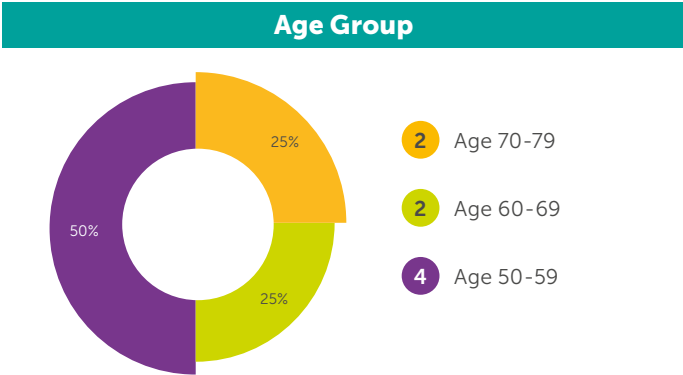
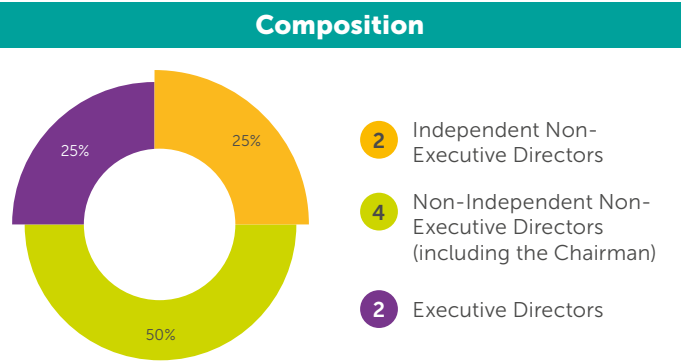


# Board Composition



Board Skills and Expertise								
Oil and Gas								1
Public Sector								3
Property								3
Consultancy								2
Finance/Audit								5
Economics								3
Commercial/Marketing								4
Legal								2
Strategy								5

**Note:**  
A Director may have more than one experience and skill.  
All information is as at 28 February 2024.

# Profile of Board of Directors

As at 28 February 2024



**Age and Gender**  
69 Years/Male

**Nationality**  
Malaysian

**Date of Appointment**  
18 June 2019

**Tan Sri Dato' Seri Mohd Bakke Salleh**

Non-Independent Non-Executive Director/Chairman

## Academic/Professional Qualifications:

- Fellow of the Institute of Chartered Accountants in England and Wales (ICAEW)
- Member of the Malaysian Institute of Accountants (MIA)
- Bachelor of Science (Economics), London School of Economics, United Kingdom

## Past Appointments/Experiences:

Held key positions in a number of Government-linked companies and local corporations:

- Chairman, Telekom Malaysia Berhad
- Chairman, Federal Land Development Authority (FELDA)
- Group President and Chief Executive Officer, FELDA Global Ventures Holdings Berhad
- Group Managing Director, FELDA Holdings Berhad
- Chairman, Yayasan FELDA
- Executive Deputy Chairman and Managing Director, Sime Darby Plantation Berhad
- President and Group Chief Executive, Sime Darby Berhad
- Council Member of Yayasan Sime Darby
- Chairman, Malaysian Palm Oil Board (MPOB)
- Chairman, Bank Islam Malaysia Berhad
- Non-Executive Director, Eastern and Oriental Berhad
- Group Managing Director and Chief Executive Officer, Lembaga Tabung Haji
- Director, Property Division of Pengurusan Danaharta Nasional Berhad
- Managing Director, Syarikat Perumahan Pegawai Kerajaan Sdn Berhad (SPPK)
- Group General Manager, Island and Peninsular Berhad
- Pro Chancellor of Universiti Putra Malaysia

## Other Current Appointments:

- Chairman, Yayasan PETRONAS
- Honorary Council Member, Malaysian Palm Oil Association (MPOA)



**Age and Gender**  
50 Years/Male

**Nationality**  
Malaysian

**Date of Appointment**  
15 October 2018

**Tan Sri Tengku Muhammad Taufik**

Executive Director, President and Group Chief Executive Officer

## Academic/Professional Qualifications:

- Fellow of the Institute of Chartered Accountants in England and Wales (ICAEW)
- Member of the Malaysian Institute of Accountants (MIA)
- Bachelor of Arts (Honours) (Finance and Accounting), University of Strathclyde, Glasgow, Scotland

## Past Appointments/Experiences:

- Joined PETRONAS in 2000
- Has more than 23 years of experience in the oil and gas industry
- Areas of expertise include developing and steering key business strategies, organisational transformation, and finance and risk management
- Experienced in strategic planning, finance, and business strategy development with a focus on the oil and gas and energy industry
- Advocate of a just and responsible energy transition by promoting regional partnership in shaping policy, innovation and technology
- Other key positions previously held:
  - Executive Vice President and Group Chief Financial Officer, PETRONAS
  - Partner at PricewaterhouseCoopers (PwC) Malaysia
  - Chief Financial Officer for two public listed companies

## Other Current Appointments:

- Chairman, Audit Committee for East Coast Economic Region Development Council (ECERDC) and Northern Corridor Implementation Authority (NCIA)
- Chairman, Gentari Sdn Bhd
- Chairman, Malaysia-United Arab Emirates Business Council (MUBC)
- Chairman, National Trust Fund
- Exco Member, the World Business Council for Sustainability Development (WBCSD)
- Member, World Economic Forum (WEF) Industry Action Group and WEF Oil and Gas Governors Forum
- Co-Chairperson, the WEF ASEAN Leaders for Just Energy Transition Community
- Council Member, ECERDC and NCIA
- Member, Board of Trustees of the Merdeka Award Trust
- Director, PETRONAS Carigali Sdn Bhd
- Pro-Chancellor of Universiti Teknologi PETRONAS (UTP)

## Profile of Board of Directors

As at 28 February 2024



**Age and Gender**  
50 Years/Male

**Nationality**  
Malaysian

**Date of Appointment**  
1 April 2023

**AC** **RC**

**Datuk Johan Mahmood @ Johan Mahmood Merican**  
Non-Independent Non-Executive Director

### Academic/Professional Qualifications:

- Associate of the Institute of Chartered Accountants in England and Wales (ICAEW)
- Bachelor of Economics, University of Cambridge

### Past Appointments/Experiences:

- His extensive public sector experience over 20 years in areas that include policy development, economics, and human capital. Held various key positions including:
  - Deputy Secretary General (Policy) of the Ministry of Finance (MOF)
  - Director of the National Budget Office, MOF
  - Deputy Director General (Human Capital), Economic Planning Unit
  - Chief Executive Officer, TalentCorp
  - Chairman of MySALAM
- Private sector experience included accountancy and corporate finance roles in PwC, Sime Darby and MRCB

### Other Current Appointments:

- Member of Audit Committee, PETRONAS
- Member of Risk Committee, PETRONAS
- Secretary General of Treasury, MOF



**Age and Gender**  
65 Years/Male

**Nationality**  
Malaysian

**Date of Appointment**  
17 August 2020

**RC**

**Dato Haji Ibrahim Haji Baki**  
Non-Independent Non-Executive Director

### Academic/Professional Qualifications:

- A Barrister-at-Law and a member of Lincoln's Inn
- Honours Degree in Law



### Past Appointments/Experiences:

- Served as City Councillor and active in social welfare and charitable organisations
- Former Executive Chairman/Shareholders of Hubline Berhad
- Director/Shareholder of Gagasan Abadi Properties Sdn Bhd
- Chairman/Shareholder of Warisan Kenyalang Sdn Bhd
- Chairman/Shareholder of IBZ Corporation Sdn Bhd
- Chairman of Layang-Layang Aerospace Sdn Bhd
- Managing Director of Gagasan Sdn Bhd
- Commission members of Registrar of Companies Malaysia (SSM)
- Chairman, Daya Builders Sdn Bhd Government Linked Company

### Other Current Appointments:

- Chairman of Risk Committee, PETRONAS
- Chairman/Shareholder, Supreme Consolidated Resources Berhad
- Chairman, Redpyne Sdn Bhd
- Chairman/Shareholder, IBA Holdings Sdn Bhd
- Chairman, Lestari Asiabina Sdn Bhd
- Chairman/Shareholder of two newspapers, the New Sarawak Tribune and Suara Sarawak

### Board Committee:

-  Chairman of Committee
-  Member of Committee

**AC** Audit Committee

**RC** Risk Committee

**NRC** Nomination and Remuneration Committee



**Age and Gender**  
73 Years/Male

**Nationality**  
Malaysian

**Date of Appointment**  
19 January 2022

**AC** **NRC**

**Datuk KY Mustafa**  
Non-Independent Non-Executive Director

#### Academic/Professional Qualifications:

- Bachelor of Arts in Anthropology and Sociology, University Malaya

#### Past Appointments/Experiences:

- Served the Sabah State Government for 33 years from 1974 to the year 2007
- Permanent Secretary to the Ministry of Infrastructure in 1996
- State Secretary to the State Government of Sabah in 2000 and held the position until his retirement in 2007
- Head of the State Public Service and Secretary to the State Cabinet
- Member of the Royal Commission of Inquiry on Immigrants in Sabah from 2012 to May 2014

#### Other Current Appointments:

- Member of Audit Committee, PETRONAS
- Member of Nomination and Remuneration Committee, PETRONAS
- Director, Berjaya Land Berhad
- Director, Suria Capital Holdings Berhad
- Director, Sabah Ports Sdn Bhd



**Age and Gender**  
71 Years/Female

**Nationality**  
Malaysian

**Date of Appointment**  
17 August 2020

**NRC** **AC**

**Tan Sri Zaharah Ibrahim**  
Independent Non-Executive Director

#### Academic/Professional Qualifications:

- Bachelor of Laws (Honours) (LL.B), University Malaya

#### Past Appointments/Experiences:

- Held key positions in the Judicial and Legal Services and the Judiciary in Malaysia:
  - Chief Judge of Malaya
  - Federal Court Judge, Federal Court, Putrajaya
  - Court of Appeal Judge, Court of Appeal, Putrajaya
  - High Court Judge, High Court of Malaya (Shah Alam and Kuala Lumpur)
  - Judicial Commissioner, High Court of Malaya (Kuala Lumpur and Shah Alam)
  - Parliamentary Draftsman, Attorney General's Chambers of Malaysia
  - State Legal Advisor, Selangor
  - Director, Intellectual Property Division, Ministry of Domestic Trade and Consumer Affairs
  - Magistrate, Melaka
- Chairman, Prasarana Malaysia Berhad

#### Other Current Appointments:

- Chairman of Nomination and Remuneration Committee, PETRONAS
- Member of Audit Committee, PETRONAS
- Pro-Chancellor of Universiti Teknologi PETRONAS (UTP)
- Chairman, National Islamic Legislation Committee

#### Board Committee:

- Chairman of Committee**
- Member of Committee**

**AC** Audit Committee

**RC** Risk Committee

**NRC** Nomination and Remuneration Committee

## Profile of Board of Directors

As at 28 February 2024



**Age and Gender**  
53 Years/Male

**Nationality**  
Malaysian

**Date of Appointment**  
15 November 2023

**AC** **RC** **NRC**

**Azizan Zakaria**  
Independent Non-Executive Director

### Academic/Professional Qualifications:

- Fellow of the Chartered Association of Certified Accountants (FCCA)
- Member of the Malaysian Institute of Accountants (MIA)
- Bachelor of Science (BSc Hons) in Accounting, University of Wales, Cardiff, United Kingdom

### Past Appointments/Experiences:

- Served as a Senior Partner of PricewaterhouseCoopers (PwC) Malaysia with over 26 years of experience in providing audit and business advisory services in Malaysia and United Kingdom
- His expertise spans across various areas, such as leading financial due diligences, forensic audits, internal audits, advisory, consulting services, reporting accountants and review engagements
- A Member of PwC Malaysia's Country Management Team as People Leader
- Led PwC Malaysia's Southern Region practice
- Chairman of the Audit and Risk Committee of SilTerra Sdn Bhd
- Member of ACCA Malaysia Advisory Committee
- Member of the Malaysian Accounting Standards Board (MASB)'s working Group on improvement projects

### Other Current Appointments:

- Chairman of Audit Committee, PETRONAS
- Member of Risk Committee, PETRONAS
- Member of Nomination and Remuneration Committee, PETRONAS
- Director, TNB Power Generation Sdn Bhd
- Director, IUM Holdings Sdn Bhd
- Chairman, IUM Schools Sdn Bhd



**Age and Gender**  
53 Years/Female

**Nationality**  
Malaysian

**Date of Appointment**  
1 June 2021

**Liza Mustapha**  
Executive Director, Executive Vice President and Group Chief Financial Officer

### Academic/Professional Qualifications:

- Fellow of the Association of Chartered Certified Accountants (FCCA)
- Advance Management Program at Harvard Business School, USA
- Member of the Malaysian Institute of Accountants
- Bachelor of Science Degree in Economics, majoring in Accounting and Finance from The London School of Economics and Political Science, University of London

### Past Appointments/Experiences:

- Vice President, Group Procurement, Project Delivery and Technology, PETRONAS
- Group Financial Controller, PETRONAS
- Chief Financial Officer, Upstream Business, PETRONAS
- Senior General Manager, Group Treasury, PETRONAS
- Chief Financial Officer, PETRONAS Gas Berhad
- Chairman, ENERGAS Insurance (L) Ltd

### Other Current Appointments:

- Director, MISC Berhad
- Director, KLCC Property Holdings Berhad
- Director, KLCC REIT Management Sdn Bhd
- Director, KLCC (Holdings) Sdn Bhd
- Director, PETRONAS Carigali Sdn Bhd
- Director, PETRONAS International Corporation Ltd
- Director, Gentari Sdn Bhd
- Director, PETRONAS (E&P) Overseas Ventures Sdn Bhd
- Treasurer, Malaysian Petroleum Club

### Board Committee:

- Chairman of Committee**
- Member of Committee**

**AC** Audit Committee

**RC** Risk Committee

**NRC** Nomination and Remuneration Committee



# Profile of Company Secretaries

As of 28 February 2024



**Azizi Md Ali**

Company Secretary, PETRONAS



**Age:** 55 **Gender:** Male



**Nationality:** Malaysian



**Date of Appointment:** 17 January 2024

## Academic/Professional Qualifications

- Master of Laws, National University of Malaysia
- Bachelor of Laws (Honours), University of Malaya
- Licensed Company Secretary

## Past Appointments/Experiences

- Joined PETRONAS in 1995 and has about 29 years of extensive experience in legal, corporate governance and company secretarial matters
- Previously served as the Company Secretary of Trans-Thai Malaysia, PICL (Egypt), PETRONAS Penapisan Terengganu, Aromatics (Malaysia), MITCO International Trading, E&P Operations and Maintenance, E&P Malaysia Venture and Vestigo
- General Counsel, Legal Upstream Malaysia
- General Counsel, LNG Business
- Senior General Counsel, Legal Upstream
- Chief Compliance Officer, Legal Compliance and Finance, PETRONAS

## Other Current Appointments

- Head, Group Secretarial and Board Governance, PETRONAS
- Director, Malaysian Jet Services Sdn Bhd

## Academic/Professional Qualifications

- Master of Laws in Legal Aspects of Marine Affairs, University of Wales, Cardiff, United Kingdom
- Bachelor of Laws (Honours), University of Wales, Cardiff, United Kingdom
- Licensed Company Secretary

## Past Appointments/Experiences

- Joined PETRONAS in 1996
- Has more than 25 years of experience in the fields of legal, company secretarial and corporate governance
- Previously served as Head of Legal and Company Secretary of PETRONAS Dagangan Berhad
- Other portfolios held include Head of Legal for the MLNG Group of Companies, Legal Counsel for PETRONAS Gas Berhad and Head of Gas Management in Legal Upstream, Group Legal

## Other Current Appointments

- Head, Secretarial and Governance, Group Secretarial and Board Governance
- Secretary, PETRONAS Executive Leadership Team



**Nur Ashikin Khalid**

Company Secretary, PETRONAS



**Age:** 51 **Gender:** Female



**Nationality:** Malaysian



**Date of Appointment:** 28 October 2021

# Profile of Executive Leadership Team

As of 28 February 2024



**Tan Sri Tengku Muhammad Taufik**

President and Group Chief Executive Officer



**Age:** 50 **Gender:** Male



**Nationality:** Malaysian



**Date of appointment as President and Group Chief Executive Officer:** 1 July 2020  
**Date of appointment as Executive Leadership Team:** 15 October 2018

## Academic/Professional Qualifications:

- Fellow of the Institute of Chartered Accountants in England and Wales (ICAEW)
- Member of the Malaysian Institute of Accountants (MIA)
- Bachelor of Arts (Honours) (Finance and Accounting), University of Strathclyde, Glasgow, Scotland

## Past Appointments/Experiences:

- Joined PETRONAS in 2000
- Has more than 23 years of experience in the oil and gas industry
- Areas of expertise include developing and steering key business strategies, organizational transformation, and finance and risk management
- Experienced in strategic planning, finance, and business strategy development with a focus on the oil and gas and energy industry
- Advocate of a just and responsible energy transition by promoting regional partnership in shaping policy, innovation and technology
- Other key positions previously held:
  - Executive Vice President and Group Chief Financial Officer, PETRONAS
  - Partner at PricewaterhouseCoopers (PwC) Malaysia
  - Chief Financial Officer for two public listed companies

## Other Current Appointments:

- Chairman, Audit Committee for East Coast Economic Region Development Council (ECERDC) and Northern Corridor Implementation Authority (NCIA)
- Chairman, Gentari Sdn Bhd
- Chairman, Malaysia-United Arab Emirates Business Council (MUBC)
- Chairman, National Trust Fund
- Exco Member, the World Business Council for Sustainability Development (WBCSD)
- Member, World Economic Forum (WEF) Industry Action Group and WEF Oil and Gas Governors Forum
- Co-Chairperson, the WEF ASEAN Leaders for Just Energy Transition Community
- Council Member, ECERDC and NCIA
- Member, Board of Trustees of the Merdeka Award Trust
- Director, PETRONAS Carigali Sdn Bhd
- Pro-Chancellor of Universiti Teknologi PETRONAS (UTP)

## Academic/Professional Qualifications:

- Bachelor of Science in Chemical Engineering, University of Leeds, United Kingdom

## Past Appointments/Experiences:

- Joined PETRONAS in 1984
- Has more than 39 years of experience in the oil and gas industry
- Other key positions previously held within the Group:
  - Executive Vice President and Chief Executive Officer, Gas and New Energy Business
  - Senior Vice President, Project Delivery and Technology
  - Vice President, LNG Assets
  - Vice President, Global LNG Projects

## Other Current Appointments:

- Chairman, PETRONAS Gas Berhad
- Chairman, Malaysia LNG Sdn Bhd
- Chairman, Malaysia LNG Dua Sdn Bhd
- Chairman, Malaysia LNG Tiga Sdn Bhd
- Chairman, Malaysia LNG 9 Sdn Bhd
- Chairman, PETRONAS LNG Sdn Bhd
- Chairman, PETRONAS Canada LNG Limited
- Chairman, PETRONAS Refinery and Petrochemical Sdn Bhd
- Director, PETRONAS Carigali Sdn Bhd
- Director, PETRONAS (E&P) Overseas Ventures Sdn Bhd



**Adnan Zainol Abidin**

Chief Operating Officer and Executive Vice President and Chief Executive Officer, Gas



**Age:** 62 **Gender:** Male



**Nationality:** Malaysian



**Date of appointment as Chief Operating Officer:** 1 February 2022

**Date of appointment as EVP & CEO, Gas:** 1 April 2019



**Liza Mustapha**

Executive Vice President and  
Group Chief Financial Officer



**Age:** 53 **Gender:** Female



**Nationality:** Malaysian



**Date of Appointment:** 1 June 2021

**Academic/Professional Qualifications:**

- Fellow of the Association of Chartered Certified Accountants (FCCA)
- Advance Management Program at Harvard Business School, USA
- Member of the Malaysian Institute of Accountants
- Bachelor of Science Degree in Economics, majoring in Accounting and Finance from The London School of Economics and Political Science, University of London

**Past Appointments/Experiences:**

- Vice President, Group Procurement, Project Delivery and Technology, PETRONAS
- Group Financial Controller, PETRONAS
- Chief Financial Officer, Upstream Business, PETRONAS
- Senior General Manager, Group Treasury, PETRONAS
- Chief Financial Officer, PETRONAS Gas Berhad
- Chairman, ENERGAS Insurance (L) Ltd

**Other Current Appointments:**

- Director, MISC Berhad
- Director, KLCC Property Holdings Berhad
- Director, KLCC REIT Management Sdn Bhd
- Director, KLCC (Holdings) Sdn Bhd
- Director, PETRONAS Carigali Sdn Bhd
- Director, PETRONAS International Corporation Ltd
- Director, Gentari Sdn Bhd
- Director, PETRONAS (E&P) Overseas Ventures Sdn Bhd
- Treasurer, Malaysian Petroleum Club

**Academic/Professional Qualifications:**

- Bachelor of Science (Honours) in Petroleum Engineering, Colorado School of Mines
- Master of Business Administration, Kellogg School of Management, Northwestern University

**Past Appointments/Experiences:**

- Joined PETRONAS in 1993
- Has almost 32 years of experience in the oil and gas industry in the fields of petroleum engineering, operations, strategic planning, corporate transformation, petroleum economics, mergers and acquisitions and business development.
- Other key positions previously held within the Group:
  - Chairman, PETRONAS Gas Berhad
  - Chairman, PETRONAS Research Fund
  - Executive Vice President, Gas and New Energy
  - Senior Vice President, Development and Production Upstream Business
  - Senior Vice President, Corporate Strategy
  - Vice President, Malaysia Petroleum Management
  - Head, Strategy and New Ventures Division in Exploration and Production Business

**Other Current Appointments:**

- Chairman, PETRONAS Energy Canada Ltd
- Chairman, PETRONAS CCS Ventures Sdn Bhd
- Director, PETRONAS Carigali Sdn Bhd
- Director, PETRONAS (E&P) Overseas Ventures Sdn Bhd (PEPOV)
- Trustee of the Abandonment Cess Fund
- Chairman of the Society of Petroleum Engineers, Asia Pacific Advisory Council
- Member, International Petroleum Technology Conference Board of Directors
- Chairman of the Advisory Committee of the Offshore Technology Conference Asia (Kuala Lumpur) 2024



**Datuk Adif Zulkifli**

Executive Vice President and Chief Executive Officer,  
Upstream



**Age:** 53 **Gender:** Male



**Nationality:** Malaysian



**Date of Appointment:** 1 April 2019



## Profile of Executive Leadership Team

As of 28 February 2024



### Datuk Sazali Hamzah

Executive Vice President and Chief Executive Officer, Downstream



**Age:** 57 **Gender:** Male



**Nationality:** Malaysian



**Date of appointment:** 1 January 2022

### Academic/Professional Qualifications:

- Chartered Fellow of the Institution of Chemical Engineers (IChemE)
- Bachelor of Chemicals Engineering, Lamar University, United States of America
- Advanced Management Programme, The Wharton School, University of Pennsylvania, United States of America
- Senior Management Programme, London Business School, London, United Kingdom

### Past Appointments/Experiences:

- Joined PETRONAS in 1990
- Has 34 years of experience in the oil and gas industry in the fields of petroleum refining, petrochemicals, technical and engineering services and project delivery.
- Other key positions previously held within the Group:
  - Senior Vice President and Managing Director/Chief Executive Officer of PETRONAS Chemicals Group Berhad
  - Managing Director/Chief Executive Officer of Malaysia Refining Company Sdn Bhd
  - Managing Director/Chief Executive Officer of PETRONAS Technical Sdn Bhd
  - Head of Group Project Management and Delivery, PETRONAS
  - Head of PETRONAS Group Technical Services
  - Various senior management positions in the refinery and petrochemical business within PETRONAS

### Other Current Appointments:

- Chairman, Pengerang Refining Company Sdn Bhd
- Chairman, Pengerang Petrochemical Company Sdn Bhd
- Chairman, PETRONAS Marketing International Sdn Bhd
- Director, PETRONAS Dagangan Berhad
- Director, PETRONAS Chemicals Group Berhad
- Director, PETRONAS Carigali Sdn Bhd
- Director, PETRONAS International Corporation Ltd
- Member of the International Advisory Panel for C-THRU Research Project

### Academic/Professional Qualifications:

- Bachelor of Chemical Engineering from Cockrell School of Engineering, University of Texas, Austin, USA
- Senior Management Development Program, INSEAD, Singapore
- Advanced Management Program, AMP 65, The Wharton School, University of Pennsylvania

### Past Appointments/Experiences:

- Joined PETRONAS in 1992
- Has more than 33 years of experience in the oil and gas industry
- Other key positions previously held within the Group:
  - VP Malaysia Assets, Upstream
  - VP International Assets, Upstream
  - SGM, Petroleum Operations Management, Malaysia Petroleum Management, Upstream
  - Head, Special Projects, Corporate Strategic Planning
  - President, Sudd Petroleum Operating Company (SPOC)
  - President, White Nile Petroleum Operating Company (WNPOC)
  - General Manager, Exploration and Production, Greater Nile Petroleum Operating Company (GNPOC)
  - General Manager, PETRONAS Carigali Sdn Bhd – Sarawak Operations

### Other Current Appointments:

- Chairman, PETRONAS Research Sdn Bhd.
- Chairman, Institute of Technology PETRONAS Sdn Bhd
- Director, PETRONAS LNG 9 Sdn Bhd
- Director, UTP FutureTech Sdn Bhd
- Board of Trustees, Dana Asy-Syakirin
- Board of Trustees, Petroleum Research Fund



### Datuk Ir. Bacho Pilong @ Pelu

Senior Vice President, Malaysia Petroleum Management



**Age:** 59 **Gender:** Male



**Nationality:** Malaysian



**Date of appointment:** 1 February 2024



**Marina Bt Md Taib**

Senior Vice President, Corporate Strategy



**Age:** 51 **Gender:** Female



**Nationality:** Malaysian



**Date of Appointment:** 1 January 2024

#### Academic/Professional Qualifications:

- Bachelor's Degree in Accountancy, University of Exeter, United Kingdom
- Master's Degree in Petroleum Business Management, University of Adelaide, Australia
- Fellow of the Institute of Chartered Accountants in England and Wales (ICAEW)
- Advanced Management Program, Harvard Business School, United States of America

#### Past Appointments/Experiences:

- Joined PETRONAS in 1999
- Has almost 25 years of experience in the PETRONAS in the fields of Finance, Upstream and Corporate Planning
- Other key positions previously held within the Group:
  - Head, Strategic Planning, Petroleum Management Unit
  - Country Manager, Brunei
  - Senior General Manager, Corporate Strategic Planning
  - Vice President, Treasury

#### Other Current Appointments:

- Director, PETRONAS Gas Berhad
- Director, PETRONAS Refinery and Petrochemical Corporation Sdn Bhd (PRPC)
- Director, Primesourcing International Sdn Bhd
- Board of Trustees, Petroleum Research Fund
- PETRONAS International Corporation Ltd (PICL)
- PETRONAS Carigali Sdn Bhd
- PETRONAS (E&P) Overseas Ventures Sdn Bhd ("PEPOV")

#### Academic/Professional Qualifications:

- Bachelor of Science in Chemical Engineering, Oklahoma State University, USA.
- Advanced Management Programme, The Wharton School, University of Pennsylvania, USA.
- Registered Professional Engineer (PE), Board of Engineers Malaysia.
- Fellow of Institution of Chemical Engineers (IChemE).

#### Past Appointments/Experiences:

- Joined PETRONAS in 1989.
- Has 34 years of experience in the oil and gas industry in the fields of refining, chemicals, marketing and sales.
- Other key positions previously held within the Group:
  - Senior Vice President and Managing Director/Chief Executive Officer of PETRONAS Chemicals Group Berhad, (PCG).
  - Vice President (Refining and Trading) of PETRONAS.
  - Head of Manufacturing, PCG.
  - CEO of PETRONAS Chemicals Olefins, Glycols, and Derivatives (PC OGD).

#### Other Current Appointments:

- Board of Trustees, Dana Asy-Syakirin.
- Board of Trustees, Petroleum Research Fund.
- Director, Pengerang Refining Company Sdn Bhd.
- Director, Pengerang Petrochemical Company Sdn Bhd.
- Director, UTP FutureTech Sdn Bhd.
- Director, PETRONAS Research Sdn Bhd (PRSB).
- Director, ENGEN Limited.
- Director, PETRONAS Technical Services Sdn Bhd



**Ir. Mohd Yusri Bin Mohamed Yusof**

Senior Vice President, Project Delivery and Technology



**Age:** 58 **Gender:** Male



**Nationality:** Malaysian



**Date of Appointment:** 1 January 2024

## Profile of Executive Leadership Team

As of 28 February 2024



### Razman Hashim

Senior Vice President, Group Legal and Group General Counsel



**Age:** 50 **Gender:** Male



**Nationality:** Malaysian



**Date of Appointment:** 1 July 2021

### Academic/Professional Qualifications:

- Bachelor of Laws and Shariah, International Islamic University Malaysia
- Licensed Company Secretary

### Past Appointments/Experiences:

- Joined PETRONAS in 1998
- Has more than 25 years of experience in the legal and secretarial fields.
- Other key positions previously held within the Group:
  - Senior General Counsel, Legal Upstream
  - General Counsel, Legal Upstream International, Legal Upstream
  - Company Secretary to PETRONAS Carigali Sdn Bhd and PETRONAS International Corporation Ltd
  - Directors of various entities within Upstream business
  - Member of Joint Management Committee of Garraf Operations, Iraq

### Other Current Appointments:

- CEO@ Kulliyyah, Ahmad Ibrahim Kulliyyah of Laws, International Islamic University Malaysia
- Director, KLCC (Holdings) Sdn Bhd

### Academic/Professional Qualifications:

- Bachelor of Commerce and Administration (Accountancy), Victoria University of Wellington, New Zealand
- Advanced Management Programme, Harvard Business School

### Past Appointments/Experiences:

- Joined PETRONAS in 1990
- Has more than 33 years of experience in various leadership roles in areas such as internal audit, corporate strategy, planning and risk, commercial and joint venture management, and human resource management.
- Other key positions previously held within the Group:
  - General Manager, Strategic Planning
  - Head, Commercial Development and JV Formation of Refinery and Petrochemical Integrated Development (RAPID)
  - Head, Human Capital Expertise, Group HRM
  - Head, Human Capital Strategy, Group HRM
  - Chief Executive Officer, PETRONAS Management Training Sdn Bhd

### Other Current Appointments:

- Chairman, PETRONAS Management Training Sdn Bhd
- Chairman, PETRONAS Technical Training Sdn Bhd
- Chairman, Dana Asy-Syakirin
- Chairman, PETRONAS Sponsorship Loan Fund
- Director, Institute of Technology PETRONAS Sdn Bhd
- Director, PETRONAS Digital Sdn Bhd
- Director, PETRONAS Lubricants International Sdn Bhd (Chairman of Nomination and Remuneration Committee)
- Director, PETRONAS Chemicals Group Berhad
- Global HR Council of The Conference Board
- Member of Majlis Wanita dan Keluarga Negara (MWKN)



### Farehana Hanapia

Senior Vice President, Group Human Resource Management



**Age:** 56 **Gender:** Female



**Nationality:** Malaysian



**Date of Appointment:** 1 January 2020

# Corporate Governance at PETRONAS

## Board Governance and Structure

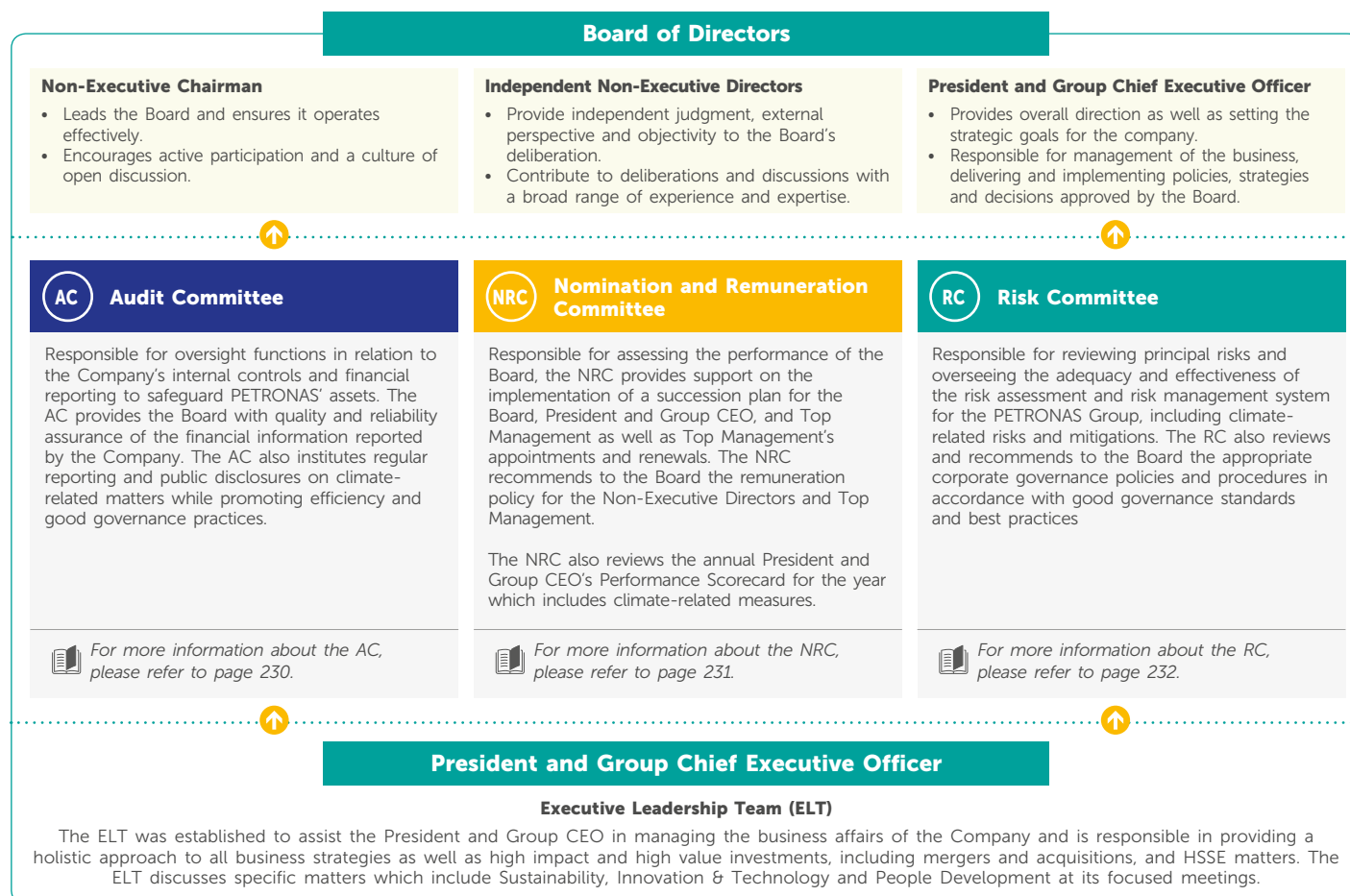
"At **PETRONAS**, we remained resilient in our commitment to applying the best corporate governance principles across the Group. Our aim is to play a key role in the energy transition, focusing on energy security and delivering energy solutions responsibly. The PETRONAS Energy Transition Strategy centres on creating value for our stakeholders.

Corporate governance plays a crucial role in promoting sustainability and value creation by providing the necessary framework for accountability, transparency and structure within the Group. In building a sustainable business, our Board is fully aware of their responsibility towards our 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 for value creation."

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 recognising the independent roles and duties required to govern our Company effectively. Our governance structure aims to promote strategic alignment across the Group whilst facilitating efficient decision-making at all levels.

### Governance Structure

Our 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 Management. The table below describes the Group's governance structure, and an overview of the key committees of the Board and Management.





## Corporate Governance at PETRONAS

### Board Leadership

The Board provides effective stewardship and is responsible for the Group's strategic direction and control of the Company. The Board exercises this control by way of a governance framework, effective delegation, risk management and a system of assurances regarding financial reporting and internal controls. The Board is accountable to its shareholders and towards a wider range of stakeholders such as employees, suppliers, community and the authorities.

Each Director has the duty to act in good faith and in the best interest of the Company with reasonable care, skills, and diligence. In discharging its roles and duties effectively, the Board is guided by the Board Charter, a document which sets out the authority, responsibilities and operations of the Board.

The differing roles of the Chairman and the President and Group CEO are acknowledged and provided for in the Board Charter. The Chairman of the Board is not a member of any of the Board Committees.

The Board exercises collective oversight at all times. In delegating its authority to the Board Committees, the Board does not abdicate its responsibilities. The Board further ensures that such delegation does not hinder or reduce the Board's ability to discharge its functions. In this regard, the Board clearly sets out the division of responsibilities in the respective Terms of Reference ("TOR") of the Board Committees.

Together with Management, the Board upholds good corporate governance culture within the Company by ensuring ethical leadership, prudent and professional behaviour in the conduct of its business and in all aspects of its operations.

### How the Board Functions

The Board meets regularly, and additional meetings are arranged as and when circumstances dictate. Each meeting is conducted in accordance with a formal and structured agenda and Board papers are circulated in time to ensure that Directors are well-informed and that debates and decisions are constructive and robust.

Access to Board papers by the Board members is provided online through a collaborative software, with the aim of enhancing the efficiency of the Board process. Going digital allows the Directors to access, read, and review the Board papers, as well as enabling the Board members to confer with each other and the Company Secretaries, electronically. Board Papers and presentations by the Management to the Board are prepared and delivered in a manner that ensures clarity and provides sufficient understanding of the subject matter.

During 2023, our Board met on 17 occasions of which almost all meetings were conducted physically. Although the quorum for the Board meeting is two, the majority of the Board meetings were attended by all Directors. Whilst a decision of the Board only requires a majority of votes of the Directors, all decisions are made on a consensus basis.

Each Director has full access to the services of the Company Secretaries, who play an advisory role to the Board by guiding corporate governance, ethical business practices, compliance to the Company's Constitution, policies and procedures and the relevant regulatory requirements, guidelines and legislation.

The Board may from time to time and if deemed appropriate, consider and approve urgent matters via Directors' circular resolution. All circular resolutions passed by the Board are tabled at the next Board meeting for notation.

The Board practises active and open discussions at its meetings to ensure that opportunities are given to all Directors to participate and contribute to the decision-making process. Robust discussions and vigorous deliberations at the Board meetings ensure that the process of effective and beneficial conversation is achieved.

The Chairmen of the Audit Committee, Nomination and Remuneration Committee, and Risk Committee provide regular updates to the Board after the proceedings of their respective Committee meetings.

All proceedings of Board meetings are duly minuted, confirmed and signed. Minutes of each Board meeting accurately reflect the deliberations and decisions of the Board, including any dissenting views and if any Director had abstained from voting or deliberating on a particular matter. Minutes of the Board meetings are properly kept by the Company Secretary.

### Matters Reserved for the Board

The Board has an approved and documented schedule of matters reserved for its decision as follows:

1. **Strategy and Management** – Strategy, policies, annual budgets and major investment decisions which include capital projects, mergers and acquisitions, and funding requirements.
2. **Financial, Governance and Risk** – Financial reporting and control, and risk management.
3. **Corporate Matters** – Reputation and stakeholder management, Health, Safety, Security and Environment (HSSE), Board and Board Committees' memberships, and Directors' remuneration and succession planning.



## The Board's 2023 Key Focus Areas and Priorities

### Strategy

Key Focus Areas	Description
<b>The Group's Strategic Initiatives and Plans</b>	The Board deliberated on long-term strategic options and provided the relevant feedback and steer.
<b>The Group's Business Plan and Budget</b>	The Board deliberated and approved the Company's business plan. The Company's strategic targets, operational plan and financial forecasts were presented to the Board for their deliberation. The Board deliberated the risks as well as potential challenges, both external and internal, towards achieving the business plan. The Board considered and approved the budget necessary to carry out the business plan.

### Financial

Key Focus Areas	Description
<b>The Group's Performance on Quarterly Basis</b>	The Board was updated on the performance against the business performance targets on quarterly basis. Performance is measured and tracked against approved KPIs.
<b>Dividends</b>	The Board considered and approved the proposal on the declaration of dividends.

### Risk and Internal Controls

Key Focus Areas	Description
<b>Enterprise Risks</b>	<p>The Board deliberated and approved, on a quarterly basis, PETRONAS and its Group's critical risks that may significantly impact the business goals and targets. The Board constantly monitors the agreed mitigations to manage or reduce the likelihood and impact of these critical risks. Key risk indicators which provide early warnings of risk manifestation were also reported to the Board.</p> <p>To ensure risks undertaken in pursuit of business objectives are within the acceptable level, the Board approved the Company's risk appetite which sets its key operational boundaries. Any breach of risk appetite may jeopardise the Company's business sustainability, hence, will be escalated to the Board for deliberation.</p> <p>In achieving comprehensive risk-based decision making, the Board also deliberated on the risks related to high impact business matters such as projects' Final Investment Decisions in order to assess the feasibility and commerciality of these projects and investments.</p>

### Corporate Governance and Compliance

Key Focus Areas	Description
<b>Implementation and Monitoring of Succession Planning</b>	As part of its role, the Board ensures that there is an appropriate succession plan for members of the Board. The Fit and Proper Policy was established to enhance the Board Selection Criteria for the appointment and re-appointment of directors which includes character, integrity, experience, competence and commitment to contribute.

### Sustainability

Key Focus Areas	Description
<b>Net Zero Carbon Emissions by 2050 (NZCE 2050) Pathway Delivery</b>	<p>Consideration of PETRONAS NZCE 2050 Pathway is embedded in the deliberation of company strategic direction, plans &amp; budget, and risks management.</p> <p>Oversight on the achievement of the NZCE 2050 pathway short-, medium- and long-term targets.</p>
<b>Translating Commitment and Strategy into Governance</b>	The Board approved and institutionalised PETRONAS Commitment to NZCE 2050, PETRONAS Position on Nature and Biodiversity and PETRONAS Human Rights Policy as PETRONAS governance documents to clarify the direction, accountability, and responsibility to help ensure consistent Group-wide adoption.

## Corporate Governance at PETRONAS

### Board Roles

#### ➔ Chairman

- Responsible for the effective running of the Board and ensures that the Board plays a full and constructive role in the development and determination of the Company and the Group's strategy and overall commercial objectives.
- Leads the Board in setting the values and ethical standards of the Company.
- Promotes the highest standards of integrity and corporate governance at the Board level.

#### ➔ President and Group CEO

- Responsible for all executive management matters affecting the Company and/or the Group and leads the Executive Leadership Team.
- Responsible for developing and recommending the long-term strategy and vision for the Company and/or the Group.
- Fosters a corporate culture that promotes ethical practices, encourages individual integrity and the fulfilment of the Company's corporate social responsibilities.
- Champions the Company's values and behaviours across the Group.

#### ➔ Executive Directors

- Provide in-depth knowledge and insights from PETRONAS' perspective.

#### ➔ Non-Executive Directors

- Provide alternative insights and constructively challenge proposals to ensure the Board objectively considers all relevant matters.
- Oversight on the performance of the Management and monitors the delivery of Group strategy within the risk and control environment set by the Board.
- Bring independent judgment and scrutiny to the decisions taken by the Board.

#### ➔ Company Secretaries

- Facilitate the effective operation of the Board and ensure that the Directors receive accurate, timely and clear information to enable them to discharge their responsibilities.
- Provide support and advice to the Board regarding governance matters and ethical business practices.

### Attendance at Meetings

The Directors' commitment to carry out their duties and responsibilities is affirmed by their attendance at the Board meetings. A total of 17 Board meetings were held during the year under review where the Board's attendance was recorded in accordance with the relevant requirements.

## Board Balance and Effectiveness

### Board Balance and Composition

As of the date of this report, the Board comprises eight members; the Non-Executive Chairman, two Executive Directors and five Non-Executive Directors (NEDs), out of which two are Independent Non-Executive Directors (INEDs). The profiles of the Directors are available on pages 211 to 220.

The size and composition of the Board is fundamental to its success in providing strong and effective leadership. The presence of Non-Executive Directors ensures that no individual or small group of Directors can dominate the decision-making process and that the interests of shareholders and stakeholders are protected.

During the year under review, the Board saw some changes and new appointments to its composition.

The Board wishes to record its appreciation and gratitude to Datuk Seri Asri Hamidin @ Hamidon (resigned on 5 January 2023), Encik Ainul Azhar Ainul Jamal and Encik Thayaparan S Sangarapillai (retired on 19 April 2023) and Dato' Razali Mohd Yusof (resigned on 1 August 2023), for their contribution and commitment during their tenure on the Board.

The Board also welcomed Datuk Johan Mahmood Merican as a NINED and Encik Azizan Zakaria as an INED to the PETRONAS Board, effective 19 April 2023 and 15 November 2023 respectively.

The Board's current composition has a blend of skills, experience and knowledge which enables them to provide effective oversight, strategic guidance and constructive challenge, review and deliberation on the Management's proposals. The NRC is responsible for reviewing the composition of the Board and assessing whether the balance of skills, experience, knowledge and independence is appropriate to enable the Board to perform effectively as a high-performing Board.

### Fit and Proper Policy

The Fit and Proper Policy was established to enhance the existing PETRONAS Board Selection Criteria. The Policy aims to ensure that any person appointed or elected/re-elected as a Director of the PETRONAS Group shall possess the character, integrity, experience, competence and commitment to contribute in discharging their responsibilities required of the appointment in the most effective manner.

In assessing a person's fitness and propriety, the Board through its NRC, conducts Fit and Proper assessment on persons identified to be appointed as a director or to continue holding the position as a director within PETRONAS prior to the appointment or reappointment.

### Diversity

The Board recognises the importance of diversity and the value it brings to the PETRONAS Group. Diversity promotes the inclusion of different perspectives, raising the standards of good practice in Board leadership and enhancing valuable insights in business judgment. Diversity is also important to ensure the Company remains relevant, resilient and sustainable in the rapidly transforming and evolving business environment.

Whilst it is important to promote diversity, the normal selection criteria of a Director is based on an effective blend of competencies, skills, experience and knowledge in areas identified by the Board which remains a priority so as not to compromise the effectiveness in carrying out the Board's functions and duties. The Board is committed to ensuring that its composition reflects diversity and has the right mix of skills and balance to contribute to achieving the Company's goals and objectives.

## Corporate Governance at PETRONAS

### Board Independence

The Board assesses the independence of its NEDs annually. The independence assessment takes into account whether the NEDs have demonstrated an independent state of mind and objective judgment in their deliberations and decision-making process. The assessment on the independence of the NEDs may be undertaken in the following circumstances:

1

#### Prior to the Appointment of Non-Executive Directors

Prior to the appointment of NEDs, the independence of each individual candidate will be reviewed and determined by the Board based on the recommendations from the NRC upon reviewing his/her criteria per the PETRONAS Independent Directors Guidelines.

2

#### Annual Review

The Board determines the independence of each NED annually, based on the recommendations from the NRC per the PETRONAS Independent Directors Guidelines.

3

#### Notice of Change of Circumstances

Each NED has an affirmative obligation to notify the NRC of any change in circumstances that may affect his/her independence status. Once notified, the NRC shall re-evaluate the independence status and make the necessary recommendations to the Board.

The INEDs have been appointed for their specific experience and expertise and are independent of management and free from any business or other relationship that could materially interfere with the exercise of their independent judgment. NEDs may serve on the boards of other companies provided this does not involve a conflict of interest and that the appointment does not restrict their ability to discharge their duties to PETRONAS in any way.

In line with the exemplary practices of corporate governance, the Board has adopted a tenure policy whereby an INED's total tenure on the Board is capped at nine years. As of the date of this Statement, none of the INEDs has served the Board for more than nine years.

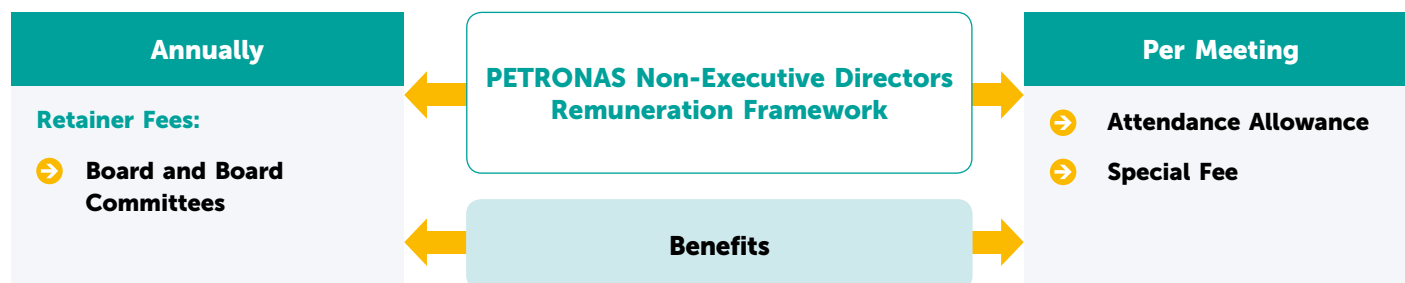
### Conflict of Interest

In ensuring transparency and integrity of the decision-making process and preventing any conflict of interest, a declaration of interest by Directors is a fixed agenda item at the start of every Board meeting. A Director who has direct or indirect interest in a transaction shall recuse himself/herself when required and abstain from deliberations and voting to allow unbiased and free discussions and decision-making. Disclosure of the nature and extent of the Directors' interest and abstention from decision making proceedings are recorded in the minutes of the Board meetings. The Principles of Directorship for the PETRONAS Group was established to govern the way Directors conduct themselves in a conflict-of-interest situation, which corresponds with the Companies Act 2016 and the PETRONAS Code of Conduct and Business Ethics (CoBE).

The Directors are also required to declare their interests annually, in line with the requirements on the disclosure of Director's interests in the Company's Audited Financial Statements.

## Board Remuneration Policy

Given the highly competitive market, PETRONAS designed a robust fee structure to attract, retain and appropriately compensate the diverse and internationally experienced NEDs. The fee framework is illustrated below:



## Board Onboarding and Professional Development Programme

The Board recognises the importance of ensuring that new Directors have a complete introduction to the business so they can make a full and meaningful contribution to the Board. To that end, the Board has adopted a comprehensive and extensive onboarding programme for new Directors, including meetings with key senior leadership teams, bespoke training on relevant regulatory and legal obligations and onboard procedures and processes.

Directors will have full access to roundtable discussions, seminars and other events, covering topics relevant to the Group and their roles. The Company provides Directors with the necessary resources to update their knowledge and capabilities throughout the year.

Suite	PETRONAS Board Excellence (PBE)								
Solution	Onboarding	Foundational*		Advanced			Continuous Education	Conference	
Programme	Onboarding Programme for New Directors	Essentials for Directorship	Rising Above 2	Best Practices for Board Excellence (Advanced 1)	Effective Strategy for Stakeholder Management (Advanced 2)	Round Table	Updates on trends	Directors Conference	Audit Committee Forum
Continuous Programme	E-Learning (5 Critical Legal Areas, Code of Conduct, Anti Corruption, Data Privacy)								
	Board Assessment (Observation, Interview and Digital)								

\* The Foundational programmes only apply to the directors who are employees of the PETRONAS Group, thus, the PETRONAS Directors, upon their onboarding, will attend the Advanced programmes of the PBE.

A suite of development programmes, known as the PETRONAS Board Excellence, tailor-made to the requirements of Directors across the Group, has been in place since 2016 to chart the Directors' development plans in a structured manner. The PETRONAS PBE programme is developed to enhance Directors' awareness and knowledge involving their roles and responsibilities. During the year under review, we introduced two topics for the Continuous Education series namely Sustainability 101 and Conflict of Interest. The Sustainability 101 programme was conducted on 25 May 2023, intended to create awareness among the directors on the importance of sustainability and the accountabilities of Directors as part of the Environmental, Social and Governance requirements. The Conflict of Interest programme was conducted on 27 October 2023 in line with the latest regulatory requirements on disclosure of the nature and extent of any potential conflicts of interest, including interest in competing business involving directors.



## Corporate Governance at PETRONAS

### Board Conversations

As part of our initiative to achieve a high-performing Board, a series of Board Conversations were held, which included topics on strategies, sustainability and energy transition. These sessions were conducted in-house or by external subject matter experts to provide updates and discussions on sustainability and market outlook, as well as deliberations on the Group's strategic and growth plans to enrich the Directors' knowledge and keep abreast with the latest trends and developments.

### Qualified and Competent Company Secretaries

The Company Secretaries of PETRONAS are qualified to act as company secretary by virtue of Section 235 of the CA 2016. Both of the Company Secretaries are legally qualified. They serve as advisors to the Board, particularly with regard to the PETRONAS' Constitution, policies and procedures and its compliance with regulatory requirements, codes, guidelines and legislations.

The Company Secretaries act as an important link between the Board and the business. Through effective communication, they provide the Management with an understanding of the expectations and value brought by the Board.

The Company Secretaries ensure that discussions and deliberations at the Board and Board Committee meetings are well documented, and subsequently communicated to the Management for appropriate actions. The Company Secretaries update the Board on the follow-up of its decisions and recommendations. The Board is satisfied with the performance and support rendered by the Company Secretaries to the Board in discharging their functions in the financial year under review.

The Company Secretaries also constantly keep themselves abreast of the evolving regulatory changes and developments in corporate governance through continuous training.

### Board Evaluation

The Board, through the NRC, endeavours to conduct an annual performance evaluation of the Board and its Committees, facilitated by the Company Secretary. Evaluation results are reported to the NRC. Individual Director's evaluation results are made available to the NRC Chairman and reported directly to the Chairman of the Board. The Chairman of the Board will then conduct feedback sessions through peer-to-peer meetings.

In line with the best practice recommended by the Malaysian Code on Corporate Governance (MCCG) for the Board to engage an independent expert at least every three years to facilitate objective and candid Board evaluation, the NRC had engaged an independent third-party consultant to conduct the Board Effectiveness Evaluation (BEE) in 2022. The process of the BEE involved a set of questionnaires consisting of evaluations by the Board, Board Committee and Self-Assessment which were developed to maximise the effectiveness and performance of the Board in the best interests of PETRONAS. The indicators for the performance of the Board include, among others, the Board composition, planning process, conduct, communication with the Management and stakeholders, as well as strategy and planning for the Company. Subsequently, the consultant independently assessed the findings and areas of improvement and presented them to NRC for consideration.

The NRC reviewed the outcome of the BEE findings that the Board is committed to the highest standards of good governance and affirmed the effectiveness of the Board.

## Directors' Indemnity

PETRONAS continues to provide and maintain indemnification for our Directors throughout the financial year as allowed under the CA 2016 to the extent it is insurable under the Directors' and Officers' Liability Insurance (D&O) procured by the Company. Directors and Officers are indemnified against any liability incurred by them in discharging their duties while holding office as Directors and Officers of the Company. All Directors may opt to obtain D&O insurance to provide insurance protection (to the extent it is insurable) against unindemnified liabilities by the Company or uninsured circumstances. The insurance company determines the premium to be paid by all Directors.

## Succession Planning

The Board had adopted the Board Succession Planning Framework to assist the Company in ensuring a structured and timely identification and selection of new Non-Executive Directors in the event of an opening on the Board, whether such opening exists because of an anticipated retirement, the expansion of the size of the Board, or otherwise. Such a structured succession plan addresses the composition and effectiveness of the Board. The Board, through the NRC, has the responsibility of ensuring appropriate succession planning of Directors and reviewing the Board's required mix of skills and experience, as well as reviewing the tenure of INEDs on the Board.

In addition to the succession planning for the Directors, the NRC also reviewed the succession plan for the key management positions of the Company. The NRC continued to focus on conducting all relevant reviews and assessments of the key management positions.

## Board Commitment to Sustainability

The Board acknowledges that the well-being of the employees, customers, suppliers, other stakeholders, the environment and society at large is central to sustaining our long-term performance and continued relevance. Careful consideration of the needs of a broader universe of stakeholders ultimately drives value for the shareholders.

The heightened materiality of sustainability to the business requires the Board to factor in these sustainability components, risks and opportunities into its deliberations at all times. The Board, being the highest authority in sustainability governance, has taken the initiative in establishing the Company's sustainability approach, strategy and targets. During the year under review, the Board broadened their engagement and oversight of sustainability-related matters.

The Board is taking more deliberate actions in elevating sustainability, to shape the long-term strategic direction of the company. Aside from the conversation series and the institutionalisation of sustainability governance documents, the other oversight activities by the Board on sustainability are as follows:

- Endorsement by the RC on the PETRONAS Corporate Risk Profile considering sustainability-related risk and its mitigation on quarterly basis for Board's approval.
- Apprised on business plan updates covering GHG emissions reduction, methane emissions reduction, and capital expenditure allocation.
- Approved the long-term incentive plan for senior leadership that includes a performance measure linked to the delivery of the NZCE 2050 Pathway. In 2023, 20 per cent of the long-term incentive plan constituted sustainability elements, including net carbon intensity (NCI) as well as diversity and inclusion (D&I).

## Corporate Governance at PETRONAS

### Board Committees

#### Audit Committee (AC)

➔ Azizan Zakaria – Chairman	▶ Appointed w.e.f. 1 December 2023
➔ Tan Sri Zaharah Ibrahim	
➔ Datuk Johan Mahmood Merican	▶ Appointed w.e.f. 19 April 2023
➔ Datuk KY Mustafa	▶ Appointed w.e.f. 20 May 2023
➔ Ainul Azhar Ainul Jamal – Chairman	▶ Resigned w.e.f. 19 April 2023
➔ Thayaparan S. Sangarapillai	▶ Resigned w.e.f. 19 April 2023

The AC continued to play a key role in assisting the Board in fulfilling its oversight responsibilities to ensure the effectiveness of financial reporting, internal controls, and internal and external audit functions.

The AC discharges its responsibilities through its scheduled meetings during the year following its fixed agenda which covers the matters under the purview of the AC. The AC met eight times in 2023.

#### Key Matters in 2023

##### Financial

During the year under review, the AC reviewed the quarterly financial results and the financial performance of business segments and the PETRONAS Group and its report for the financial year ended 31 December 2023 to ensure that they were prepared in compliance with the relevant regulatory requirements and guidelines.

The AC also reviewed the effects of applying significant accounting areas of estimation uncertainty and critical judgments including impairment assessment and provision for decommissioning, dismantling, removal and restoration (DDRR).

As part of continuation from the benchmarking of PETRONAS Audited Financial Statements in FY2022, the AC also reviewed the benchmarking exercise on the PETRONAS Group Quarterly Report performed against industry players to achieve best-in-class financial reporting

disclosures. As a result, several opportunity areas for enhancement are identified and proposed for adoption which include additional reporting dimensions for Group and business segments performance, revision on Quarterly Report presentation flow and sustainability-related disclosure to demonstrate PETRONAS' commitment to Net Zero Carbon Emission (NZCE) by 2050.

#### Internal Control and Audit Activities

The AC reviewed and deliberated internal audit reports which included opinions on the adequacy and effectiveness of governance, risk management and internal controls, audit finding's root causes, implications and the agreed recommendations to be undertaken by the Management.

The internal audit exercises provide reasonable assurance on the state of PETRONAS Governance and Control as well as compliance to applicable policies, procedures, laws and regulations over the following key areas (but not limited to):

- a) Technical areas covering:
  - Project Management activities of selected Upstream ongoing projects involving project planning, project execution/delivery and project monitoring, as well as Project Governance at the enterprise level.
  - Asset Integrity Management which includes Maintenance Management, Operation Management and Safety Management on selected domestic assets.

- b) Non-Technical areas covering:
- Integrated Hydrocarbon Management focusing on gas value chain covering from Upstream to Midstream and Downstream businesses.
  - Procurement and Contract Management activities on Downstream selected entities and Upstream Malaysia Assets.
  - Security Management at selected domestic and international assets.
- c) Digital and Technology areas covering:
- Cybersecurity Management and Operations at selected domestic and international assets.
  - Research and internal technologies at the enterprise level.
- d) Shareholders audits covering operations, HSSE, commercial and procurement at selected joint venture (JVs) entities.

The AC also reviewed and endorsed the following matters:

- Comprehensiveness of the Annual Audit Plan developed based on the enterprise/business strategies, enterprise/business risks, audit/assurance history results and stakeholder feedback.
- Continuous risk sensing and insights to ensure the proposed audit activities are carried out as per emerging and relevant risks as well as the latest enterprise/business strategies.
- Quarterly status on agreed recommendations arising from internal audit assignments.
- Overall performance of Group Internal Audit, which includes budget, resources including talent composition, progress of audit operations and key initiatives.

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 (NRC)

➔ <b>Tan Sri Zaharah Ibrahim</b> – Chairperson	➤ Appointed w.e.f. 15 November 2023
➔ <b>Datuk KY Mustafa</b>	➤ Appointed w.e.f. 20 May 2023
➔ <b>Azizan Zakaria</b>	➤ Appointed w.e.f. 15 November 2023
➔ <b>Dato' Razali Mohd Yusof</b> – Chairman	➤ Resigned w.e.f. 31 July 2023
➔ <b>Ainul Azhar Ainul Jamal</b>	➤ Resigned w.e.f. 19 April 2023

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

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

The NRC discharges its responsibilities through its scheduled meetings during the year following its fixed agenda, which covers the matters under the purview of the NRC. The NRC met four times in 2023.

## Corporate Governance at PETRONAS

### Key Matters in 2023

- 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 2023 President and Group CEO's Performance Measurement to balance between Perform and Transform objectives with emphasis on enterprise outcomes and promoting desired behaviours.
- The NRC reviewed and endorsed the high-level organisation structure.
- The NRC reviewed and endorsed the Annual Board Assessment and Board Performance for PETRONAS.

### Risk Committee (RC)

➔ Dato Hj. Ibrahim Hj. Baki – Chairman	▶ Appointed w.e.f. 19 April 2023
➔ Datuk Johan Mahmood Merican	▶ Appointed w.e.f. 19 April 2023
➔ Azizan Zakaria	▶ Appointed w.e.f. 15 November 2023
➔ Dato' Razali Mohd Yusof	▶ Resigned w.e.f. 31 July 2023
➔ Thayaparan S. Sangarapillai – Chairman	▶ Resigned w.e.f. 19 April 2023

The RC supports the Board in reviewing principal risks and oversees the adequacy and effectiveness of 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.

The RC discharges its responsibilities through its scheduled meetings during the year following its fixed agenda, which covers the matters under the purview of the RC. The RC met eight times in 2023.

### Key Matters in 2023

- The RC assisted the Board in deliberating the PETRONAS Group's Corporate Risk Profile and Risk Appetite every quarter. Additionally, the Committee recommended revisions to the Corporate Risk Profile and Risk Appetite which the Board approved to align with the Group's business objectives and strategies as well as reflect the current exposures being managed.
- The RC played its oversight role in reviewing risks related to strategic and high-impact business matters, such as investment decisions for key projects during the year.
- The RC appraised the performances and activities of Group Integrity every quarter and was updated on the progress of the Group's integrity and governance programmes.
- The RC reviewed the report and activities on the Company's Portfolio Commodity Hedging programmes on a half-yearly basis.



## Compliance

### Cascading and Disseminating the Tone from the Top

The compliance culture at PETRONAS is championed with a tone from the top approach, driven by the continuous messaging from the PETRONAS Board of Directors (Board) and PETRONAS Executive Leadership Team (ELT), as they advocate the principles of PETRONAS Shared Values and PETRONAS Cultural Beliefs. The same consistent messaging is also disseminated by the senior management and directors of the PETRONAS Group of companies (PETRONAS Group) to ensure that our businesses are conducted in a responsible and ethical manner. It is crucial the PETRONAS Group is aware of and comply with all the applicable legal and regulatory requirements, with steering and guidance from the Corporate Division's committees such as the Legal Leadership Team (LLT), the Risk Management Committee (RMC), and the PETRONAS Integrity Awareness Committee (PIAC). These committees may recommend matters (such as on Integrity and Compliance programmes and activities) to be reported and escalated to ELT, PETRONAS Risk Committee (RC) and Board, if required, for their further guidance.

The LLT is responsible for deliberating and providing advice on the latest developments in laws and regulations affecting PETRONAS operations globally, while the RMC is tasked to oversee the adequacy and effectiveness of the risk management system and its implementation across the PETRONAS Group, including legal and regulatory risk. Correspondingly, the responsibility to steer and drive the implementation and embedment of Ethics and Integrity programmes and activities across the PETRONAS Group lies within PIAC.

The expectations from the top, which is subsequently cascaded down to the very bottom of the working chain, help shape the behaviour and attitude of PETRONAS employees at all levels of businesses and activities.

### Compliance Focus Areas

As the PETRONAS Group is involved with diversified businesses covering Upstream, Gas, Downstream, Renewable Energy, Project Delivery & Technology, Maritime and Logistics, the business operations are exposed to the risk of non-compliance to various laws. Therefore, PETRONAS has identified the relevant laws that our business operations need to comply with and categorised them by critical laws (also known as Critical Legal Areas) and operational laws (also known as Operational Legal Areas).

The Critical Legal Areas (CLAs) are laws with extra-territorial effect and may pose enterprise risks to PETRONAS holding company. Any breaches of critical laws could result in significant financial penalties, potential legal suits and severe reputational impact.

The Operational Legal Areas (OLAs) are laws that relate to business activities and operations. Any breaches of operational laws could pose threats to the continuous operations of the business, including the loss of the license to operate.

PETRONAS has established the Legal Compliance Framework (LCF) as an overarching framework to manage legal and regulatory risk. The LCF is supported by the Legal Compliance Standards (LCS) which provide the details and standard requirements for PETRONAS Group in managing compliance to CLAs and OLAs.

The following list encapsulates the areas of laws under CLAs and OLAs as categorised by PETRONAS:

Critical Legal Areas	Operational Legal Areas
<ol style="list-style-type: none"> <li>1. Ethics and Integrity</li> <li>2. Data Privacy</li> <li>3. Sanctions</li> <li>4. Export Control</li> <li>5. Competition</li> </ol>	<ol style="list-style-type: none"> <li>1. Health, Safety, Security and Environment</li> <li>2. Petroleum</li> <li>3. Energy and Utilities</li> <li>4. Finance and Tax</li> <li>5. Employment</li> <li>6. Land and Real Property</li> <li>7. Intellectual Property</li> <li>8. Building and Construction</li> <li>9. Education</li> <li>10. Company</li> <li>11. Multimedia and Communication</li> <li>12. State</li> </ol>

### Operationalising Compliance from the Ground

#### Compliance to the Critical Laws

To ensure a centralised and systematic approach to monitoring compliance to critical laws, Legal Compliance of Group Legal was established to manage compliance to CLA requirements and effectively operationalise LCF and LCS-CLA across the PETRONAS Group.

## Corporate Governance at PETRONAS

As PETRONAS operates in multiple jurisdictions worldwide, the Compliance Management Operations (CMO) team of Legal Compliance is structured to ensure compliance with domestic and global legal requirements by establishing a compliance team at PETRONAS headquarters in Kuala Lumpur (Malaysia) covering Malaysia and Asia Pacific region, as well as regional teams in London (United Kingdom), Dubai (United Arab Emirates) and Calgary (Canada). These compliance officers from both the headquarters and regional CMO team are pivotal in reinforcing PETRONAS' compliance position. They facilitate the implementation of adequate and effective controls in PETRONAS and PETRONAS Group, roll-out compliance programmes and activities to inculcate awareness to PETRONAS employees, as well as provide advisories on matters pertaining to critical laws. Moreover, to assist PETRONAS Group companies operating across multiple jurisdictions, the regional compliance officer further develops localised controls and policies that would suit local laws and requirements. They achieve this through a risk-based approach and constant engagement with the headquarters to ensure alignment with PETRONAS' compliance practices.

As the compliance advisories provided by PETRONAS compliance officers need to remain comprehensive and up-to-date, the Subject Matter Expert (SME) team of Legal Compliance would keep PETRONAS abreast with updated regulations, laws and enforcements guidance from around the globe, as well as develop compliance policies, processes and procedures for PETRONAS businesses and activities. Additionally, the SME team would manage compliance requirements for critical projects, provide specialist legal advice, steer the strategic direction of PETRONAS business, set up PETRONAS group positions and represent PETRONAS interest in events and programmes, including during trade negotiations.

Similarly, for effective and efficient management of compliance programmes and activities, the Compliance Strategy and Planning (CSP) team of Legal Compliance would develop and plan PETRONAS' corporate compliance strategy and programmes, as well as develop and maintain legal compliance systems and tools. The strategies and plans established by CSP are intended to facilitate the operations of PETRONAS compliance officers, which will subsequently ensure seamless execution and monitoring of corporate compliance status, programmes and activities across the PETRONAS Group.

### Compliance to the Operational Laws

To ensure the PETRONAS Group comply with requirements under the operational laws, the CSP team spearheads the operationalisation of OLA compliance programme, supported by the respective business lawyers and corporate SMEs. This is achieved through the establishment of a governing document (i.e. LCS-OLA) and processes pertaining to the OLA assurance programme, provision of upskilling sessions to OLA business focal and reporting to relevant senior management on the status of compliance and closure of gap, with the ultimate aim of protecting and safeguarding the PETRONAS Group against any breaches of operational laws.

To ensure PETRONAS Group's compliance with all applicable operational laws, various functional checklists have been developed for PETRONAS entities to perform a self-assessment and gauge their level of compliance as part of the OLA assurance programme. The functional checklists will be revised as and when required as PETRONAS commits to continuous adherence to applicable laws and regulations that keep evolving.

PETRONAS entities are expected to establish the Operational Register (i.e. a list of laws that apply to their business) and answer the relevant functional checklist based on a risk-based approach, with support from the business lawyers and corporate SMEs.

### Digitalising Compliance

For an organisation with close to 50,000 employees, a digital system and solution are vital for efficient and effective monitoring of legal and regulatory compliance, as well as managing legal and regulatory risk.

Hence, myCompliance system, an integrated compliance solution, was developed in 2022, featuring automation, data-driven tracking and compliance reporting via a real-time compliance dashboard, and was deployed across the PETRONAS Group.

With myCompliance system in place, the Legal Compliance of Group Legal is better equipped to protect PETRONAS from risk exposure to potential threats, such as incurring financial and non-financial penalties, loss of business opportunities, and severe reputational impact on the enterprise.

## myCompliance modules

myCompliance consists of six (6) modules as follows:

- Compliance Tracker – enables the monitoring and analysis of compliance assurance programme which includes First Line and Second Line Assurances activities for CLA.
- Third Party Risk Management (TPRM) – enables the digitalisation of due diligence work process flow; centralised database and data analytics to manage PETRONAS' exposure to third parties.
- Training Tracker – enables the tracking and monitoring of CLA e-learning training completion by PETRONAS employees groupwide.
- Policy Management – digitalises the work process flow of drafting, reviewing, approving and repository of Level 1 PETRONAS policies.
- Regulation Tracker – enables centralised repository, maintenance, and update of laws (CLAs and OLAs) that are applicable to PETRONAS.
- Legal and Regulatory Universe (LRU) – provides a comprehensive list of PETRONAS entities and corporate divisions, categorised based on the nature of businesses and operations. All legal compliance activities are monitored for PETRONAS entities as per the LRU.

## Continuous Enhancement of myCompliance

For effective and efficient handling of any system enhancements and issues, myCompliance Taskforce was formed in 2023, comprised of representatives from Group Legal and Group Digital of PETRONAS.

Among the key system enhancements that were undertaken in 2023 are as follows:

- Inclusion of the LRU module to ease the extraction, maintenance and updating of PETRONAS entities and corporate divisions' key information and to enable the categorisation of risk for compliance assurance activities.
- Enhancement to the Regulation Tracker module to enable the segregation of the acts and regulations and to allow the integration of this information with myGOVERNANCE, a system developed by Group Risk for PETRONAS entities to create and update its Operational Register (i.e. a list of applicable laws); and

- Improvement of the Compliance Tracker to facilitate the monitoring and analysis of compliance assurance results.

## Key Compliance Areas

One of the components of LCF is the Legal Compliance Controls (LCC), which is a dynamic set of internal controls that PETRONAS entities and corporate divisions must implement to ensure the PETRONAS Group complies with various legal and regulatory requirements, as well as to mitigate the legal and regulatory risk embedded within PETRONAS Group's business activities and operations. These controls help to strengthen the compliance culture in PETRONAS, and are grouped into the 5 Key Compliance Areas (5 KCAs) for ease of classifications and monitoring.

The status of controls under each of the 5 KCAs are reported on a quarterly basis to the top management of Group Legal and Group Risk Management via the Corporate Risk Profile / Risk Appetite report and escalated (where necessary) to PETRONAS ELT, RC and the Board. This ensures the top management is made aware of the progress of LCC's implementation across PETRONAS Group, and to be able to react promptly and aptly to any breaches of the laws.

## 5 Key Compliance Areas



## Corporate Governance at PETRONAS

### Governance and Risk Assessment

1

PETRONAS establishes various governance documents, including policies, frameworks, standards, guidelines and manuals, to set the foundations implementing internal controls and understanding the principles behind the laws and regulations. In 2023, new governance documents were developed, and existing governance documents were enhanced to ensure the controls and activities undertaken remain in compliance to current requirements. These governance documents are required to be adopted and implemented by PETRONAS entities globally.

#### Overarching Legal Compliance

##### PETRONAS Legal Compliance Framework

##### Critical Legal Areas

- PETRONAS Legal Compliance Standard for Critical Legal Areas
- PETRONAS Breach Reporting Manual for Critical Legal Areas
- PETRONAS Third Party Risk Management Manual

##### Operational Legal Areas

- PETRONAS Legal Compliance Standard for Operational Legal Areas

#### Additional Governance Documents for Critical Legal Areas

##### Ethics and Integrity

- PETRONAS Code of Conduct and Business Ethics (CoBE)
- PETRONAS Anti-Bribery and Corruption Manual (ABC Manual)
- PETRONAS Whistleblowing (WB) Policy
- PETRONAS Raid Protocol
- PETRONAS International Raid Protocol

##### Critical Legal Areas

- PETRONAS Corporate Privacy Policy
- PETRONAS Master Guidelines to the PETRONAS Corporate Privacy Policy
- PETRONAS Data Protection Impact Assessment Guidelines

##### Critical Legal Areas

- PETRONAS Sanctions and Export Control Guidelines

##### Critical Legal Areas

- PETRONAS Competition Law Guidelines
- PETRONAS Competition Law Compliance Protocols:
  - Meetings and Information Sharing
  - Merger and Acquisition Transactions

Additionally, to facilitate PETRONAS employees in understanding the principles behind the regulatory and policy requirements, the Governance Documents have been developed in multiple languages (e.g. WB Policy in Arabic), have been localised to fit the local jurisdictional requirements (e.g. CoBE Country supplement for Azerbaijan) and have been customised for different business segments (e.g. Competition Law Compliance Handbook for Gas Business in Malaysia). As at 31 December 2023, PETRONAS has developed 40 CoBE Country supplements.

The PETRONAS Group is potentially exposed to hazards and risk factors inherent to the course of doing the businesses. PETRONAS has established several risk assessment processes which help to identify these potential threats as it may have substantial impact towards the PETRONAS Group's business operations and activities. The relevant controls are then established and implemented across the PETRONAS Group to mitigate the legal and regulatory risks identified and to prevent potential non-compliance to legal and regulatory requirements.

#### Risk Assessments for Legal and Regulatory Compliance

##### Ethics and Integrity

- Corruption Risk Assessment

##### Health, Safety and Environment

- Social Risk Assessment

##### Risk Management

- Risk Assessment in Decision Making

## Training and Awareness

2

PETRONAS continues to deliver enterprise-wide training and awareness programmes via digital platforms (i.e. eLearning Modules via myLearningX) and customised engagements through its compliance officers. These efforts are pivotal in instilling awareness and strengthening compliance to legal and regulatory requirements among PETRONAS employees and directors.

In FY2023, around 38,000 employees across PETRONAS Group have completed the mandatory compliance eLearning Modules on Anti-Bribery and Corruption, Competition, Sanctions and Third Party Risk Management. Additionally, more than 20,000 employees have completed the recently revised modules on Export Control and Personal Data Protection and Privacy. On top of the eLearning Modules, 349 additional focused training and engagement sessions were conducted for the PETRONAS Group, with more than 16,000 participants benefitting from these customised sessions.

Online courses, webinars and virtual training continued to be the preferred mode of engagement in 2023. In total, 54 per cent of the training and engagements were conducted virtually, 35 per cent were organised fully physically, while another 11 per cent were in hybrid mode.

The highlight of the 2023 awareness programme was the PETRONAS Compliance Conference 2023, held in September, which demonstrated PETRONAS' commitment to compliance and PETRONAS' zero tolerance to breaches of the critical laws. The event had attendees and speakers from different players across different industries, including but not limited to directors and C-suites from PETRONAS, Shell, CIMB, Sime Darby Property, Christopher & Lee Ong and Simmons & Simmons LLP, as well as representatives from regulatory bodies such as Malaysian Anti-Corruption Commission (MACC), Malaysia Competition Commission (MyCC) and Office of Foreign Assets Control (OFAC). In total, around 400 participants attended the event physically, while another 2,000 attended virtually.

PETRONAS Compliance Conference symbolises PETRONAS' support towards the notion of leadership by example, as seen through various open forums and discussions during the event, where the leaders shared the progress they undertake in ensuring their organisation complies with all sorts of legal and regulatory requirements. The networking platform provided during the event offered valuable industry insights as various practitioners and leaders shared the compliance practices undertaken by their organisations. To extend it further, Compliance Awards were given to the chosen PETRONAS Entities and employees as recognition of their unwavering efforts in ensuring their entities meet the expectations of PETRONAS.

On top of the engagements and commemorations with the stakeholders, continuous communications were deemed just as vital to ensure PETRONAS employees and directors keep abreast of developments and important updates on new laws and regulations. Throughout 2023, thirty-six (36) mass communications were produced via various social mediums including but not limited to email blast, PETRONAS Dot apps, digital screens, PETRONAS social media platforms, Legal Compliance channel and Legal Compliance web portal. The intended message is to strengthen awareness on mitigating legal and regulatory risk and complying with legal and regulatory requirements, as well as to ensure PETRONAS Entities align with PETRONAS' positions.



Corporate Governance at PETRONAS

Due Diligence and Contractual Obligations

3

PETRONAS Third Party Risk Management

As PETRONAS Group deals with various third parties, including partners, contractors, vendors, suppliers, distributors and agents, PETRONAS manages its third-party risks through its Third Party Risk Management (TPRM) programme. TPRM is a robust due diligence process to safeguard PETRONAS from any exposure due to the breaches of the CLAs (especially from any corporate liability), arising from the misconduct of its third parties.

The TPRM enables PETRONAS to detect possible threats before any formal engagement or during the business relationship with third parties. It would also allow mitigation or contractual safeguard against the risk of legal, financial and/or reputational damage towards PETRONAS. The TPRM applies to all businesses and needs to be embedded by PETRONAS Group.

TPRM documents and tools have been developed to guide the implementation of the TPRM process and for PETRONAS Group to embed and apply across all businesses and needs.

TPRM Documents		TPRM Tools	
<div><div>1. TPRM Manual</div><div>2. TPRM Frequently Asked Questions</div><div>3. KYC Business Guide</div><div>4. KYC Questionnaire Guide for Exclusion to Tender and Finance Exception List</div><div>5. KYC Guidebook</div></div>	<div><div>KYC Declaration Questionnaire ("KYCQ") (via myCompliance system)</div><div>In-house due diligence questionnaire for completion by our third-parties or counterparties covering Corporate and Business Information, Ethics and Integrity, Data Privacy, Sanctions, Export Control and Competition.</div></div>	<div><div>KYC6 – Online Screening System (via myCompliance system)</div><div>An externally managed screening system covering key screening themes in relation to the 5 CLAs with a capacity for enhanced due diligence.</div></div>	<div><div>Compliance Clauses</div><div>Embedment of compliance clauses relating to the 5 CLAs in all contracts. Base clauses provided could be negotiated and customised in accordance to business needs.</div></div>

To facilitate PETRONAS Group’s third parties in answering the TPRM KYCQ, different sets of questionnaires were developed, depending on the nature, size and complexity of the business. The KYCQ has also been developed in multiple languages and could be customised further, depending on the needs of the businesses, upon consultation with CSP and CMO team.

The Evolving Framework

As part of continuous improvement, the TPRM benchmarking was undertaken by CSP in 2023. The benchmarking includes comparative studies with various industry players, including from oil and gas, banking and telecommunication companies, engagement with internal stakeholders at the Corporate and Business Divisions’ level and a comprehensive literature review to assess the current TPRM programme and identify the areas of improvements. The TPRM findings and recommendations were presented to the ELT in 2023. The enhancement to the TPRM Framework and processes will be undertaken in 2024.

## Business Practice

4

PETRONAS reviews its business practices and activities regularly and ensures these practices are updated and aligned with the spirit of compliance to legal and regulatory requirements. It has also put in place pre-emptive measures that PETRONAS Entities must embed and implement to ensure that the PETRONAS Group adopts best practices and remains as an exemplary model to the oil and gas industry worldwide.

Some examples of the pre-emptive measures put in place are:

Items	Controls
Licensing	Sanctions Licensing and Export Control Licensing
Data Management	Retention of Personal Data, Accuracy of Personal Data and Retention of Consent
Declaration Forms	Conflict of Interest Declaration Form, Gift Declaration Form and Asset Declaration Form
Notices	Display of Privacy Notice at Physical Facilities, Online Facilities and When Dealing with Third Parties

In 2023, new controls have been introduced and enforced to PETRONAS Entities for continuous adherence to evolving laws:

- Employees Asset Declaration Forms;
- Data Privacy Officer requirement; and
- PETRONAS Social Impact Management Framework.

## Corporate Governance at PETRONAS

### Monitoring and Assurance

5

PETRONAS Board and ELT ensure their oversight over the PETRONAS Group's activities and its level of compliance towards critical laws and operational laws through rigorous monitoring. Relevant reporting on the PETRONAS Group's compliance activities and control implementations were escalated to various senior management and Board of Directors such as PETRONAS Board, RC, ELT, LLT, HSE Leadership Team, Business Leadership Teams, the Entities' Leadership Team and the Entities' Board of Directors. The escalation ensures top management and directors are aware of the PETRONAS Group's compliance activities and any gap in the control implementation. It allows them to provide continuous guidance for PETRONAS Entities to strive to close the gap in the most practical and feasible way possible. The established line of sight also solidifies the alignment of PETRONAS' position while meeting the business' expectations.

PETRONAS Group constantly verifies the adequacy and effectiveness of its internal controls via the PETRONAS Three Line of Defence model, which is in line with international standards such as Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control – Integrated Framework (ICIF) 2013 and International Organization for Standardization (ISO) 31000:2018 – Risk management.

In 2023, PETRONAS completed three assurance programmes to ensure compliance with the requirements stipulated under critical and operational laws.

1. First Line Assurance for Critical Legal Areas (FLA-CLA);
2. Second Line Assurance for Critical Legal Areas (SLA-CLA); and
3. First Line Assurance for Operational Legal Areas (FLA-OLA).

The oversight and monitoring of CLA and OLA compliance are performed through a structured self-assessment or First Line Assurance undertaken by the PETRONAS Group annually, supported by myCompliance, an integrated compliance system to ensure efficient and effective monitoring of Legal and Regulatory compliance across the PETRONAS Group.

Group Legal, as one of PETRONAS' Second Line Assurance Providers, along with Group Internal Audit and Internal Audit Fraternity, as PETRONAS' Third Line Auditors, effectively identify, evaluate, and recommend an intervention to address potential non-compliances and unsound practices using PETRONAS' Three Line of Defence model. The results of the review or audit may lead to the identification of new controls to be developed or existing controls to be enhanced to continuously improve the legal compliance posture of the PETRONAS Group.

The assurance activities are conducted periodically and assessed based on a risk-based approach. For instance, PETRONAS Entities may utilise the Frequency Determination Tool to assess potential repercussions should the Entities breach any operational laws. Similarly, the selection of entities for SLA-CLA are derived from intensive research on the potential exposures of the Entities if the controls are not implemented adequately and effectively by the Entities.

## PETRONAS Commitment to Integrity

We have zero tolerance for any form of bribery or corruption. The PETRONAS Code of Conduct and Business Ethics (CoBE), PETRONAS Anti-Bribery and Corruption Manual and PETRONAS Whistleblowing Policy are in place to guide our employees and third parties when dealing with potential or actual bribery and corruption situations or improper conduct in their daily business activities.

We demonstrate a top-level commitment to integrity through a dedicated PETRONAS Integrity Governance Unit (IGU), known as Group Integrity, and with the support of the Integrity Focal Person (IFP) at respective businesses. Group Integrity reports all PETRONAS Integrity-related matters directly to the Board Risk Committee and externally to the Malaysian Anti-Corruption Commission (MACC). The tone from the top is indisputable via integrity messaging and walkabouts by our leaders.

PETRONAS Groupwide Corruption Risk Assessment (CRA) is revised every three years following the adequate procedure requirement as one of the defences against corporate liability provisions.

We continue demonstrating our commitment to managing corruption-related activities while adhering to applicable laws and regulations. In 2023, our parent company, Petroliaam Nasional Berhad (PETRONAS), received a certification renewal for the ISO 37001:2016 Anti-Bribery Management System (ABMS) for three years until November 2026.

We formed the Integrity Alliance with our strategic partners to push for greater governance and integrity within Malaysia's oil and gas industry.

We aim to cultivate an environment that empowers our people to speak up and do the right thing in combating corruption and upholding integrity. Our whistleblowing channels are recognised as trusted platforms to speak up about any wrongdoing, as demonstrated by the increasing number of complaints received using these channels. We continue to enhance the whistleblowing management system to be robust and effective to ensure that reports of wrongdoing are dealt with in a timely manner and comply with applicable whistleblowing legislation.

Regarding training and communication, we continue to educate and provide awareness to internal and external stakeholders on integrity-related matters. In 2023, a total of 715 integrity programmes were conducted to strengthen integrity among internal and external PETRONAS stakeholders.

In collaboration with the Malaysian Anti-Corruption Academy (MACA), we continue to upskill our staff on integrity and governance through the Certified Integrity Officer (CeIO) programme.



For more information on PETRONAS Whistleblowing, please go to <https://www.petronas.com/whistleblowing>.