

CORPORATE GOVERNANCE OVERVIEW STATEMENT

At Hibiscus Petroleum Berhad (Hibiscus Petroleum or the Company), our Board of Directors (Board) is entrusted with the responsibility of safeguarding the resources of the Company and its subsidiaries (Group) in the best interests of its shareholders. This involves exercising due diligence and reasonable care in its oversight of the Group.

This Statement provides a concise summary of how our Group has implemented the principles and practices of Corporate Governance (CG) outlined in the Malaysian Code on Corporate Governance 2021 (MCCG).

We have achieved this through the application of the following three key MCCG principles and practices:

- (i) **Leadership and effectiveness of the Board:** Strong emphasis is placed on the ability of our Board to discharge its fiduciary duties and leadership functions with good governance and efficacy. The Company supports this fundamental role of the Board by providing the necessary tools including relevant training to ensure that our Directors are aided, as necessary, to provide strategic direction to the Group and incorporate sustainability considerations in their decision-making.
- (ii) **Effective audit and risk management:** We prioritise the implementation of robust internal controls and risk management practices within our organisation to facilitate the identification, assessment and management of risks effectively. In doing so, we believe the Group's assets are better protected to safeguard our shareholders' interests.
- (iii) **Integrity in corporate reporting and meaningful relationships with stakeholders:** We maintain a high level of integrity in our corporate reporting processes. We strive to provide accurate and timely information to our

stakeholders, to maintain their trust and confidence in the Group's Leadership Team. Furthermore, we prioritise forging meaningful relationships with our stakeholders, taking into account their perspectives and concerns in deciding a course of action.

By adhering to these three key principles and practices, we demonstrate our commitment to upholding strong CG standards at Hibiscus Petroleum.

In the June 2024 review, Hibiscus Petroleum retained its place on the FTSE4Good Bursa Malaysia (F4GBM) Index, a status we first achieved in December 2020. Our overall Environmental, Social and Governance (ESG) rating has improved, notably for the score attained for the Environment pillar. We also continue to be listed on the FTSE4Good Bursa Malaysia Shariah Index. These consistent results highlight our ongoing commitment to sustainability and ethical practices in all areas of our business and has facilitated the maintenance of the Green Lane Policy (GLP) status awarded to us by Bursa Malaysia Securities Berhad (Bursa Securities) in December 2019. This status provides the Company with significant privileges, including the issuance of 'non-complex' circulars without prior vetting by Bursa Securities and expedited processing for 'complex' circulars not covered by exemptions. Maintaining our GLP status allows Hibiscus Petroleum to streamline stakeholder engagement, ensuring efficient communication that aligns with regulatory requirements.



This Statement is prepared in compliance with Bursa Securities' Main Market Listing Requirements (MMLR)¹. It is intended to be read alongside Hibiscus Petroleum's CG Report for the financial year ended 30 June 2024 (FY2024) (CG Report), which can be accessed on our corporate website at <https://www.hibiscuspetroleum.com>. The CG Report provides comprehensive information on how the Company has implemented each Practice outlined in the MCCG during FY2024. It includes details of any alternative measures taken to achieve the desired outcomes as prescribed by the MCCG.

We encourage stakeholders to access comprehensive information about our governance practices and performance by referring to the following reports:

- (1) Statement on Risk Management and Internal Control on pages 189 to 195 of this Annual Report 2023/2024.
- (2) Reports from the following Board Committees:
 - (i) Audit and Risk Management Committee (ARMC) on pages 185 to 188 of this Annual Report 2023/2024;
 - (ii) Nominating Committee (INC) on pages 176 to 180 of this Annual Report 2023/2024; and
 - (iii) Remuneration Committee (RC) on pages 181 to 184 of this Annual Report 2023/2024.
- (3) Sustainability Report, pages 103 to 175 of this Annual Report 2023/2024.

These documents, collectively referred to as the 'Reports', provide further insights into Hibiscus Petroleum's governance and sustainability initiatives.

Explanations for Departures from MCCG Practices

Our Company upholds the principles outlined in the MCCG to maintain high standards of CG. While we largely adhere to the recommended practices, we have made justified departures in two specific areas that we believe serve the best interests of the Company and its stakeholders:

(i) Practice 1.4: Chairman's Participation in Board Committees

The MCCG recommends that the Chairman of the Board should not be a member of any of the Board Committees to ensure independence and impartiality in decision-making. However, we depart from this practice by allowing the Chair of the Board to participate in all Board Committee meetings by invitation.

We believe that our Chair's extensive experience, deep understanding of our Company's strategic direction and valuable insights significantly enhance the effectiveness of our Board Committees. The Chair's participation is limited to hearing deliberations to understand the rationale behind recommendations, without having the same points repeated at Board meetings. This approach facilitates more efficient Board discussions, without compromising the independence and objectivity of Board Committees' recommendations.

Note:

¹ Compliance with Paragraphs 15.08A(3) and 15.25 as well as Practice Note 9 of the MMLR on the preparation of the Nominating Committee Report and disclosure of CG related information.



CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

(iii) Practice 8.2: Non-Disclosure of Top 5 Senior Management's Remuneration Components

The MCGG encourages disclosure of the top 5 Senior Management's remuneration components, including salary, bonus, benefits-in-kind and other emoluments, within specified salary bands of RM50,000. However, we choose not to disclose this information on a named basis due to strategic considerations aimed at maintaining a competitive edge in attracting and retaining top talents.

Additionally, we prioritise the personal security and privacy of our Senior Management personnel. Public disclosure of specific compensation details could potentially expose them to security risks and breaches of privacy.

Despite not disclosing individual figures, our compensation structure remains robust, transparent, competitive and aligned with industry standards. Governance processes ensure that remuneration decisions uphold fairness and accountability.

In both instances, our decisions reflect careful consideration of what best serves our Company and stakeholders. We remain committed to transparency and accountability, reinforcing our dedication to responsible CG practices through these disclosures.

This Statement, together with our CG Report and the aforementioned Reports, reaffirms our commitment to responsible business practices.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

(II) BOARD LEADERSHIP AND COMPANY PURPOSE

Our Board is committed to enhancing the Group's performance and sustainable value, ensuring transparency and accountability to our stakeholders. We achieve this by meticulously aligning our strategic plans and budgets to foster long-term value creation, incorporating economic, environmental and social considerations essential for sustainability. The Board defines clear targets, objectives, values and strategies, allocating resources effectively to prioritise our strategic initiatives.

Throughout FY2024, our Group has navigated challenges including the fluctuations in oil prices influenced by geopolitical tensions and heightened regulatory scrutiny on emissions. We have also integrated operations within our Malaysian/Vietnam business unit to maintain progress and success in a dynamic global landscape. Our focus on business agility and the welfare of our people has been instrumental in sustaining growth, refining operational practices and consistently delivering value to our stakeholders.

Our CG Framework

Our commitment to good governance is fundamental to our operations. At Hibiscus Petroleum, we have established a robust CG framework and adhere strictly to a defined set of values. This framework ensures compliance with all applicable laws and regulations while mitigating risks and fostering ethical behaviour throughout our organisation. We are dedicated to upholding high standards of business integrity, ethics and professionalism.

Central to our corporate culture are our core values: tenaciousness, environmental responsibility, a people focused approach, agility and trustworthiness (TEPAT). These values guide every decision and action we take, exemplified first by our Board. They embody these principles, setting a standard for ethical leadership and responsible corporate citizenship within our industry.

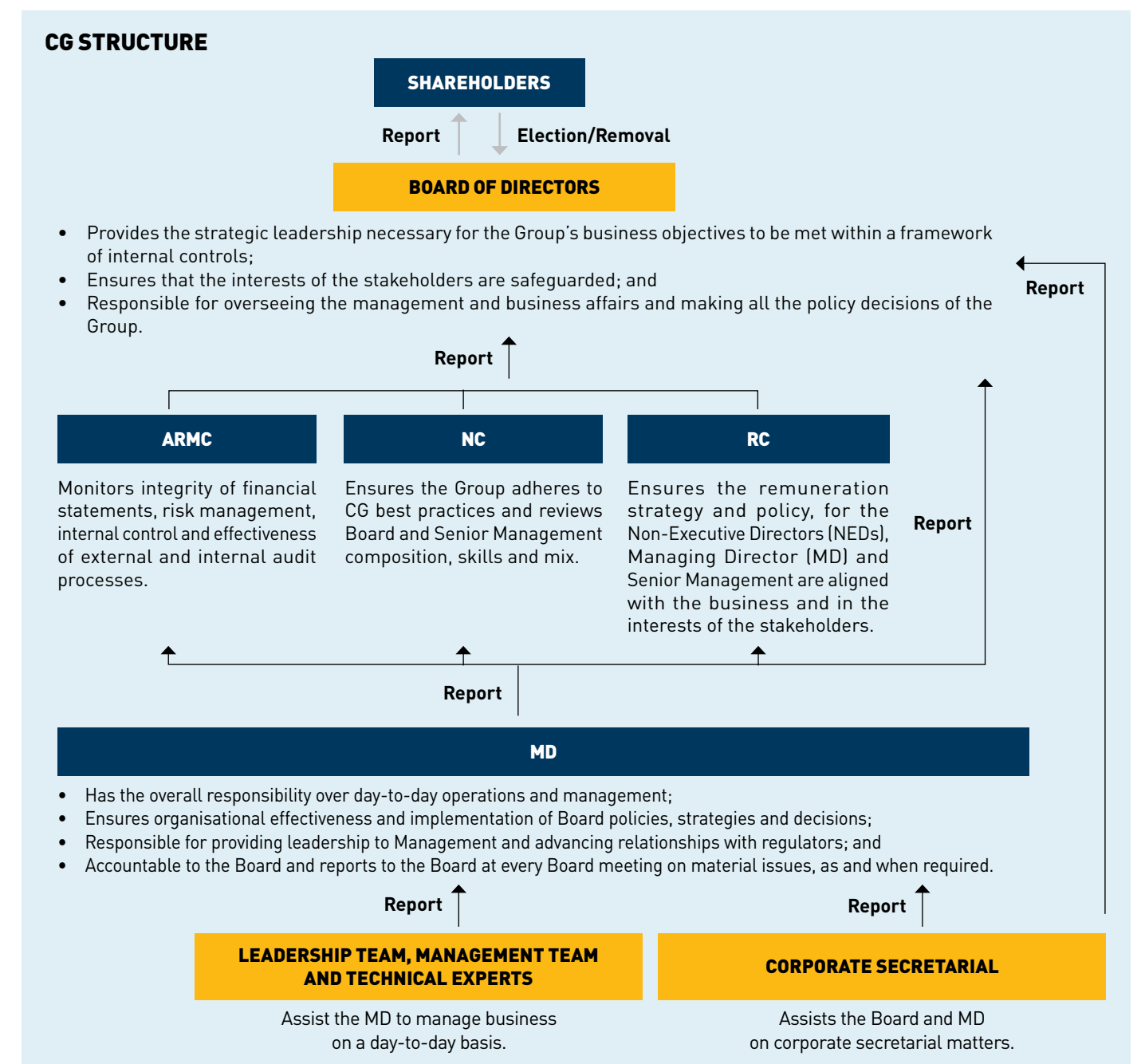


Our Board operates within a well-defined governance framework that includes established procedures, clear lines of responsibility and delegated authorities. This framework ensures the effective implementation of the approved strategy and the assessment and mitigation of key risks.

Within this governance framework, our Board exercises its oversight function, ensuring that the approved strategy is executed efficiently and that risks are identified, evaluated and effectively managed. The procedures and lines of responsibility within the framework provide clarity and guidance to the Management Team and employees, facilitating the smooth implementation of strategic initiatives. By maintaining a strong governance framework, our Board demonstrates its commitment to accountability, transparency and the pursuit of sustainable value creation for the Group.

Furthermore, our Board values engagement with the Group's stakeholders. It ensures that there are sufficient channels for stakeholder input and that their perspectives are taken into consideration during decision-making processes. This commitment to stakeholder engagement fosters a more inclusive approach and enables our Board to make informed decisions that align with the interests and expectations of various stakeholders.

Our CG structure is as depicted below:





CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

Division of Responsibilities

The leadership responsibilities within our Board are divided between the Chair and the MD. The Chair is responsible for overseeing the overall effectiveness of the Board, while the MD is in charge of managing the day-to-day operations of the business. The MD also collaborates with the Board to develop strategic plans and leads the implementation of those plans together with the Leadership Team.

To enhance independent oversight, one of our NEDs serves as the Senior Independent Director. This individual is chosen based on his demonstrated independence and strong character traits, as assessed by the Board.

To facilitate effective business management, the Board has delegated authority to the MD through an approved *Limits of Authority (LOA)* framework. This framework allows the MD to delegate authority to Senior Management across the Group, empowering them to fulfil their responsibilities effectively.

The *LOA* framework is integral to our corporate structure, providing a clear and structured approach to decision-making and operational management. Regular reviews and updates of the *LOAs* are conducted to maintain their relevance and suitability for the Group's evolving business needs.

On 23 July 2024, we updated our corporate *LOA* to align with our organisation's evolving objectives, enhancing governance and accountability. Additionally, effective 1 April 2024, both SEA Hibiscus Sdn Bhd (SEA Hibiscus)'s *LOA* and Peninsula Hibiscus Sdn Bhd (Peninsula Hibiscus)'s *LOA* were revised to optimise effectiveness within their respective subsidiaries, defining authority and decision-making processes tailored to each subsidiary's operations.

Furthermore, the Marigold-Sunflower Project *LOA* was adjusted on 5 December 2023 to meet project-specific requirements, providing necessary guidelines for efficient project execution. Similarly, Anasuria Hibiscus UK Limited (Anasuria Hibiscus) (Mid-sized Assets) *LOA* was revised on the same date.

On 7 July 2024, the Board approved the adoption of Peninsula Hibiscus' *LOA* by Straits Hibiscus Sdn Bhd (Straits Hibiscus), enabling effective management of project operations.

The *LOA* framework extends to our project entities, including Anasuria Hibiscus and Carnarvon Hibiscus Pty Ltd. These entities have their own *LOAs*, tailored to the specific project requirements, ensuring effective project management and decision-making.

Additionally, our joint operating entities, such as Anasuria Operating Company Limited, also adhere to the *LOA* framework. This entity has established guidelines and processes that facilitate collaboration, coordination and effective decision-making among the joint venture partners.

Overall, the *LOA* framework serves as a fundamental tool in our CG structure, providing clarity, accountability and facilitating the

internal control process across the Group. Regular reviews and updates ensure that the *LOAs* remain aligned with our strategic objectives, enabling efficient operations in a dynamic business environment.

Strategic Planning and Implementation

As part of our strategic planning and implementation, our Board conducted a review of the matters reserved for its decision-making and examined the criteria outlined in the MMLR and the MCCG to gauge whether additional self-regulation measures should be employed to complement market regulation.

To ensure effective governance, the Board has delegated specific responsibilities to three Board Committees: the ARMC, NC and the RC. The Board is confident that these committees have adequate resources and time to carry out their duties effectively. The *Terms of Reference (TOR)* for each committee undergoes periodic review, revision and approval by the Board. The Chairs of each committee regularly report on their activities to the Board. Detailed *TORs* for each Board Committee is accessible on our corporate website.

The powers of the Board are governed by our Company's *Constitution*, which outlines the decision-making processes of the Board and the rights of shareholders to attend and vote at general meetings. Directors have access to our Management Team and as necessary, they can seek advice and information from independent advisors to discharge their responsibilities.

Board Administration

Our Board is supported by two company secretaries who are responsible for providing essential policies, processes, information and resources to ensure the effective and efficient functioning of the Board. They oversee compliance with all Board procedures and offer advisory support to Directors as needed, serving as secretaries to the ARMC, NC and RC. This includes maintaining direct access with the Chairs of these Board Committees to facilitate communication between the Board and Management.

Effective 24 July 2024, a change in company secretaries occurred when the company secretarial provider then, who had assisted us for over 11 years, was unable to continue to support the Company's requirements. New company secretaries were appointed on the same date to ensure continuity of provision of corporate secretarial services. At this juncture, we wish to record our appreciation to the previous company secretarial provider for their dedicated service to the Company over many years.

Discharging Board Responsibilities

Throughout FY2024, our Board conducted 14 regular meetings, with one dedicated to an extensive review of our long-term business strategy. The depth of review and the Directors' commitment to allocating appropriate amounts of time to do the same are a testament of the Board's responsibility towards fulfilling its fiduciary duties diligently. In addition to these

meetings, our Board held frequent sessions to discuss proposed plans on funding, asset acquisitions and arising developments, enabling the Board to provide valuable guidance to the Leadership Team.

In January 2024, the Board approved several strategic actions to accelerate our Mission 2022 to 2026, aiming to further position the Group as a respected, valuable and responsible company with a competent, motivated and content workforce. Under the strategic theme of '*Delivering Volumes, Enhancing Value*', a key initiative embodying this action, is Hibiscus Petroleum's targeted entry into Brunei through the proposed acquisition of TotalEnergies EP (Brunei) B.V., by our indirect wholly-owned subsidiary, Simpör Hibiscus Sdn Bhd, which was announced on 14 June 2024. This proposed acquisition is expected to significantly enhance our portfolio by boosting proved plus probable reserves (2P reserves) by 36%, increasing contingent resources (2C resources) by 12% and adding a net production rate of 7,865 barrels of oil equivalent per day (boe/d), primarily gas. This strategic move is crucial for achieving our Mission 2026.

As part of our continuous focus on production growth and efficiency, the Board has also been closely overseeing the acquisition and integration of the PKNB Cluster Production Sharing Contract (PSC) and monitoring developments related to the PM327 PSC. These projects are essential in bridging our production targets and improving operational sustainability while contributing to our overall portfolio balance.

Concurrently, we are committed to our ESG goals, including our initiative towards net zero by 2050. By 2030, we target to reduce 50% of our greenhouse gas (GHG) Scopes 1 and 2 emissions, against a FY2020 baseline. Our decarbonisation efforts include a fuel switch from diesel to solar and small wind turbines, membrane upgrades for hydrocarbon recovery, reusing decommissioned topside platforms, upgrading compressors in Kinabalu to reduce flaring and exploring carbon storage feasibility in our PSC for the PM3 Commercial Arrangement Area (PM3 CAA).

The Board is committed to maintaining our Shariah-compliant status, as reaffirmed in the May 2024 assessment by the Securities Commission of Malaysia (Securities Commission) and enhancing our ESG ratings per the June 2024 results released by FTSE Russell. This achievement of maintaining our constituency on the F4GBM and FGBM Shariah Indices underscore the ongoing efforts to improve our ESG practices. Our goal is to ensure that our business practices consistently uphold the higher standards of CG and sustainability.

Our Board played a crucial role in guiding the Management Team in its efforts to streamline operations, optimise efficiency and execute asset development projects on budget. This guidance extended to overseeing Management's enhancement of opportunities within our existing licenses safely and viably coupled with evaluating potential acquisitions based on their value propositions.

In the pursuit of mergers and acquisitions (M&A) and new ventures to bridge production gaps and achieve Mission 2026 targets, the Board actively supported Management. This support included a material acquisition in Brunei (ongoing) and efforts to optimise operations in the UK, particularly by maximising recovery from Anasuria Cluster and aggressively pursuing strategies for Marigold and Sunflower licence extensions. Emphasising our commitment to sustainability, the Board also supported Management in advancing emission reduction initiatives and exploring commercially viable carbon capture and storage (CCS) models.

To ensure rigorous performance monitoring and evaluation, the Board approved key performance indicators (KPIs) at Group, Corporate and Business unit levels, serving as vital benchmarks for human capital appraisals and guiding our group business performance monitoring. In summary, our Board remains committed to thorough reviews and addressing crucial arising matters to ensure effective governance for the sustained success of the Group.

Board and Board Committee Meetings and Attendance

During FY2024, the Directors showed exceptional commitment with the majority maintaining perfect attendance at both our Board and Board Committee meetings, actively participating in deliberations on presented agendas.

The attendance of Directors at Board and Board Committee meetings for FY2024 is summarised below:

Director	Board	ARMC	NC	RC
Zainul Rahim bin Mohd Zain	100% (14/14)	n/a	n/a	n/a
Dr Kenneth Gerard Pereira	100% (14/14)	n/a	n/a	n/a
YBhg Dato' Sri Roushan Arumugam	92.86% (13/14)	100% (9/9)	100% (4/4)	100% (2/2)
Thomas Michael Taylor	100% (14/14)	100% (9/9)	100% (4/4)	100% (2/2)
YBhg Dato' Dr Zaha Rina Zahari	100% (14/14)	100% (9/9)	100% (4/4)	n/a
Emeliana Dallan Rice-Oxley	92.86% (13/14)	n/a	100% (4/4)	100% (2/2)
Zaidah binti Ibrahim	100% (14/14)	n/a	100% (4/4)	100% (2/2)

Notes:

n/a denotes 'not applicable' as the Director is not a member of the Board Committee during FY2024.

% The figures represent the percentage of meeting attendance for each Director at the respective meetings held during FY2024.



CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

The Directors' dedication to fulfilling their responsibilities are integral to maintaining effective governance and oversight, reflecting their commitment to upholding the highest standards of corporate ethics and responsibility.

Promoting Good Business Conduct

Hibiscus Petroleum maintains stringent ethical standards through our updated *Code of Conduct and Ethics (Code)*, revised in June 2023 to enhance Conflict of Interest (COI) disclosures as per the amended MMLR. This ensures transparent and diligent management of any arising conflict, preserving the impartiality of our decision-making processes.

We uphold a zero-tolerance stance on corruption with our *Anti-Corruption and Anti-Bribery (ACAB) Policy*, reinforced through regular training sessions that cover the latest corporate liability provisions under Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (amended 2018). Refresher ACAB training and assessment quizzes are conducted periodically, with 99.15% compliance achieved as at 31 August 2024.

Ethical standards are evident in our contracts with contractors, joint venture partners and stakeholders, affirming our commitment to integrity. Hibiscus Petroleum maintains a *Whistle Blower Policy*, enabling employees and stakeholders to confidentially report any improper conduct or known organisational practice(s)/wrongdoing(s) for investigation by the Group Internal Auditor. An update of any findings is then provided to the ARMC and the Board of Directors.

Aligned with global human rights and labour norms, our *Anti-Modern Slavery Policy* underscores our pledge to combat modern slavery. This policy can be viewed on our corporate website.

To prevent insider trading, our Directors and employees, including Principal Officers², are reminded of their obligation to refrain from trading in Hibiscus Petroleum's securities when in possession of price-sensitive information, governed by our robust *Policy with Regard to Insider Dealing*.

In maintaining the highest standards of Directorship, Hibiscus Petroleum adheres to a *Fit and Proper Policy for the Appointment and Re-election of Directors*, ensuring appointees demonstrate the requisite qualities, integrity, competence and dedication to effectively fulfil their roles.

Driving Sustainability through Strategic Partnerships

At Hibiscus Petroleum, sustainability is central to our vision for a resilient future. We are committed to integrating partnership strategies and fostering trusted long-term relationships to meet global energy demands responsibly. Our commitment extends beyond compliance to encompass safe, efficient and socially and environmentally responsible practices.

Central to our strategy is cultivating strong relationships and partnerships in countries in which we operate; namely Malaysia, Vietnam, the UK and Australia, where we actively engage with

local stakeholders. These collaborations align our operations with national development priorities, foster economic growth and create opportunities for local businesses and investments. We are also committed to enhancing local skills and capabilities, contributing to community development and empowerment.

Our sustainability framework is integrated into our CG standards and practices. Guided by our Directors and the Business Sustainability Management Committee, we ensure that sustainability considerations are embedded throughout our operations. This approach aligns with global frameworks such as the United Nations' Sustainable Development Goals (SDGs), addressing challenges like climate change, environmental stewardship and social equity.

Transparency and open communication are fundamental to our approach. Our *Sustainability Policy* and *Climate Change Framework* provide clear guidelines for our sustainable practices, underscoring our commitment to positive change. These documents are publicly accessible on our corporate website, promoting accountability and understanding among stakeholders.

An Integrated Approach to Sustainability

At Hibiscus Petroleum, sustainability is not just a concept but a practical guide for our actions. We continuously innovate to minimise our environmental footprint, enhance social well-being and pursue the creation of long-term value for all stakeholders. By embracing sustainability as an overarching principle, we advance towards a shared future of growth and resilience.

Additionally, our *Environment Policy* focuses on optimising energy and resource usage, supported by proactive crisis management and sustainable action plans. Such efforts reflect our dedication to balancing shareholder objectives with environmental stewardship and ethical responsibilities to our broader community.

Board Oversight and Sustainability Reporting

Our Board actively reviews and approves material sustainability matters that impact our business, ensuring robust ESG practices. For detailed insights into our sustainability performance, please refer to our Sustainability Report in the Annual Report 2023/2024.

(II) BOARD COMPOSITION, SUCCESSION AND EVALUATION

Our Board is committed to maintaining a highly skilled and experienced Leadership Team that drives the success of our Group. The NC plays a crucial role in overseeing the appointment and succession planning of Directors and Senior Management. We prioritise diversity and inclusivity, as underscored by our *Diversity Policy* which values individuals from diverse backgrounds, skills and experiences. Board appointments are merit-based, focusing on the potential value each candidate brings to our Group. Our *Fit and Proper Policy for the Appointment and Re-election of Directors* guides our selection process, ensuring we select the most qualified individuals for Board positions.

Hibiscus Petroleum takes pride in its diverse and inclusive Board of Directors. Comprising individuals from various age groups, ethnic background and professional fields—including oil and gas, business administration, finance, engineering, accounting, audit and law—our Board leverages diverse perspectives, knowledge and skills to effectively steward and manage the Company.

Recognising the inherent value of diversity, our Board believes that embracing different perspectives and experiences fosters a culture of innovation, creativity and critical thinking. This enables us to adapt to stakeholder needs and dynamic business environments, enhancing company performance and providing Hibiscus Petroleum with a competitive advantage. Our inclusive approach ensures that all Board members' voices are heard, respected and valued, fostering open dialogue, collaboration and

the consideration of new ideas and solutions which ultimately enhance our Group's overall performance.

In our ongoing commitment to diversity and expertise on the Board, we have achieved a balanced representation, including a 43% presence of female directors. Among our seven Directors, four are Independent NEDs (INEDs), comprising 57% of our Board, while the remaining three are Non-Independent Directors, including our Non-Executive Chair. This composition aligns with established governance frameworks, ensuring a diverse and inclusive leadership at Hibiscus Petroleum.

Further information about the backgrounds and qualifications of our Directors can be found on pages 68 to 75 of our Annual Report 2023/2024.

The charts below provide a visual representation of the diversity and composition within our current Board, showcasing the range of skills, experience, ethnic background and independence represented as of 1 October 2024 (except for the age and gender chart):



Note:

The age disclosure is as of 30 June 2024 and gender disclosure is as of 30 June of the respective financial year-end.

² Note: Principal Officers in relation to a listed issuer or its major subsidiary means the chief executive who is not a director, the chief financial officer or any other employee of the listed issuer or its major subsidiary respectively who has access or is privy to price-sensitive information in relation to the listed issuer.



CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

Strengthening Governance

In accordance with regulatory requirements and the MCCG guidelines which encourage a tenure limit of 9 years for Independent Directors, shareholders' approval will be sought at the upcoming 14th Annual General Meeting (AGM) in 2024 for Mr Thomas Michael Taylor to continue serving as an Independent Director as he is approaching the end of his 9-year term on 31 July 2025, accompanied by comprehensive justifications.

The NC has reviewed Mr Taylor's performance and recommends his retention in this role. His extensive experience and leadership, particularly as Chair of the ARMC, has proven invaluable. Mr Taylor's contributions in guiding the Board and Management on financial matters, policies and governance practices, together with his strategic insights into major acquisitions and operations, underscore the importance of his continued involvement.

Re-election Recommendations for Directors at the 14th AGM

Encik Zainul Rahim Mohd Zain and Puan Emeliana Dallan Rice-Oxley have the full support and recommendation of the Board to be re-elected at the upcoming 14th AGM. The Board recognises their exceptional contributions and believes that their re-election will bring continued stability, expertise and valuable perspectives to the Board and its Committees.

Each of these Directors has demonstrated a strong commitment to the Group's success and has played an instrumental role in driving our strategic objectives forward. Their diverse backgrounds and wealth of experience have enriched our decision-making processes and helped navigate complex business challenges.

The Board has conducted a thorough assessment of the performance and qualifications of these Directors in accordance with our governance framework. They have completed the necessary *Fit and Proper* declarations, validating their ongoing suitability for the roles they serve. The Board is satisfied that they meet the requisite standards of competence, character and integrity.

The Board firmly believes that their re-election will be in the best interests of the shareholders and the Group as a whole. Their ongoing dedication, industry knowledge and expertise will continue to enhance the governance practices and contribute to the long-term sustainability and growth of the Group.

The recommendation for the re-election of these Directors is subject to the approval of shareholders at the 14th AGM. We encourage all shareholders to exercise their voting rights and support the re-election of these esteemed individuals, as their continued presence on the Board will ensure the continuity of effective leadership and stewardship for the benefit of all stakeholders.

Board Effectiveness and Performance Assessment for FY2024

To maintain and enhance Board effectiveness, we conduct regular performance reviews for all Directors, ensuring their contributions are in line with the Group's strategic objectives. In FY2024, we carried out an internal evaluation to assess the performance of our Board. This involved Directors completing detailed questionnaires that examined both individual and collective performance, with the process facilitated by the company secretaries.

The evaluation revealed a positive diversity of perspectives, skills and experiences within the Board, fostering a constructive environment where arising matters and challenges are effectively addressed. It also highlighted areas for improvement, including advancing our succession planning strategy. Such insights have been integrated into our future meeting agendas to continually enhance our governance practices.

The Board remains committed to preserving a strong and diverse composition, effective succession planning and rigorous governance. We value the dedication and expertise of our Directors, whose guidance is crucial in steering the Group towards sustainable growth and long-term success.

Directors' Continuing Education Programme

At Hibiscus Petroleum, our commitment to continuous learning and development is reflected in the proactive engagement of our Board members in various training programmes throughout FY2024. These included seminars, conferences and webinars, all designed to provide our Directors with valuable insights and knowledge.

This dedication to ongoing education is crucial in enhancing our Board's decision-making capabilities and guiding the Company effectively. Our Corporate Secretarial team ensures that Directors are informed about relevant external training opportunities, and the annual Board assessment process assists in identifying areas where additional training could be beneficial.

Our Directors have successfully completed the mandatory Accreditation Programme (MAP) as required by Bursa Securities. In FY2024, several Directors have also completed the MAP Part II: Leading for Impact (LIP), as initiated by Securities Commission and required by Bursa Securities. This programme equips directors with crucial skills to effectively address sustainability risks and opportunities. Through their active participation in these programmes, our Directors demonstrate their dedication to staying updated with industry best practices and upholding the highest standards of CG at Hibiscus Petroleum.

In addition to external training, our Directors also benefit from regular updates on the market outlook, competitive landscape and changes to accounting standards which are provided by our MD, Management Team and external auditors, ensuring that our Directors stay informed and are equipped to make well-informed decisions.

In addition, our Directors had actively participated in the 2024 Group Business Plan session in January 2024, engaging in strategic discussions with Management and contributing to the Company's long-term vision. In September 2024, our Directors were also involved in the 2nd Hibiscus Investor Day, where they engaged with stakeholders and investors. This event provided an opportunity for them to update stakeholders on Hibiscus' progress and facilitated the fostering of stronger relationships.

We recognise the growing importance of sustainability considerations in our business and operations and organised training programmes for the Board and Management to keep them informed about current developments and challenges related to sustainability so that they are well-prepared to address arising sustainability concerns and make informed choices, aligned with our commitment to environmental and social responsibility.

Directors' Remuneration Framework

The RC is responsible for determining the remuneration of NEDs, Executive Directors and Senior Management at Hibiscus Petroleum. The RC reviews the Directors' *Remuneration Policy* and the remuneration policies for Senior Management to ensure that rewards align with the successful delivery of the Group's Scorecard and KPIs.

In line with the Company's policy, Executive Directors appointed to the Boards of associate and subsidiary companies are required to surrender any remuneration, fees, expenses or benefits received from those entities to Hibiscus Petroleum, provided that the individuals are adequately protected and indemnified from claims and liabilities incurred while discharging their duties lawfully in the best interests of the respective companies within the Group on whose Board they serve.

NEDs' remuneration is structured around fixed fees based on their roles on the Board and its Committees. In addition, NEDs receive meeting allowances and are reimbursed for reasonable expenses, such as travel and accommodation, incurred while discharging their duties. The Company has a process in place for reimbursing these expenses.

The RC conducts an annual review of the Board's remuneration to ensure competitiveness. This review considers remuneration benchmarks from comparable companies in the oil and gas sector, as well as factors such as the Group's complexity, performance, individual responsibilities, contributions and the nature of their duties. The proposed remuneration is subject to approval by shareholders at the 14th AGM.

Individual Directors do not participate in discussions or decisions regarding their own remuneration. The RC's review, including market comparisons and fee structures, informs the Board's recommendations.

For the period from the day after the 14th AGM in November 2024 until the next AGM in 2025, the Board has reviewed and proposed adjustments to the remuneration fees for the Chairman and NEDs, in line with our *Directors' Remuneration Policy*, ensuring fairness, transparency and alignment with business performance.

The adjustments are proposed due to the enhanced scope of governance responsibilities arising from:

1. *Business Growth Achievements*: Significant developments, such as the successful integration of our North Sabah business unit with assets acquired from Repsol Exploración, S.A., the advancement of the SF30 Waterflood project, the commercial discoveries of Bunga Aster and Bunga Lavatera fields, the pending acquisition of TotalEnergies EP (Brunei) B.V. Additionally, the award of the PKNB Cluster PSC and the new blocks awarded in the 33rd UK Offshore Licensing Round highlight the NEDs' crucial role in overseeing the complex transactions and guiding Management through these substantial achievements. Their leadership and contributions have been instrumental in driving these successes and shaping the Group's future direction.
2. *Growth in Technical Oversight*: Given the growth in the business footprint, with each new opportunity introducing greater technical complexities requiring very detailed review and oversight. This includes strategic initiatives such as PM327 PSC farm-in arrangement and further optimisation of assets like PKNB Cluster PSC and Block B MLJ field in Brunei.
3. The operational expansion and initiatives have increased the responsibilities of the NEDs, supporting the need for adjustments to their remuneration.
4. *Financial Performance*: Strong financial performance and successful production and exploration results underscore the Board's effective oversight.
5. *Governance and Risk Management*: NEDs' role in overseeing corporate actions, such as the Share Consolidation and Share Buy-Backs whilst maintaining high governance standards.

In addition, at the 13th AGM, shareholders approved medical coverage for NEDs. This benefit will be re-presented for approval at the 14th AGM in November 2024. The continued provision of this benefit supports the well-being of our NEDs, which is important for their continued effectiveness and commitment in their roles.

The proposed remuneration structure, including medical coverage will be presented for shareholders' approval at the 14th AGM. The fixed fees and meeting allowances will be paid quarterly in arrears for the period following the 14th AGM until the next AGM in 2025.



CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

Type of Fees/Meeting Allowances/Other Benefits	Existing Rate	Proposed Rate for the period from the day after the 14 th AGM in November 2024 until the date of the next AGM in the year 2025	Increase (%)
Non-Executive Chair's Annual Fee	RM330,000	RM375,000	Approximately 14%
NEDs' Annual Fees (excluding the Chair of the Board)	RM180,000	RM200,000	Approximately 11%
<u>Meeting Allowances for the Chair</u> For each meeting of the Board and the Board Committee attended by a NED serving as the Chair of the meeting	RM4,500 per meeting	No change proposed	Not applicable
<u>Meeting Allowances for a Member</u> For each meeting of the Board and the Board Committee attended by a NED serving as a member of the meeting	RM3,500 per meeting	No change proposed	Not applicable
<u>Specific Meeting Allowances</u> For each specific meeting attended by a NED, which involves interactions with third parties on behalf of the Company, in addition to the regular Board and Board Committee meetings or attendance at meetings with the Group's personnel at the specific request of the Chair of the Board	RM3,500 per meeting	No change proposed	Not applicable
<u>Other benefits for NEDs</u> Total limit for medical coverage * The coverage will be provided through either company-secured insurance and/or directly by the Company up to the total specified capped limit	RM500,000 limit*	No change proposed	Not applicable

Please note that the actual remuneration figures for FY2024 will be disclosed in the relevant financial statements and CG Report.

MD's Remuneration

The remuneration of our MD is determined in line with the terms outlined in his employment contract, which was approved by our Board. The package is designed to align with the MD's responsibilities and contributions to the Company, as well as his qualifications, experience, strategic targets and the Group's overall performance.

For a detailed breakdown of the MD's remuneration, please refer to the Audited Financial Statements for FY2024 on pages 279 to 280 of this Annual Report 2023/2024.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Internal Control and Risk Management

Our Board recognises the critical importance of implementing and maintaining a robust system of internal controls. These controls are meticulously designed to protect the Company's assets, mitigate risks, ensure compliance with regulatory requirements and uphold sound governance practices. The Board is actively involved in the development and enforcement of policies, procedures and frameworks that underpin our internal control environment.

The ARMC plays a pivotal role in overseeing the effectiveness of our internal controls. The ARMC monitors both the external audit of reserves and resources and the internal audit programme. By conducting thorough reviews of financial reporting, risk management practices and internal audit processes, the ARMC ensures that risks are promptly identified, managed and communicated.

To further bolster the capabilities of the ARMC, we have established the Executive Risk Management Committee (ERMC). Comprising Senior Management members, the ERMC supports the ARMC by taking on specific responsibilities related to risk oversight. Through regular meetings and collaborative discussions, the ERMC contributes to the identification, assessment and management of risks and aids in developing robust risk management frameworks and effective mitigation strategies.

Our internal control systems undergo comprehensive annual assessments to ensure they address evolving risks effectively. Continuous improvements are made as needed, reflecting our Board's commitment to responsible governance. By maintaining and enhancing our internal control systems, Hibiscus Petroleum reinforces its ability to manage risks, protect shareholder interests and achieve its business objectives in a responsible and transparent manner.

Business Sustainability Management Committee

Our Board has entrusted the Business Sustainability Management Committee with the oversight and responsibility for environmental stewardship, occupational and process safety, asset security and overall governance. This committee is tasked with reviewing and shaping our sustainability strategies, priorities and key initiatives, as well as overseeing related policies and programmes. It also plays a crucial role in monitoring progress and fostering responsible practices throughout our operations. By steering our sustainability efforts, the committee is integral to the achievement of our aspiration to become a net-zero emissions producer by 2050.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Our Board places great importance in maintaining transparent and timely communication with our stakeholders. We are committed to providing adequate and timely disclosure of relevant information, including financial, organisational, governance and transaction-related updates. To ensure consistency and adherence to best practices, our Group has established comprehensive *Corporate Disclosure Policies and Procedures*. Our Group's spokespersons strictly adhere to these policies, ensuring that all communications align with our disclosure guidelines.

We understand the importance of shareholder engagement and recognise it as part of our fiduciary duties to our shareholders. Leveraging the power of information technology, we employ various channels to disseminate information to our stakeholders. Through various platforms, such as our website, investor portals, webcasts and digital communication tools, we provide access to a wealth of information, including our annual reports, quarterly reports, corporate and business updates, notices of general meetings, investor briefing slides, press releases, public announcements and responses to frequently asked questions.

We have further improved the accessibility and transparency of our disclosures by dedicating specific sections on our corporate website to financial results and CG. These sections serve as centralised resources for stakeholders to access key information related to our financial performance, governance practices and risk management initiatives. By consolidating this information in a user-friendly format, we aim to enhance stakeholders' understanding of our Group's operations, strategies and progress.

Furthermore, we recognise the importance of ongoing engagement with our stakeholders. Through proactive and open communication, we encourage feedback, questions and constructive dialogue from shareholders, analysts, investors, customers, employees and other relevant stakeholders. We are committed to addressing their enquiries and concerns in a timely and transparent manner, strengthening our relationships and building trust.

By maintaining clear and consistent communication practices, we strive to provide stakeholders with the information they need to make well-informed decisions about our Group. We believe that effective communication not only enables stakeholders to assess our activities but also fosters a deeper understanding of our business, values and commitment to sustainable growth. As we continue to engage with our stakeholders, we remain dedicated to transparency, accountability and responsible CG practices.



CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

Conduct of General Meetings

General meetings are a key platform for engaging with our shareholders. Both our EGM and 13th AGM were conducted virtually on 5 October 2023 and 5 December 2023 respectively. This format leveraged technology for effective engagement, enabling shareholders to actively participate and contribute to the decision-making processes, regardless of their location.

Online voting facilities provided a secure and convenient method for shareholders to cast their votes for both the EGM and 13th AGM. The virtual format supported the submission of shareholder questions both in advance and during the meetings, fostering interactive and informative sessions.

The proceedings were managed with transparency and enabled communication and engagement with our shareholders. Conducting these meetings virtually proved to be highly effective, allowing shareholders to interact with the Board and Management from remote locations conveniently. This approach aligned with the Securities Commission's guidance, which encourages the use of technology for general meetings and conforms to the Malaysian Government's directives. Through virtual meetings, we successfully convened the EGM and 13th AGM to obtain the necessary approvals from our shareholders for the proposed resolutions tabled.

We remain dedicated to keeping our shareholders informed through regular updates, financial reports, and other pertinent information via various digital channels. We encourage all shareholders and stakeholders to stay connected and utilise these platforms to engage with us, ensuring transparent and effective communication.

As the situation evolves, we will continually assess and adapt our approach to holding future general meetings in accordance with prevailing regulations and guidelines. With approximately 16,800 shareholders as of 30 September 2024, we would like to be able to maximise participation amongst our investors.

Enhanced Shareholder Engagement

To ensure thorough preparation and participation, we issued the Notice of the EGM 14 days in advance and the Notice of the 13th AGM more than 28 days prior to the respective meetings. This provided shareholders ample time to plan their attendance and submit proxy forms if needed. The virtual format of both the EGM and the 13th AGM expanded our reach, enabling shareholders from outside the Klang Valley to engage and vote.

Shareholders were invited to submit questions ahead of and during the meetings, promoting interactive and informative sessions that fostered meaningful dialogue between shareholders and the Board.

Engaging and Productive EGM and 13th AGM: Insights, Discussions and Shareholder Participation

An EGM was conducted on 5 October 2023 to seek shareholders' approval for the proposed consolidation of every 5 existing ordinary shares in Hibiscus Petroleum into 2 new ordinary shares (Consolidated Shares). This proposed share consolidation aimed to streamline the Company's share structure.

The EGM was held virtually, facilitating efficient decision-making and enabling shareholders to participate and vote online via the remote electronic voting system. During the meeting, the Board presented the proposal and provided comprehensive explanations on the initiative. The EGM provided a platform for shareholders to engage in the decision-making process and reaffirm their support for the Company's strategic direction.

The virtual EGM held on 5 October 2023 saw active participation from over 217 shareholders and proxies, representing 47.30% of the Company's issued share capital. This strong turnout highlighted shareholders' support and interest in the Company's performance and strategic initiatives.

At the 13th AGM, our MD delivered a comprehensive presentation on the Group's financial results and significant accomplishments. The virtual nature of the meeting proved successful, as it attracted a significant level of engagement. Approximately 284 shareholders and proxies, representing 49.75% of our Company's issued share capital, actively participated in the virtual gathering.

The entire Board, including the MD and Leadership Team, attended the 13th AGM, either physically at the Broadcast venue or online, demonstrating their commitment to engaging with shareholders. They responded to inquiries pertaining to the Group's performance, financials, business operations and CG, ensuring transparency and accountability. The question-and-answer session was effectively moderated by Deloitte Business Advisory Sdn Bhd, an independent moderator appointed for the AGM, further facilitating constructive discussions between shareholders and the Board.

The notable turnout at both the EGM and 13th AGM highlighted the strong support and interest of our shareholders in the Company's performance.

The effective use of the virtual format for both meetings enabled broader shareholder participation, regardless of location and enhanced engagement and transparency. We value and appreciate our shareholders' active involvement and their valuable contributions during these meetings.

Smooth and Secure E-Polling Process at the EGM and 13th AGM

The voting process at both the EGM and 13th AGM was conducted effectively and securely through e-polling. Tricor Investor & Issuing House Services Sdn Bhd, our share registrar, managed

the electronic voting process and ensured its accuracy. To uphold transparency and the integrity of the results, Deloitte Business Advisory Sdn Bhd was appointed as the scrutineer to independently verify the poll outcomes.

Availability of AGM Minutes for Stakeholder Access

As part of our commitment to transparency and accountability, the minutes of our AGM is made available on our corporate website to provide a valuable resource for shareholders and other interested parties to peruse the presentation delivered and the outcome/decisions of such meetings.

Engagement and Communication with Stakeholders

Furthermore, our Board actively invites stakeholders to engage with us and share any queries or concerns they may have. Shareholders and other stakeholders are encouraged to contact the Chair of the Board, Encik Zainul Rahim bin Mohd Zain, or our Senior INED, Mr Thomas Michael Taylor, for any enquiries or issues.

For convenience, the contact details for both individuals are provided below. We are committed to maintaining open lines of communication, fostering strong relationships with our stakeholders and ensuring that their voices are heard and addressed effectively.

Contact Information

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(Chair of the Board)
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Mr Thomas Michael Taylor
(Senior INED)
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Shareholder Information - 14th AGM

We are pleased to announce that the 14th AGM of our Company is scheduled to take place at 9.30 a.m. on Wednesday, 27 November 2024. The Notice of the 14th AGM, containing the agenda and proposed resolutions, can be found on pages 309 to 315 of this Annual Report 2023/2024.

The Notice of the 14th AGM will be sent to our shareholders by 29 October 2024. In addition, this notice together with the Form of Proxy, Administration Guide, Annual Report 2023/2024 and the CG Report can be downloaded from our Company website (<https://www.hibiscuspetroleum.com>). This digital access ensures the immediate availability of essential documents and promotes efficiency in communication.

In ensuring the AGM-related documents are issued on 29 October 2024, we provide more than the required 21-day notice period and exceed the 28-day recommendation by the MCCG in order to allow our shareholders ample time to review the proposed resolutions, make necessary arrangements to attend the AGM, or appoint proxies as they deem appropriate. Our shareholders' active participation and engagement in the 14th AGM are highly valued.

In accordance with our commitment to environmental sustainability and in line with the evolving global landscape, we strongly encourage all shareholders to opt for electronic communications for the receipt of these important documents. Embracing electronic delivery not only reduces paper consumption but also aligns with the recommendations set forth by the MCCG to encourage digital engagement.

To further support our sustainability efforts, we have adopted a 'print-on-request' approach for the Annual Report 2023/2024. A shareholder who prefers a physical copy can request for it, reducing resource costs in addition to minimising our carbon footprint.

To align with governance practices and enhance shareholder engagement, we will conduct our 14th AGM in a virtual format. Following MCCG recommendations, the meeting will be held via live streaming and online remote voting. This format ensures broader participation from shareholders, regardless of their location, and supports our commitment to transparency and accessibility. Embracing these digital tools allows us to efficiently meet stakeholder expectations and adapt to the evolving business environment.

CG Priorities: Strengthening Practices and Processes for the Future

At Hibiscus, CG is integral to ensuring transparency, accountability, and sustainable growth. We are committed to enhancing our governance practices through a comprehensive roadmap of short-term (1 to 2 years) and long-term (3 to 5 years) initiatives, including the following:

Short-Term Goals (1 to 2 Years):

- *Reviewing CG Policies:* We will assess and refine our corporate governance policies to ensure they meet current best practices.
- *Targeted Training:* Providing focused training for our Board and Management to enhance their effectiveness.
- *Stakeholder Communication:* Improving how we engage with and communicate to our stakeholders.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

Long-Term Objectives (3 to 5 Years):

- *Sustainability Integration*: Embedding sustainability considerations further into our strategic planning.
- *Technological Advancements*: Leveraging new technologies to stay competitive in a rapidly evolving business environment.
- *Continuous Evaluation*: Establishing a framework for ongoing assessment and enhancement of governance practices.

Our firm commitment to these priorities will reinforce our reputation as a responsible and sustainable organisation. By upholding strong governance principles and fostering a culture of integrity, we aim to deliver enduring value for our shareholders, stakeholders and the wider community.

We are pleased to confirm that the Group remains dedicated to a robust governance framework, maintaining transparency, integrity and high standards across all levels of our organisation. This commitment strengthens trust, builds confidence and protects the interests of our valued shareholders and stakeholders.

The Board's approval of this CG Overview Statement on 1 October 2024 underscores our dedication to upholding transparent and responsible CG practices.

