

CORPORATE GOVERNANCE REPORT

STOCK CODE : 5183
COMPANY NAME : PETRONAS CHEMICALS GROUP BERHAD
FINANCIAL YEAR : December 31, 2024

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PERSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.1

The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board of PETRONAS Chemicals Group Berhad ("PCG" or the "Company") is committed to high standards of corporate governance and strives to ensure that it is practiced throughout the Group as a fundamental part of discharging its responsibilities to protect and enhance shareholders' value and raise the performance of the Group.</p> <p>The duties, powers and functions of the Board are governed by the Constitution of the Company, the Companies Act 2016 (CA 2016), the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (Bursa Securities) and other regulatory guidelines and requirements that are in force.</p> <p>In discharging its duties and roles effectively, the Board is also guided by the Board Charter, which sets out the principles and guidelines that are to be applied by the Board, whilst the Board Committees are guided by its respective Terms of Reference (TOR). The Board Charter and the TOR for each Board Committee are available on the Company's corporate website at https://www.petronas.com/pcg/about-us/governance.</p> <p>The Board is entrusted with the responsibility to promote the success of the Group by directing and supervising the Group's affairs. To discharge the Board's stewardship responsibilities, the Board has assumed the following principal roles and responsibilities:</p> <ul style="list-style-type: none">• To review, approve and monitor the strategic business plans, goals and key policies proposed by the Management to ensure sustainability and optimisation of long-term returns.• To ensure that appropriate policies are in place, adopted effectively and are regularly reviewed.• To review and approve financial statements.

- To review and manage principal risks and adequacy of the Company's internal control systems including systems for compliance with applicable laws, regulations, rules and guidelines.
- To ensure that there is an appropriate succession plan for members of the Board and the Senior Management in ensuring the appointment of the right leaders.
- To be accountable to its shareholders and stakeholders whom may be affected by the Company's decision such as employees, suppliers, customers, the local community and the state/country where the Company is operating.
- The Board (together with the Management) takes responsibility for the governance of sustainability in the Company, including setting the Company's sustainability strategies, priorities and target.

The Board is collectively responsible in promoting the success of the Group in building an enduring and profitable business admired by customers and stakeholders whilst achieving strong returns for the valuable shareholders.

The Company has adopted the PETRONAS Code of Conduct and Business Ethics (PETRONAS CoBE) that seeks to ensure that the Company's/or Group's Directors, employees and third parties which perform works or services for the Company and/or Group will act ethically and remain above board at all times, and that their individual behaviour is in line with PETRONAS' Shared Values i.e., Loyalty, Professionalism, Integrity and Cohesiveness. PETRONAS CoBE also includes appropriate communication and feedback channels which facilitate whistleblowing.

The Board acknowledges the importance of the following:

- maintaining a sound system of internal control and a robust risk management practice for good corporate governance with the objective of safeguarding the shareholder's investment and the Group's assets. For this purpose, the Board has adopted a Risk Governance Framework and Risk Management Policy.
- the need to safeguard and minimise the impact to the environment in the course of achieving the Company's objectives. The Board's agenda reflects the commitment to economic support for longer term sustainability with a focus on the positive impact on the environment, community and society.
- the need for effective Investor Relations and Communications with shareholders and to provide them with all relevant information affecting the Company, which

	can be accessed at the Company's corporate website at www.petronas.com/pcg	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.2

A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

Application	:	Applied
Explanation on application of the practice	:	<p>The roles and responsibilities of the Chairman of the Board have been clearly specified in the Company Board Charter, which is also available on the Company's corporate website at https://www.petronas.com/pcq/about-us/governance.</p> <p>The Chairman of the Board is a Non-Independent Non-Executive Director who is primarily responsible for the orderly conduct and function of the Board and ensures its effectiveness on all aspects of its roles.</p> <p>The Chairman of the Board shall also act as Chairman at general meetings.</p> <p>The role of the Chairman is summarised as follows:</p> <ul style="list-style-type: none">• Leading the Board in setting the values and ethical standards of the Company.• Chairing the Board meetings and stimulating debates on issues and encouraging positive contributions from each Director.• Consulting with the Company Secretary in setting the agenda for board meetings and ensuring that all relevant issues are on the meetings' agendas.• Maintaining a relationship of trust with and between the Managing Director/Chief Executive Officer (MD/CEO) and Non-Executive Directors.• Ensuring the provision of accurate, timely and clear information to Directors.• Ensuring effective communication with shareholders and relevant stakeholders.• Conducting evaluation of performance of Board Members, its Committees and individual Directors, including assessment of the independence of Independent Non-Executive Directors.

	<ul style="list-style-type: none"> • Ensuring that all Directors are properly briefed on issues arising at Board meetings and there is sufficient time allowed for discussion on complex or contentious issues and where appropriate, arranging for informal meetings beforehand to enable thorough preparations. • Allowing every Board resolution to be voted on and ensuring the will of the majority prevails. • Casting his votes in accordance with the prescribed PCG's Constitution. • Ensuring that all Board members, upon taking up their office, are fully briefed on the terms of their appointment, time commitment, duties and responsibilities, and the business of PCG. • Acting as liaison between the Board and Management, and between the Board and the MD/CEO.
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.3

The positions of Chairman and CEO are held by different individuals.

Application	:	Applied
Explanation on application of the practice	:	<p>The distinct and separate roles and responsibilities of the Chairman and MD/CEO are provided in the Board Charter, which is available on the Company's corporate website at https://www.petronas.com/pcg/about-us/governance.</p> <p>The Board practices a clear demarcation of duties and responsibilities between the Chairman and MD/CEO to ensure a balance of power and authority in the Board. The positions of Chairman and MD/CEO are held by two different individuals. With effect from 1 January 2025, the Chairman of the Company is Datuk Sazali Hamzah, who is a Non-Independent Non-Executive Director appointed in place of Datuk Ir. (Dr.) Abdul Rahim Hashim. The CEO of the Company, who is also the Managing Director, is Mazuin Ismail.</p> <p>The Chairman is primarily responsible for the stewardship and smooth functioning of the Board, whilst the MD/CEO is responsible for the overall operations of the business, organisational effectiveness and the implementation of the Group's strategies and policies. Given the Company's synergetic business operational integration with Petroliaam Nasional Berhad (PETRONAS), it is in the best interest of the Company that the Chairman is a Non-Independent Non-Executive Director.</p> <p>The MD/CEO also manages the respective responsibilities of the divisions and departments in the Company, and he is assisted in the management of the business by the Senior Management. The Senior Management ensures that effective systems, controls and resources are in place to execute business strategies and decisions taken by the MD/CEO and/or the Board.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company’s leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.4

The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee

<p><i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees’ meetings, by way of invitation, then the status of this practice should be a ‘Departure’.</i></p>	
<p>Application :</p>	<p>Departure</p>
<p>Explanation on application of the practice :</p>	<p>The Chairman of the Board, does not hold any membership in any of the Board Committees nor participate in their meetings save for the Nomination and Remuneration Committee (“NRC”) Meeting held in January 2024 that deliberates on PCG MD/CEO and Key Management Performance Scorecard.</p> <p>The Board Committees’ TOR and Board Succession Planning Framework and selection criteria stipulate clearly that the Board Chairman shall not be appointed as a member of any Board Committees.</p> <p>The profile of Datuk Sazali Hamzah is available on page 76 of the PCG Integrated Report 2024 (PCG IR 2024) and the Company’s corporate website at https://www.petronas.com/pcq/about-us/board-members.</p>
<p>Explanation for departure :</p>	<p>As the review of the PCG MD/CEO and Key Management Performance Scorecard is under the purview of the NRC, other Board Members including the Chairman who are not NRC members, are invited to attend the NRC Meeting held in January 2024 to discuss on the performance of the MD/CEO and Key Management.</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure :</p>	
<p>Timeframe :</p>	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.5

The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

Application :	Applied
Explanation on application of the practice	<p>The Board is supported by two company secretaries, Azira Marini Ab Rahim and Mek Yam @ Mariam Hassan, who are qualified under Section 235 of the CA 2016. Their profiles are available on page 81 of the PCG Integrated Report 2024 (PCG IR 2024) and the Company's corporate website at https://www.petronas.com/pcg/about-us/board-members.</p> <p>Both act as advisors to the Board, particularly with regard to the corporate governance, Company's Constitution, policies and procedures and its compliance with regulatory requirements, codes, guidelines and legislations. Each Director is able to communicate directly with the Company Secretaries on all matters relating to the functioning of the Board.</p> <p>The Company Secretaries ensure that discussions and deliberations at the Board and Board Committee meetings are well recorded and documented and subsequently to ensure action items remain as matters arising in the minutes of meetings until they are resolved and completed.</p> <p>The Company Secretary reports on the status of the trainings attended by each Board member to the NRC and the Board twice a year. In line with Paragraph 15.08 of the MMLR, the Directors acknowledge the importance of continuous professional development. They have actively attended conferences, training programmes and seminars to keep themselves abreast of industry developments, regulatory changes and statutory requirements. In this regard, the Company Secretaries organised the following development programmes in-house:</p> <ul style="list-style-type: none">(i) Refresher Training on Related Party Transactions & Critical Legal Area Training for Independent Non-Executive Directors on 27 February 2024(ii) Strategic Management and Leadership in a VUCA World & Revisiting Corporate Governance Overview and Discussion on 19 November 2024 <p>The Company Secretaries in keeping abreast with the evolving regulatory changes and developments in corporate governance and other relevant laws/regulations have attended various training during financial year 2024. The list of trainings attended by the Company Secretaries are as follows:</p>

Company Secretary	Development Programme Attended	Organiser	Date (2024)
Azira Marini Ab Rahim	PETRONAS Board Conversation on Human Rights and the Role of Business - UN Guiding Principles on business and human rights	PETRONAS	29 January
	Understanding the Global Petrochemical Industry 2024	S&P Global	16 -18 April
	PETRONAS Board Excellence: 7 th AC Forum	PETRONAS	22 April
	Beneficial Ownership - Practical BO Reporting	PETRONAS	2 May
	PETRONAS Board Conversation Series Towards Net Zero on Carbon Markets	PETRONAS	15 May
	PDM Module 9 – Minutes Writing	PETRONAS	10 June
	PETRONAS Board Conversation Series #Q2 2024: COP28 Reflection	Dr. Abdulla Malek (Energy Transition Director, UAE Climate Change Special Envoy)	11 June
	PDM Module 3B – Appointment & Resignation of Directors in PETRONAS	PETRONAS	12 July
	Directors Conflict of Interest and How Company Secretary to Advise	SSM	18 July
Related Party Transaction	SSM	4 September	

		PETRONAS Board Excellence: New Global Internal Audit Standards (GIAS) Training	PETRONAS	1 October
		Corporate Leaders Branding Image Workshop (CLBIW)	PETRONAS	9 -10 October
		PDM: Module 6 – Issuance and Allotment of Shares Equity Funding RPS	PETRONAS	5 November
		Strategic Management and Leadership in a VUCA World & Revisiting Corporate Governance: Overview and Discussion	PCG	19 November
		PETRONAS Board Conversation Series: Sustainability Talk for Q3 2024	PETRONAS	28 November
	Mek Yam @ Mariam Bt Hassan	PETRONAS Board Excellence: 7 th AC Forum	PETRONAS	22 April
		CSIA Global Governance Awards	MAICSA	23 April
		Beneficial Ownership - Practical BO Reporting	PETRONAS	2 May
		Recent Developments with the LR, Including COI Amendments	CKM Advisory	4 July
		PETRONAS Gas Berhad BAC & BSRC Training	PLC/PGB	12 July
		SSM National Conference 2024	SSM	27 - 28 August

		PDM: Module 7 – Stock Exchange & The Malaysian Listing Requirements & Financial Assistance and Announcement to Bursa Malaysia Berhad	PETRONAS	10 September
		MAICSA Annual Conference 2024	MAICSA	22 October
		PDM: Module 6 – Issuance and Allotment of Shares Equity Funding RPS	PETRONAS	5 November
	<p>In this regard, both the Company Secretaries are qualified and competent in their roles. The Board through the NRC Chairman provided their feedback on the performance of the Company Secretaries during the performance scorecard FY2024 review and the Board is satisfied with the performance and support rendered by the Company Secretaries to the Board in discharging their functions.</p>			
Explanation for departure	:			
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>				
Measure	:			
Timeframe	:			

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.6

Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board meets at least quarterly with additional meetings convened as and when necessary. The Board, Board Committees and General meetings for the year under review were scheduled in advance to facilitate the Directors in planning ahead and incorporating the said meetings into their respective schedules.</p> <p>The Notice of the Board and Board Committees meetings are sent to the Directors via email at least seven days prior to the respective meeting. The agenda and Board papers encompassing comprehensive qualitative and quantitative information which include objectives, background, critical issues, implications, risks, strategic fit, recommendations and other pertinent information are circulated to the Directors to enable informed decision making by the Board.</p> <p>The Board papers are circulated to all Directors not less than five business days prior to each Board meeting. This enables the Directors to have sufficient time to peruse the Board papers and seek clarifications or further details from the Management or the Company Secretary before each meeting. Any Director may request matters to be included in the agenda. While all decision papers must be included in the agenda of the meeting, urgent matters may be presented and tabled at meetings under the item "Any Other Business", subject to the approval of both the Chairman and MD/CEO, for notation.</p> <p>Presentations and briefings by the Management and relevant external consultants, where applicable, are also held at Board meetings to advise the Board. In this regard, relevant information is furnished, and clarifications are given to assist the Board in making a decision. At the end of each presentation, the Management is required to back brief on the Board's decisions/recommendations and the appropriate actions to be taken. This is to manage any ambiguity and ensure understanding on matters. The Company Secretary will also follow up with the Management on status of actions taken with reference to the previous minutes of meetings for updating the Board. Action items would stay as matters arising in the minutes of meetings until resolved to be closed.</p>

	<p>Access to Board papers is carried out online through a collaborative software which allows the Directors to securely access, to read and review Board documents and collaborate with other Directors and the Company Secretary electronically.</p> <p>All proceedings of the Board and Board Committees meetings are duly recorded in minutes of each meeting and electronically signed by the respective chairmen. The signed minutes of each meeting are properly kept by the Company Secretary. Minutes of the meetings are tabled for confirmation at the next meeting whilst the minutes of the Board Committees are presented to the Board for notation.</p>	
<p>Explanation for departure</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>		
<p>Timeframe</p>		

Intended Outcome

There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

Practice 2.1

The board has a board charter which is periodically reviewed and published on the company's website. The board charter clearly identifies–

- the respective roles and responsibilities of the board, board committees, individual directors and management; and
- issues and decisions reserved for the board.

Application :	Applied
Explanation on application of the practice :	<p>The Board has a Board Charter and TOR for its Board Committees, which are reviewed and updated periodically to reflect relevant changes to the policies, procedures and processes as well as amendments to rules and regulations to ensure the documents remain relevant and consistent with the applicable rules and regulations and recommended best practices.</p> <p>The Board Charter demonstrates that the Board remains fully resolved and committed to employing the principles of integrity, transparency and professionalism to ensure the practice of good corporate governance will safeguard and enhance shareholders' value, and at the same time protect the interest of its stakeholders.</p> <p>The Board Charter outlines the Board roles, functions, processes of Board which includes on Board memberships, Board meetings, financial or non-financial reporting and Board decision and ensuring efficiency which includes the access of information, succession planning, Board effectiveness evaluation, Directors' remuneration and training and development. It also includes a provision which prohibits an active politician from being a Director on the Board of the Company. The roles and responsibilities of the Board, Chairman, Managing Director/ Chief Executive Officer, Non-Executive Officer, Senior Independent Non-Executive Director and Board Committees are clearly outlined in item 3 of the Board Charter.</p> <p>The Board Charter includes that in order for the Directors to sustain their active participation and contribute effectively in Board deliberation, the Board shall undertake a continuous educational and training programme to update Board Members on relevant development, update their knowledge and enhance their skills. In this respect, all Directors of the Company are required to attend at least 2 training programmes during the year including 1 sustainability training The list of Directors' Trainings for FY2024 (excluding sustainability trainings) are as follows whereas the list for sustainability trainings is set out in Practice 4.3:</p>

Directors	Trainings/Conferences Attended	Organiser	Date (2024)
Datuk Sazali Hamzah	Board Workshop on PCSB Strategic Review	PETRONAS	12 January
	Cyber Security Ransomware Crisis Management Awareness Session	PETRONAS	20 March
	Board Upskilling Session 2024	PETRONAS	10 May
	Top Leaders Dialogue 2024 RESET: Time to Make Tough Calls	PETRONAS	27 - 28 May
	Pengerang Integrated Complex – PETRONAS Board Conversation	PETRONAS	5 June
	Bi-Annual Conversation with the CEO of Public Companies and Related Companies	PETRONAS	11 June
	Board Conversation with HSBC	HSBC	30 July
	KPMG Accounting Upskilling (Session 2)	KPMG	11 October
	Business Upskilling – Supply & Sourcing (Session 3)	KPMG	16 October
Mazuin Ismail	PETRONAS Board Conversation on Human Rights and the Role of Business - UN Guiding Principles on business and human rights	PETRONAS	29 January
	Refresher Training on Related Party Transactions	PETRONAS	27 February
	Cybersecurity Crisis Management Awareness Session	PETRONAS	3 April
	Bursa Malaysia Mandatory Accreditation Programme (MAP I)	ICDM	29 - 30 April
	Cybersecurity Crisis Management Simulation Exercise	PETRONAS	10 May
	AI masterclass for PCG Management	PETRONAS	27 June
	World Economic Forum Chemicals Governor meeting	World Economic Forum	20 – 22 August

	Mazuin Ismail	Strategic Management and Leadership in a VUCA World & Revisiting Corporate Governance: Overview and Discussion	PETRONAS Chemicals Group	19 November
	Yeoh Siew Ming	Refresher Training on Related Party Transactions & Critical Legal Area Training	PETRONAS	27 February
		The AI Effect on Accountants: For Better or Worse	Malaysian Institute of Accountants	30 April
		PETRONAS Board Excellence: New Global Internal Audit Standards (GIAS) Training	PETRONAS	1 October
		Cybersecurity & You	PETRONAS	4 September
		Cybersecurity Oversight Board Responsibilities in Light of Cybersecurity Act 2024	KPMG	11 September
		Strategic Management and Leadership in a VUCA World & Revisiting Corporate Governance: Overview and Discussion	PETRONAS Chemicals Group	19 November
	Warren William Wilder	Refresher Training on Related Party Transactions & Critical Legal Area Training	PETRONAS	27 February
		2024 World Chemical Forum	Dow Jones Chemical Market Analytics	9 – 11 September
		Transactions Roundtable	Pilko	23 – 24 October
		Strategic Management and Leadership in a VUCA World & Revisiting Corporate Governance: Overview and Discussion	PETRONAS Chemicals Group	19 November
		MFRS Update 2024	KPMG	3 December
	Dr. Zafar Abdulmajid Momin	ICDM Advocacy Dialogue & Networking: The Launch of 2024 ASEAN Board Trends Report & The ASEAN Directors Registry	ICDM	22 February
		Refresher Training on Related Party Transactions & Critical Legal Area Training	PETRONAS	27 February

	Dr. Zafar Abdulmajid Momin	Energy Transition Fundamentals: Carbon, Methane, Carbon Capture, Hydrogen, Renewables – Singapore	S&P Global Singapore	12 - 14 March
		40 th Annual APPEC Conference	S&P Global	9 – 11 September
		PETRONAS Board Excellence: New Global Internal Audit Standards (GIAS) Training	PETRONAS	1 October
		Asia Pacific Board Leadership Forum 2024	Russell Reynolds Associates	15 - 16 October
		Strategic Management and Leadership in a VUCA World & Revisiting Corporate Governance: Overview and Discussion	PETRONAS Chemicals Group	19 November
	Datin Seri Sunita Mei-Lin Rajakumar	Refresher Training on Related Party Transactions & Critical Legal Area Training	PETRONAS	27 February
		Technology Audit Coverage	HSBC	22 March
		Cyber Resilience Awareness Session	MCIS Life Insurance	8 April
		CBD X Ecosperity Week: The Climate in the Boardroom	Council for Board Diversity	15 April
		Ecosperity Week 2024 – Zeroing in on Common Ground	Temasek	15 – 17 April
		BNM – FIDE Forum Engagement: Responsibility Mapping with Directors	FIDE Forum	24 April
		Cybersecurity Training	Zurich	12 June
		“Implement: Doing it Right in a Digital World” by Robin Speculand	ASB ICLIF's Executives Education Center	2 July

		FIDE Core Module A (Bank)	FIDE Forum	4 July
		PETRONAS Board Excellence: New Global Internal Audit Standards (GIAS) Training	PETRONAS	1 October
	Datin Seri Sunita Mei-Lin Rajakumar	COP29 Masterclass	ISIS	9 October
		Masterclass "Embeddings: The Unsung Workhorse of AI" by Prof. Ong Shien Jin	Asia School of Business	19 October
		Global Board Chairman training	HSBC Global	22 October
		Stewardship Asia Leadership Summit	Stewardship Asia Center	24 October
		FIDE FORUM Launch Directors' Remuneration Report 2024	FIDE FORUM	11 November
		Global Board Chairman training	HSBC Global	12 November
		FIDE FORUM post Budget dialogue with KSP	FIDE FORUM	14 November
		Cognisant on Use Cases for Artificial Intelligence	MCIS Life Insurance	25 November
		Anti-Money Laundering Training	MCIS Life Insurance	27 November
		Economic Outlook by UOB Bank	Zurich General Insurance	28 November

	Datin Seri Sunita Mei-Lin Rajakumar	Geopolitics and Malaysia/ ASEAN by Amb Ilango Karuppannan	Zurich General Insurance	29 November	
		Boardroom Insights 2025: Navigating Governance, Risk and Strategic Foresight	ICDM	17 December	
	Farehana Hanapiah	Business Immersion with Stanford Faculty	Stanford Graduate School of Business	14 - 18 July	
		Continuation of Leaders Workout & Solutioning (Business Immersion with Stanford Faculty)	PETRONAS	19 July	
		Strategic Management and Leadership in a VUCA World & Revisiting Corporate Governance: Overview and Discussion	PETRONAS Chemicals Group	19 November	
	Abang Yusuf Abang Puteh	Energizing Change	Baker Hughes	28 – 30 January	
		PETRONAS Board Excellence: Best Practices for Board Excellence (Advance 1)	PETRONAS	15 May	
		Top Leaders Dialogue	PETRONAS	27 – 28 May	
		Business Immersion and Leadership Development Programme	PETRONAS	14 July	
		Advance Management Programme 2024	Harvard Business School	2 September – 15 November	
	<p>The Board Charter and the Board Committees' TOR clearly identify:</p> <ul style="list-style-type: none"> the respective roles and responsibilities of the board, board committees, individual directors and management. 				

	<ul style="list-style-type: none"> • matters reserved for the board. <p>The Board Charter and the Committees' TOR are accessible from the Company's corporate website at https://www.petronas.com/pcg/about-us/governance.</p>	
Explanation : for departure		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.1

The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The PCG Group adopts and practices PETRONAS CoBE. The CoBE, which is accessible to the public for reference on the Company's corporate website at https://www.petronas.com/pcg/about-us/governance, places significant importance in upholding the principle of discipline, good conduct, professionalism, loyalty, integrity and cohesiveness that are critical to the success and wellbeing of the Group.</p> <p>The CoBE detailed out policy statements on the standards of behaviour and ethical conduct expected of each individual to whom the CoBE applies. The Group also expects that contractors, sub-contractors, consultants, agents and representatives and others performing work or services for or on behalf of the Group to comply with the relevant parts of the CoBE when performing such work or services. The CoBE expressly prohibits improper solicitation, bribery, insider trading, money laundering and other corrupt activity not only by employees and directors but also by third parties performing work or services for or on behalf of companies in the PETRONAS Group.</p> <p>In compliance with the CoBE, the Company adopts the PETRONAS Anti-Bribery and Corruption (ABC) Manual which governs the prevention of corruption and unethical practices within the Group. The ABC Manual sets forth the policy statement and guidelines on how to deal with improper solicitation, bribery and other corrupt activities and issues that may arise in the course of business.</p>
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.2

The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

Application	:	Applied
Explanation on application of the practice	:	<p>PCG Group has adopted the PETRONAS Whistleblowing Policy (WBP) which provides an avenue for the Group's employees and members of the public to disclose any improper conduct committed or about to be committed in accordance with the procedures as provided under the policy. The WBP is accessible to the public for reference on the Company's corporate website at https://www.petronas.com/pcg/about-us/governance.</p> <p>The WBP is designed to assure staff and members of the public that any disclosures made are secure and dealt with confidentially, where the Company's accessible whistleblowing channels are operated with the highest standards of integrity and accountability. The WBP provides clarity on the oversight and responsibilities of the whistleblowing process, the reporting process, protection to whistleblowers and the confidentiality afforded to whistleblowers globally.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.1

The board together with management takes responsibility for the governance of sustainability in the company including setting the company's sustainability strategies, priorities and targets.

The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

Strategic management of material sustainability matters should be driven by senior management.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board together with Management takes responsibility for the governance of sustainability in the Company, including setting the Company's sustainability strategies, priorities and targets. Performance against these clearly set out targets are communicated to the Company's internal and external stakeholders.</p> <p>In line with the recommendation of the MCCG, the Board takes into consideration the Company's performance in managing material sustainability risks and opportunities.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.2

The board ensures that the company's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

Application	:	Applied
Explanation on application of the practice	:	<p>As a Group, the well-being of customers, employees and other stakeholders as well as the environment is crucial to sustaining the Group's long-term performance. The Board factors in sustainability considerations and ensures that the Company's strategies, priorities and targets are communicated to internal and external stakeholders. As such the Company incorporates Economic, Environment, Social and Governance (EESG) risks and opportunities into business decisions given their heightened materiality in decision-making considerations of stakeholders. The Group considers the integration of EESG factors as a component of the Board's fiduciary responsibility.</p> <p>The comprehensive description of PCG's sustainability agenda is available in its standalone Sustainability Report which can be found on the PCG's corporate website at www.petronas.com/pcg/media/reports</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.3

The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

Application :	Applied																
Explanation on application of the practice	<p>The Company's sustainability agenda aims to improve its resilience to disruptions, adaptability to risks and opportunities as well as upholding recognised integrity standards through the pillars of EESG. The Company views sustainability as an ongoing and rewarding journey which the Company is committed to continuously engage in and undertake.</p> <p>The Board has delegated the oversight of sustainability to the Board Sustainability and Risk Committee (BSRC), who conducts quarterly reviews of the Group's sustainability performance. The Chairman of the BSRC would subsequently, update the Board on the Group's sustainability performance at the Board meeting.</p> <p>The Board Selection Criteria reflects the requirement for the Directors to keep abreast with sustainability expectations and to attend at least one sustainability related training, yearly.</p> <p>During the year under review, the Directors have attended and participated in programmes, conferences and forums that covered the areas of sustainability as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #00a651; color: white;"> <th style="width: 20%;">Directors</th> <th style="width: 40%;">Trainings/Conferences Attended</th> <th style="width: 20%;">Organiser</th> <th style="width: 20%;">Date (2024)</th> </tr> </thead> <tbody> <tr> <td rowspan="3" style="text-align: center; vertical-align: middle;">Datuk Sazali Hamzah</td> <td style="text-align: center;">PETRONAS Board Conversation on Human Rights and the Role of Business - UN Guiding Principles on Business and Human Rights</td> <td style="text-align: center;">PETRONAS</td> <td style="text-align: center;">29 January</td> </tr> <tr> <td style="text-align: center;">PETRONAS Board Conversation Series Towards Net Zero on Carbon Markets</td> <td style="text-align: center;">PETRONAS</td> <td style="text-align: center;">15 May</td> </tr> <tr> <td style="text-align: center;">PETRONAS Board Conversation Series #Q2 2024: COP28 Reflection</td> <td style="text-align: center;">Dr. Abdulla Malek (Energy Transition Director, UAE Climate Change Special Envoy)</td> <td style="text-align: center;">11 June</td> </tr> </tbody> </table>			Directors	Trainings/Conferences Attended	Organiser	Date (2024)	Datuk Sazali Hamzah	PETRONAS Board Conversation on Human Rights and the Role of Business - UN Guiding Principles on Business and Human Rights	PETRONAS	29 January	PETRONAS Board Conversation Series Towards Net Zero on Carbon Markets	PETRONAS	15 May	PETRONAS Board Conversation Series #Q2 2024: COP28 Reflection	Dr. Abdulla Malek (Energy Transition Director, UAE Climate Change Special Envoy)	11 June
Directors	Trainings/Conferences Attended	Organiser	Date (2024)														
Datuk Sazali Hamzah	PETRONAS Board Conversation on Human Rights and the Role of Business - UN Guiding Principles on Business and Human Rights	PETRONAS	29 January														
	PETRONAS Board Conversation Series Towards Net Zero on Carbon Markets	PETRONAS	15 May														
	PETRONAS Board Conversation Series #Q2 2024: COP28 Reflection	Dr. Abdulla Malek (Energy Transition Director, UAE Climate Change Special Envoy)	11 June														

	Datuk Sazali Hamzah	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	ICDM: Institute of Corporate Directors	12 - 13 June
		TCFD Training	PETRONAS	3 October
	Mazuin Ismail	7 th Audit Committee Forum: Equipping Audit Committees for Sustainability Assurance	PETRONAS	22 April
		CERAWeek 2024	S&P Global	18 - 22 March
		Petrochemical Sustainability Conference	Malaysian Petrochemicals Association	25 – 27 September
	Yeoh Siew Ming	PETRONAS Board Conversation on Human Rights and the Role of Business - UN Guiding Principles on business and human rights	PETRONAS	29 January
		Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	ICDM	28 - 29 February
		7 th Audit Committee Forum: Equipping Audit Committees for Sustainability Assurance	PETRONAS	22 April
		PETRONAS Board Conversation Series Towards Net Zero on Carbon Markets	PETRONAS	15 May
		Advances in Chemicals Sustainability –Singapore	S&P Global	16 - 17 July
	Warren William Wilder	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	ICDM	13 June & 6 August
		Bloomberg Green Festival	Bloomberg L.P.	10 – 13 July

	Dr. Zafar Abdulmajid Momin	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	ICDM	6 - 7 May
		PETRONAS Board Conversation Series Towards Net Zero on Carbon Markets	PETRONAS	15 May
		Advances in Chemicals Sustainability – Singapore	S&P Global Singapore	16 - 17 July
	Datin Seri Sunita Mei-Lin Rajakumar	BCG Dialogue Post-COP28: What's Next on the Climate Agenda?	Boston Consulting Group (BCG)	22 January
		ASB Hybrid Masterclass titled "Making Business More Environmentally Sustainability"	Asia School of Business (ASB)	3 February
		Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	ICDM	27 - 28 February
		ASEAN-Australia Summit: Climate and Energy Transition track	Australia Prime Minister's Office	4 March
		Climate Training	HSBC	8 March
		What is ESG? A mapping across Southeast Asia	ASB	9 March
		Net Zero and Climate Risk Briefing	HSBC	11 March
		7 th Audit Committee Forum: Equipping Audit Committees for Sustainability Assurance	PETRONAS	22 April
Masterclass on Biodiversity with Dr Faisal Parish	Climate Governance Malaysia	13 June		

	Datin Seri Sunita Mei-Lin Rajakumar	Climate Governance Initiative “Mobilizing Directors for Climate Action”	World Economic Forum	20 - 21 June
		Biodiversity Dialogue	PETRONAS	19 September
		Petrochemicals Sustainability Conference 2024	PETRONAS	26-27 September
		FIDE FORUM Roundtable on Climate Transition Planning	FIDE FORUM	10 October
		ASP Climate Related Briefing	HSBC Global	28 October
		Orange Talk – Innovating for Sustainable Palm Oil	Embassy of Netherlands	3 December
		Post UN Conventions – Nexus of Climate & Nature: Global Ambitions, Business Actions	PETRONAS	16 December
	Farehana Hanapiah	42 nd JCCP International Symposium Tokyo	Japan Cooperation Center for Petroleum and Sustainable Energy	23 – 26 January
		PETRONAS Board Conversation Series Towards Net Zero on Carbon Markets	PETRONAS	15 May
	Abang Yusuf Abang Puteh	CERAWeek 2024	S&P Global	18 – 22 March 2024
<p>During the year, the Board had also considered/discussed among others, the following:</p> <p>(i) PETRONAS Sustainability Strategy</p>				

	(ii) PCG Sustainability Journey (iii) PCG NZCE 2050 (iv) PCG Sustainability Narrative (v) Pursuing Nature Action (vi) Social Impact and Human Rights Policy Adoption	
Explanation : for departure		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.4

Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company's material sustainability risks and opportunities.

Application	: Applied
Explanation on application of the practice	<p>Sustainability is embedded in the Company's corporate governance and leadership accountability framework. The Board and Senior Management are committed to integrating Environmental, Social, and Governance (ESG) principles into business strategy and performance management.</p> <p>Board of Directors</p> <p>The annual Board Effectiveness Evaluation (BEE) for the year assessment 2024, which was conducted by the external consultant embedded relevant sustainability-related questions as follows:</p> <ul style="list-style-type: none">(i) Ensures that the Company delivers a beneficial social impact.(ii) Ensures that the Company operates in an environmentally sustainable fashion.(iii) Maintains mechanisms for overseeing the Company's ESG impact.(iv) Is comfortable with the level of risk assessment and management. <p>Senior Management</p> <p>PCG adopts a balanced scorecard approach that evaluates Senior Management not only on financial and operational performance but also on sustainability outcomes. Sustainability Key Performance Indicators (KPIs) are incorporated into overall performance reviews, ensuring clear accountability across business units and enabler functions. These KPIs align with our ESG commitments, reinforcing transparency and responsible business practices.</p> <p>These KPIs include:</p>

	<ul style="list-style-type: none"> (i) Diversity & Inclusion – Driving equitable representation and inclusive workplace culture. (ii) Cybersecurity – Strengthening digital resilience and data protection measures. (iii) Greenhouse Gas (GHG) Emission Reduction – decarbonisation efforts in line with climate commitments. <p>To drive accountability, performance-based remuneration is directly linked to sustainability achievements as part of the overall through a balanced scorecard with well-defined targets and timelines. Progress against these sustainability metrics is regularly assessed and reported to the Board Sustainability and Risk Committee, ensuring robust oversight. This governance structure strengthens the Group’s results-driven culture and supports its long-term value creation for stakeholders.</p>		
Explanation for departure :			
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure :			
Timeframe :	<table border="1" style="width: 100%; height: 100%;"> <tr> <td style="width: 50%;"></td> <td style="width: 50%;"></td> </tr> </table>		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.5- Step Up

The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

<i>Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.</i>	
Application	: Adopted
Explanation on adoption of the practice	: The Chief Sustainability Officer (CSO) has been identified as the designated person to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the Group. The CSO also leads the Sustainable Development Steering Committee (SDSC), in formulating sustainability strategy and driving objectives and action plans on material and relevant key sustainability matters of the Company.

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.1

The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is supported by the Nomination and Remuneration Committee (NRC) to conduct annual reviews of the Board Succession Plan i.e., the composition, tenure, skills and experience matrix of the Board annually, in line with the Company's Board Succession Planning Framework.</p> <p>The NRC assessed the performance of the Directors standing for re-election at the Company 27th Annual General Meeting (AGM). When assessing candidates for re-election, the NRC evaluates their eligibility based on a comprehensive review of their competencies, commitment, contributions, and overall performance. This assessment incorporates findings from the Board Effectiveness Evaluation (BEE), the fit and proper declaration, and an evaluation of their ability to act in the best interests of PCG as well as the assessment of Conflict of Interest by the Board Audit Committee.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.2

At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

Application :	Departure
Explanation on application of the practice :	
Explanation for departure :	<p>As of 31 December 2024, the Board of PCG has four (4) Independent Non-Executive Directors (INEDs), which represents 50% of the total number of Directors. PCG has complied with MMLR requirement of at least 1/3 of Board composition comprises INEDs.</p> <p>The 4 INEDs are as follows:</p> <ol style="list-style-type: none">1. Yeoh Siew Ming (Senior INED)2. Dr. Zafar Abdulmajid Momin3. Warren William Wilder4. Datin Seri Sunita Mei-Lin Rajakumar <p>The profile of the 4 INEDs are available on pages 77 to 79 of the PCG Integrated Report 2024.</p> <p>The INEDs do not engage in any business dealings or day-to-day management of the Company. As such, they are capable of exercising independent judgment and acting in the best interests of the Company and its shareholders. All INEDs are highly qualified professionals in their respective fields and possess vast industry experience. Their expertise and experience enable them to provide effective oversight, strategic guidance and constructive challenge to the Management's proposals.</p> <p>Alternative Practice:</p> <p>The Board also acknowledges Practice 5.2 of MCCG, requiring a majority of independent directors in large companies. In the absence of having majority independent directors, the Board employs the following measures to provide independent judgement and views during Board deliberations:</p> <ol style="list-style-type: none">(i) The Senior INED provides guidance to the Chairman and represents INEDs, fostering effective communication within the Board when necessary.

	<p>(ii) All Board Committees are chaired by INED.</p> <p>(iii) All Board Committees comprised solely of INEDs, except for the NRC.</p> <p>(iv) The BAC reviews all RPTs, conflict of interest situations prior to Board deliberations, ensuring transparency. Directors with vested interests abstain from participation in discussions and voting on such matters and in certain instances recuse themselves from the meeting pursuant to the mitigation measures agreed by BAC.</p> <p>None of the Company's INEDs have exceeded a tenure of more than nine (9) years on the Board, ensuring continual fresh perspectives.</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>			
<p>Measure :</p>	<p>The Company is currently evaluating its options to meet the intended outcome. While an alternative plan has not yet been established, the Company remains committed to ensuring that its Board composition is appropriate to achieve its goals and objectives.</p>		
<p>Timeframe :</p>	<table border="1"> <tr> <td data-bbox="550 1019 970 1120">Others</td> <td data-bbox="970 1019 1423 1120">Not applicable</td> </tr> </table>	Others	Not applicable
Others	Not applicable		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.3

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

Application	:	Not applicable - Step Up 5.4 adopted	
Explanation on application of the practice	:		
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.4 - Step Up

The board has a policy which limits the tenure of its independent directors to nine years without further extension.

<i>Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.</i>	
Application	: Adopted
Explanation on adoption of the practice	: In line with the exemplary practice as recommended by the MCCG, the Company has adopted a policy to limit the tenure of the INEDs at nine years with no avenue for further extension as an INED. The appointment of an INED is for a three-year term and renewable for another two terms subject to review and endorsement by the NRC. The renewal of the INED is contingent upon satisfactory result of the individual director's performance during the BEE and the assessment of conflict of interest by the BAC. Currently, none of the INEDs have served the Board for more than nine years.

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.5

Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.

Application	: Applied
Explanation on application of the practice	<p><u>Board</u></p> <p>The Company practices a formal and transparent procedure for the appointment of new directors. The nomination of Non-Independent Non-Executive Directors (NINEDs) to the Board is made by PETRONAS being the majority shareholder of the Company. The nomination of INEDs to the Board is made through the engagement of a professional recruitment firm or recommendation of the NRC or Board members.</p> <p>In its selection of suitable candidates, the NRC refers to the Board selection criteria.</p> <p>All nominees to the Board are first considered by the NRC, taking into consideration the assessment of conflict of interest by the BAC, the mix of skills, competencies, experience, integrity, personal attributes, fit and properness and time commitment required to effectively fulfil his or her role as a director. Diversity in terms of age, gender and ethnicity is also considered during the selection process.</p> <p>None of the Board members of the Company is persons linked directly with the executive powers such as heads of state, heads of government and ministers and none of the Board members is an active politician. An active politician as defined in the MCCG is a person is considered politically active if he is a Member of Parliament, State Assemblyman or holds a position at the Supreme Council, or division level in a political party.</p> <p><u>Senior Management</u></p> <p>The Senior Management are employees of PETRONAS, who are seconded to the Company, based on their relevant skills and experience.</p>

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

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.6

In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

Application	:	Applied	
Explanation on application of the practice	:	Pursuant to the NRC TOR, the NRC has the authority to obtain the services of professional recruitment firms to source for candidates for directorship or seek independent advice whenever necessary. There is a formal and transparent procedure for the selection, nomination and appointment of suitable candidates to the Board. Additionally, the Board has in place the Board Succession Planning Framework which includes the process flow on the appointment of directors and Board selection criteria. Suitable candidates will be identified to fill vacancies on the Board and Board Committees as and when they arise.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.7

The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

Application	:	Applied
Explanation on application of the practice	:	<p>The NRC had assessed the Directors' eligibility for re-election and appointment by considering their competencies, commitment, contribution, and their ability to act in the best interest of the Company.</p> <p>The Board at its meeting held on 21 February 2025 endorsed the recommendation of the NRC for the following Directors to be considered for re-election pursuant to the following relevant Articles of PCG's Constitution at its forthcoming 27th AGM:</p> <p><u>Article 100</u> Abang Yusuf Abang Puteh</p> <p><u>Article 107</u> Farehana Hanapiah</p> <p>Mr. Abang Yusuf and Ms. Farehana have completed their respective fit and proper declarations and based on the results, both of them have met the requisite criteria in terms of character and integrity, experience and competence, and time and commitment.</p> <p>The NRC's evaluation of candidates for re-election includes an in-depth review of their competencies, commitment, contributions, and ability to act in the best interests of the Group. This assessment is supported by data from the Board Effectiveness Evaluation (BEE), fit and proper declarations, COI assessment and the demonstrated ability to act in the best interest of PCG.</p> <p>The detail information of the above Directors' profiles and interests are available on pages 79 to 80 of the PCG IR 2024.</p>
Explanation for departure	:	

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

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.8

The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

Application	:	Applied	
Explanation on application of the practice	:	<p>The NRC is chaired by Dr. Zafar Abdulmajid Momin, an Independent Non-Executive Director.</p> <p>The profile of Dr. Zafar Abdulmajid Momin is available on page 78 of the PCG IR 2024 and the Company's corporate website at https://www.petronas.com/pcg/about-us/board-members .</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Applied	
Explanation on application of the practice	:	As at 31 December 2024, the number of women directors on the Board is three, representing 37.5% of the total number of Directors of eight. The women composition on the Board is align with the MCCG's requirement.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.10

The board discloses in its annual report the company's policy on gender diversity for the board and senior management.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is committed to ensure that its composition not only reflects the diversity as recommended by the MCCG, as best as it can, it will also have the right mix of skills and balance to contribute to the achievement of the Company's goals.</p> <p>To ensure that there is a healthy talent pipeline, the Board Diversity Policy also includes policies on the participation of women in decision-making within the Company.</p> <p>The Board Diversity Policy is available on the Company's corporate website at https://www.petronas.com/pcg/about-us/governance</p> <p>The Company has adopted PETRONAS Diversity and Inclusion Statement ("D&I Statement") that focuses on the four key areas of gender, multinational, culture and age and hence, the diversity of Senior Management is covered by the D&I Statement.</p> <p>In respect of Senior Management, as employees of the Company are seconded from PETRONAS, the diversity of Senior Management is based on adoption of PETRONAS Diversity and Inclusion Statement and implementation of D&I framework for PCG.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

Practice 6.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

For Large Companies, the board engages an independent expert at least every three years, to facilitate objective and candid board evaluation.

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Applied
Explanation on application of the practice	: <p>The Company conducts its BEE exercises on an annual basis. BEE comprises a Board Evaluation, a Board Committee Evaluation and Directors' Self and Peer Assessment (as well as assessment of the Chairman and MD/CEO). The assessment methodology and its outcome are also reported in the annual report.</p> <p>The Board engages an independent consultant at least every three years to facilitate objective and candid Board evaluations. The last assessment carried out by the independent consultant was in 2021.</p> <p>For the financial year 2024, the Company had engaged a third-party independent consultant to conduct its BEE. The results of the BEE were presented to the Board on 21 February 2025. The Board, through the NRC reviewed the outcome of the BEE 2024 and noted the findings and areas that require further improvements.</p> <p>The effectiveness of the Board and Board Committees was assessed in the following areas:</p> <ul style="list-style-type: none"> (i) Purpose (ii) Composition (iii) Dynamics (iv) Mechanism (v) Development <p>The feedback from Directors and 5 members of Senior Management was also sought via interview sessions. The overall 2024 BEE results indicated the Board is effective and meets all governance requirements and the needs of its stakeholders.</p> <p>The 2024 BEE revealed that the Company has successfully aligned its long-term strategy with value creation, maintaining overall alignment with the Group's strategy while ensuring the</p>

	<p>interests of minority shareholders are well protected. The results also indicated that the current Board Committee composition is efficient and strong, leading to in-depth analysis and questioning during committee meetings before matters are brought forward to the Board for approval. The composition of the Board reflects a diverse range of expertise and strong experience among its members, fostering healthy debates and impactful discussions. The results of these assessments form the basis of the NRC's recommendations to the Board for the re-election of Directors at the 27th Annual General Meeting in April 2025.</p> <p>The overall results of the BEE for YA2024 were generally positive, whereby the Board expressed satisfaction with the performance of both the Board and its Committees. The assessment indicates that the Board and its Committees are effective and function well within established guidelines. Any identified areas for improvement will be addressed through the consultant's development suggestions.</p>	
<p>Explanation for departure :</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure :</p>		
<p>Timeframe :</p>		

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.1

The board has remuneration policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p><u>Directors' Remuneration Framework</u></p> <p>The Director's Remuneration Framework is accessible on the Company's corporate website at https://www.petronas.com/pcg/about-us/governance</p> <p><u>Senior Management Remuneration Framework</u></p> <p>Employees of the Company are seconded from PETRONAS. Their remuneration is aligned to the PETRONAS' Human Resources policies and strategies. The Board ensures that only selected personnel with strong leadership quality and vast experiences are appointed to Senior Management positions of the Company.</p> <p>Their remuneration is based on the prevailing PETRONAS' Remuneration Philosophy and Guiding Principles, which can be found on the Company's corporate website at https://www.petronas.com/pcg/about-us/governance</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.2

The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.

Application	:	Applied	
Explanation on application of the practice	:	The Board has a Nomination and Remuneration Committee which comprises a majority of INED. The duties and responsibilities of the NRC in relation to remuneration of the Board and senior management are clearly defined in its TOR, which is accessible on the Company's corporate website at https://www.petronas.com/pcg/about-us/governance	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.1

There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has established a Directors' Remuneration Framework which sets out retainer fees, special fees, meeting allowances and benefits in-kind.</p> <p>The remuneration breakdown of individual directors which includes the fees, salary, bonus, benefits in-kind and other emoluments for the financial year ended 31 December 2024 is enumerated in Table 1 attached hereto.</p> <p>The Director's fees and meeting allowances for NINEDs, who are employees of PETRONAS, are paid directly to PETRONAS. The fees and allowances for NEDs will remain until further review by the Board and are subject to the approval of the shareholders of PCG. The Company also reimburses all expenses incurred by the Directors, where relevant, in the course of carrying out their duties as Directors.</p>

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Datuk Sazali Hamzah	Non-Executive Non-Independent Director	144	49	0	0	0	0	193	144	49	0	0	0	0	193
2	Mazuin Ismail	Executive Director	0	0	1,252.3	417.5	5.4	411.2	2,086.44	0	0	1,252.3	417.5	5.4	411.2	2,086.44
3	Yeoh Siew Ming	Independent Director	144	108.5	0	0	6	0	258.5	144	108.5	0	0	6	0	258.5
4	Warren William Wilder	Independent Director	144	168	0	0	0	0	312	144	168	0	0	0	0	312
5	Dr Zafar Abdulmajid Momin	Independent Director	144	105	0	0	6	0	255	144	105	0	0	6	0	255
6	Datin Seri Sunita Mei-Lin Rajakumar	Independent Director	144	91	0	0	6	0	241	144	91	0	0	6	0	241
7	Farehana Hanapiah	Non-Executive Non-Independent Director	144	66.5	0	0	4.5	0	215	144	66.5	0	0	4.5	0	215
8	Datuk Ir (Dr) Abdul Rahim Hashim	Non-Executive Non-Independent Director	288	45.5	0	0	6	0	339.5	288	45.5	0	0	6	0	339.5

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.2

The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The components of the remuneration of Senior Management, which include their salary, bonus, benefits in-kind and other emoluments are subject to the Personal Data Protection Act (PDPA) 2010 and PETRONAS Group including its listed companies opt not to disclose the personal data of their Senior Management personnel to the public at large.</p> <p>Alternative Practice:</p> <p>As at 31 December 2024, the Company has identified its Top 5 Senior Management as follows, however, their remuneration will not be disclosed:</p> <ul style="list-style-type: none">(i) Mazuin Ismail (MD/CEO)(ii) Bahrin Asmawi (Chief Commercial Officer)(iii) Mohd Azli Ishak (Chief Financial Officer)(iv) Zamri Japar (Chief Manufacturing Officer)(v) Ir. Yaacob Salim (Head of Strategic Planning and Ventures) <p>The Senior Management of the Company are seconded from PETRONAS where their remuneration package has been benchmarked with the industry and is in line with the industry practice. In addition, their annual increments and bonus pay-outs are based on performance.</p> <p>Mazuin Ismail, the MD/CEO of the Company is not entitled to receive directors' fee or meeting allowances. During the year, he was remunerated an amount of RM2,086,440.00 as MD/CEO of PCG as set out in Practice 8.1 above.</p>

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

Measure	:	The Company does not have an alternative plan to meet the intended outcome.	
Timeframe	:	Others	Not available

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

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.3 - Step Up

Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.1

The Chairman of the Audit Committee is not the Chairman of the board.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Chairman of the Board Audit Committee (BAC) is Yeoh Siew Ming, a Senior INED and is not the Chairman of the Board. This ensures that the Board is able to objectively review the audit and risk findings and recommendations.</p> <p>The BAC TOR stipulates that the Chairman of the Board cannot be a member of the BAC.</p> <p>The profile of Yeoh Siew Ming is available on page 77 of the PCG IR 2024.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee’s findings and recommendations. The company’s financial statement is a reliable source of information.

Practice 9.2

The Audit Committee has a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee.

Application	:	Applied
Explanation on application of the practice	:	<p>The BAC has a policy that requires a former partner of the external audit firm (and its affiliates) to observe a cooling-off period of three years before being appointed as a member of the BAC.</p> <p>The policy is stated in the BAC TOR and is available on the Company’s corporate website at https://www.petronas.com/pcg/about-us/governance</p> <p>Currently, none of the BAC members are the former key audit partner of the Company’s external auditor within the last three years.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

Application	:	Applied
Explanation on application of the practice	:	<p>Under its TOR, the BAC is responsible for assessing the capabilities and independence of the external auditor and recommends to the Board on the appointment, re-appointment or termination of the external auditor.</p> <p>In line with the adopted PETRONAS Framework on External Auditors, PCG conducts the annual assessment of external auditors on the performance, sustainability and independence of the external auditors. The result of the assessment was deliberated at the BAC meeting together with the updates on the auditors' litigation case and the non-assurance service provided by them to ensure there is no impairment on their independence.</p> <p>In addition, the BAC also met twice with the external auditors in the absence of the Management. The external auditors have also confirmed to the Board on their independence in writing by providing both audit and non-audit services up to the date of this report.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted												
Explanation on adoption of the practice	:	<p>As at the date of this report, the BAC comprises solely of Independent Directors, as follows:</p> <table border="1"> <thead> <tr> <th>No.</th> <th>Directors/ Designation</th> <th>Membership</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Yeoh Siew Ming Senior INED</td> <td>Chairperson</td> </tr> <tr> <td>2.</td> <td>Dr. Zafar Abdulmajid Momin INED</td> <td>Member</td> </tr> <tr> <td>3.</td> <td>Datin Seri Sunita Mei-Lin Rajakumar INED</td> <td>Member</td> </tr> </tbody> </table>	No.	Directors/ Designation	Membership	1.	Yeoh Siew Ming Senior INED	Chairperson	2.	Dr. Zafar Abdulmajid Momin INED	Member	3.	Datin Seri Sunita Mei-Lin Rajakumar INED	Member
No.	Directors/ Designation	Membership												
1.	Yeoh Siew Ming Senior INED	Chairperson												
2.	Dr. Zafar Abdulmajid Momin INED	Member												
3.	Datin Seri Sunita Mei-Lin Rajakumar INED	Member												

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

Application	:	Applied
Explanation on application of the practice	:	<p>BAC members possess a wide range of necessary skills as recommended by MCCG. The profile of the Chairperson and Members of BAC are available on pages 77, 78 and 79 of the PCG IR 2024.</p> <p>BAC members acknowledged the need for continuous learning/development. For the year under review, all members of the BAC attended training on the developments in accounting and auditing standards, practices and rules to enhance their knowledge in order to efficiently discharge their duties.</p> <p>The list of training attended by the Directors of the Company is specified under Practice 1.5 above.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.1

The board should establish an effective risk management and internal control framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company has implemented a risk management and internal control systems to facilitate the smooth operation of the business. The objective is to manage risks and internal controls related to the company's business and financial affairs economically, efficiently, and effectively. This approach enables the Company to pursue business sustainability and growth opportunities prudently while proactively mitigating risks that could lead to financial loss, reputational damage, or business failure.</p> <p>Further details regarding risk management and internal control are disclosed in the Statement of Risk Management and Internal Control (SORMIC) of the PCG IR 2024, on pages 121 to 131.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.2

The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

Application	:	Applied
Explanation on application of the practice	:	The key features of the Company's risk management and internal control systems, which cover their adequacy and effectiveness are disclosed under the SORMIC in the PCG IR 2024 on pages 121 to 131. In essence, PCG's Risk Management Framework adheres to the PETRONAS Resiliency Model, which comprises three core components namely Enterprise Risk Management, Crisis Management and Business Continuity Management. This alignment serves to enhance existing practices and places greater emphasis on the implementation of robust risk management, crisis and business continuity strategies.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.3 - Step Up

The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

Application	:	Adopted															
Explanation on adoption of the practice	:	<p>Board Sustainability and Risk Committee (BSRC) was established to assist the Board in providing oversight on risk management, sustainability and integrity. The role of the BSRC is to ensure the Company has in place sound and robust risk and sustainability management framework and such framework has been effectively implemented to enhance the Company's ability to achieve its strategic objectives.</p> <p>The members of BSRC are as follows:</p> <table border="1"><thead><tr><th>No.</th><th>Directors/Designation</th><th>Membership</th></tr></thead><tbody><tr><td>1</td><td>Warren William Wilder INED</td><td>Chairman</td></tr><tr><td>2</td><td>Yeoh Siew Ming Senior INED</td><td>Member</td></tr><tr><td>3</td><td>Dr. Zafar Abdulmajid Momin INED</td><td>Member</td></tr><tr><td>4</td><td>Datin Seri Sunita Mei-Lin Rajakumar INED</td><td>Member</td></tr></tbody></table> <p>In carrying out its duties and responsibilities, the BSRC's authority is accorded through its TOR which is accessible on the Company's corporate website at https://www.petronas.com/pcg/about-us/governance</p> <p>The profile of the Chairman and Members of BSRC are available on pages 77, 78 and 79 of the PCG IR 2024.</p>	No.	Directors/Designation	Membership	1	Warren William Wilder INED	Chairman	2	Yeoh Siew Ming Senior INED	Member	3	Dr. Zafar Abdulmajid Momin INED	Member	4	Datin Seri Sunita Mei-Lin Rajakumar INED	Member
No.	Directors/Designation	Membership															
1	Warren William Wilder INED	Chairman															
2	Yeoh Siew Ming Senior INED	Member															
3	Dr. Zafar Abdulmajid Momin INED	Member															
4	Datin Seri Sunita Mei-Lin Rajakumar INED	Member															

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.1

The Audit Committee should ensure that the internal audit function is effective and able to function independently.

Application	:	Applied
Explanation on application of the practice	:	<p>The BAC is supported by an in-house internal audit, tasked with undertaking independent adding value and objective assurance and advisory activities aimed at adding value and enhancing the Group's operations. The IAD contributes to the Group's objectives by systematically and rigorously evaluating, designing, and improving the effectiveness of governance, risk management, and internal control processes.</p> <p>The Head of IAD reports functionally to the BAC and administratively to the MD/CEO of PCG to ensure impartiality and independence in execution of the role.</p> <p>The IAD operates within the framework of the Internal Audit Charter, that defines its responsibilities, authority, and scope of work within the Group. Aligned with the standards and principles of the Institute of Internal Auditors' International Professional Practices Framework (IPPF), the Charter guides the IAD's activities.</p> <p>Conducting audits according to established procedures, guidelines, and the COSO Internal Control Integrated Framework, the IAD employs a comprehensive, structured approach based on the five COSO components:</p> <ul style="list-style-type: none">(i) Control Environment(ii) Risk Assessment(iii) Control Activities(iv) Information and Communication(v) Monitoring Activities <p>The internal audit functions and its effectiveness are disclosed the SORMIC disclosed in the PCG IR 2024 on page 121 to 131 whilst the key activities of the internal audit function and audit competencies are set out in the BAC Report on pages 110 to 117.</p>
Explanation for departure	:	

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

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.2

The board should disclose–

- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

Application	: Applied
Explanation on application of the practice	<p>Reporting functionally to the BAC and administratively to the MD/CEO, the Head of IAD, Dewi Izza Suhana Radin Amir, ensures impartiality and independence in fulfilling the role outlined in the BAC-approved Audit Charter. Dewi Izza Suhana Radin Amir is a Fellow Chartered Accountant of the Institute of Chartered Accountants in England and Wales (ICAEW) and holds a Bachelor of Arts in Accounting and Financial Management and Economics from the University of Sheffield, United Kingdom.</p> <p>The IAD has ample and adequate resources to execute its Approved Audit Plan. With a total of 18 internal auditors in the Group, each hailing from diverse backgrounds in accounting, finance, plant operations, and procurement, risk management and commercial, the IAD staff held various professional qualifications and certifications</p> <ul style="list-style-type: none">(i) ICAEW/ACCA/MICPA: 4(ii) Master's Degree: 3(iii) Certified Internal Auditor: 2(iv) COSO Certification: 14(v) Certified Fraud Examiner: 1(vi) ISC2: 6(vii) ESG Certificate: 1(viii) AMBS Certification: 1

	<p>(ix) Engineer's Certificate of Competency (Steam) DOSH: 2</p> <p>(x) Certified Environmental Professional in the Operation of Industrial Effluent Treatment System, DOE: 1</p> <p>Note:</p> <p>(i) Institute of Chartered Accountants in England and Wales (ICAEW)</p> <p>(ii) Association of Chartered Certified Accountants (ACCA)</p> <p>(iii) Malaysian Institute of Certified Public Accountants (MICPA)</p> <p>(iv) International Information System Security Certification Consortium (ISC2)</p> <p>(v) ESG Certificate: Internal Auditing for Sustainable Organizations by Institute of Internal Auditors</p> <p>(vi) Anti-Bribery Management Systems (ABMS) Internal Assessor Certification by Standards and Industrial Research Institute of Malaysia (SIRIM)</p> <p>(vii) Department of Occupational Safety and Health Malaysia – Ministry of Human Resource (DOSH)</p> <p>(viii) Department of Environment – Ministry of Environment and Water (DOE)</p> <p>Conducting audits according to established procedures, guidelines, and the COSO Internal Control Integrated Framework, the IAD employs a comprehensive, structured approach based on the five COSO components:</p> <p>(i) Control Environment</p> <p>(ii) Risk Assessment</p> <p>(iii) Control Activities</p> <p>(iv) Information and Communication</p> <p>(v) Monitoring Activities</p>
<p>Explanation for departure</p>	<p>:</p>

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

Measure	:		
Timeframe	:		

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.1

The board ensures there is effective, transparent and regular communication with its stakeholders.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledges the significance of maintaining regular and effective communication with shareholders, potential investors, and capital market participants. This two-way dialogue allows the Company to assess and incorporate feedback into its decision-making process to align with investor expectations. The annual investor relations program typically includes one-on-one or group meetings, plant or site visits, analysts' briefings, the AGM, and participation in investor conferences and non-deal roadshows, as well as knowledge sharing webinars. In 2024, with the exception of non-deal roadshow, the Company continued to conduct engagements via the events and platforms abovementioned. Meetings were conducted either physically or virtually, subject to investor preferences. Online meeting applications offer a cost-effective alternative for interactions, especially with overseas analysts and investors, eliminating the need for expensive travel. Throughout the year, the MD/CEO, Chief Financial Officer, and other Senior Management members engaged with existing and potential investors in forums organized by the Company's investor relations department.</p> <p>In 2024, the Managing Director/Chief Executive Officer, Chief Financial Officer, and other members of Senior Management hosted four Analyst Briefings to brief investors on the Company's quarterly results. Participants were briefed on the operational, commercial, and financial performance while the Q&A session offered participants the opportunity to discuss the Group's growth strategies, projects, and sustainability initiatives.</p> <p>The 26th AGM in 2024, marks the 5th year that PCG conducted the meeting virtually. Attended by 2,914 shareholders, we effectively applied the use of Remote Participation Voting (RPV) for shareholders' ease and convenience.</p> <p>The Company's corporate website, www.petronas.com/pcg is an excellent source of data and information for our stakeholders seeking to understand the corporate and business aspects of the Group. Annual reports, AGM notices and minutes, press releases, Bursa announcements, investor presentations and quarterly financial results etc. are made available thereon. This</p>

	<p>serves to promote accessibility of information to the Company's shareholders and all other stakeholders. Communication and feedback from investors are channelled through petronaschemicals_ir@petronas.com or</p> <p>Zaida Alia Shaari Head of Investor Relations Tel:03-2392 3699 Email: petronaschemicals_ir@petronas.com</p>	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other’s objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.2

Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

Application	:	Applied	
Explanation on application of the practice	:	The Company has adopted full integrated reporting for its 2024 annual report based on a globally recognised framework.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.1

Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

Application	:	Applied	
Explanation on application of the practice	:	On 22 March 2024, the Company had dispatched the notice of its 26 th AGM to shareholders 32 days before the AGM, well in advance of the 21-day requirement under the CA 2016 and the MMLR of Bursa Securities. The additional time given to shareholders is to allow them to make the necessary arrangements to attend and participate in person or through corporate representatives, proxies or attorneys. More importantly, it enables the shareholders to consider the resolutions and make an informed decision in exercising their voting rights at the general meeting.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.2

All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>Saved for Datuk Sazali Hamzah, all Directors, Company Secretaries and the Key Management Committee together with external auditors were present at the 26th AGM of the Company. The then Chairman, Datuk Ir. (Dr.) Abdul Rahim Hashim conveyed Datuk Sazali Hamzah's apologies for his absence at the 26th AGM due to an urgent business matter.</p> <p>The AGM was held virtually through live streaming and online remote voting via RPV facilities which are available on Boardroom Share Registrars Sdn. Bhd.'s (Boardroom) via Boardroom Smart Investor Portal (BSIP) at https://investor.boardroomlimited.com.</p> <p>During the 26th AGM, the proceedings of the meeting included the presentation by the MD/CEO on the Group's overall financial performance and future plans of PCG. The Chair of the Board also shared with the shareholders the Company's response to the questions submitted in advance by the Minority Shareholders Watch Group (MSWG).</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.3

Listed companies should leverage technology to facilitate–

- voting including voting in absentia; and
- remote shareholders' participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

Application	:	Applied
Explanation on application of the practice	:	<p>At the 26th AGM of the Company held on 24 April 2024, the meeting was conducted by leveraging on technology, holding the AGM virtually in its entirety via RPV facilities and the facilities were provided by Boardroom via its BSIP website at https://investor.boardroomlimited.com. Boardroom was appointed as the Company's Poll Administrator.</p> <p>The AGM was conducted in accordance to the Company's Constitution, in line with Paragraph 8.29A of the MMLR of Bursa Securities, Section 327 of the CA 2016 and Guidance Note on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia on 7 April 2022, including any amendment that have been made from time to time.</p> <p>The Company had appointed Scrutineer Solutions Sdn. Bhd. as the Independent Scrutineer to verify the poll results at the Company's 26th AGM.</p> <p>Scrutineer Solutions Sdn. Bhd. as the appointed Scrutineers, upon verification of the poll results, announced the results for each resolution, which included votes in favour and against, upon which the Chairman of the Meeting declared whether the resolutions were carried. The poll results were also announced by the Company via Bursa LINK on the same day for the benefit of all shareholders. Minutes of the 26th AGM were also made available on the Company's corporate website.</p> <p>The virtual AGM was streamed on Boardroom's website for shareholders to attend, speak (in the form of real time submission of typed texts) and vote (collectively, "participate") remotely at the 26th AGM. Detailed procedures were provided to the shareholders in the Administrative Details of the AGM sent through email and by ordinary post; and the same were also</p>

	published in the Company's website. A total number of 2,914 shareholders and proxies logged in through the RPV.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.4

The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company's financial and non-financial performance as well as the company's long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application	: Applied
Explanation on application of the practice	: <p>The 26th AGM of the Company held on 24 April 2024 was conducted by leveraging on technology, holding the AGM virtually via RPV facilities. The virtual AGM was streamed on Boardroom's website for shareholders to attend, speak (in the form of real time submission of typed texts) and vote (collectively, "participate") remotely.</p> <p>The Company received 26 pre-submitted questions and had addressed all the questions at the 26th AGM.</p> <p>The Board endeavored to answer all live questions posed by the shareholders at the 26th AGM. The Company received 153 live questions from the shareholders and their representatives and addressed 109 live questions during the Question-and-Answer session at the 26th AGM.</p> <p>The questions which were not answered at the AGM were responded within 3 working days by publishing them in the Company's corporate website at www.petronas.com/pcq under Investor Relations' page.</p> <p>The details of all the pre-submitted and live questions were posted on the Company's corporate website at www.petronas.com/pcq under Investor Relations.</p>
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	

Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.5

The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
Application	: Applied
Explanation on application of the practice	: <p>The 26th AGM of the Company held on 24 April 2024 was conducted by leveraging on technology, holding the AGM virtually via RPV facilities. The virtual AGM was streamed on Boardroom’s website for shareholders to attend, speak (in the form of real time submission of typed texts) and vote (collectively, “participate”) remotely.</p> <p>The detailed procedures to participate the meeting remotely were provided to the shareholders in the Administrative Details of the AGM sent through email and by ordinary post and the same were also published in the Company’s website.</p> <p>At the 26th AGM, a total number of 2,914 shareholders and proxies logged in through the RPV to attend the AGM.</p> <p>The Chairman, MD/CEO, SINED, Chief Financial Officer and Company Secretary attended the 26th AGM physically at the Broadcast Venue whereas other Board members, Senior Management and Shareholders attended the 26th AGM virtually which was streamed on Boardroom’s website.</p> <p>The Company Secretary read the questions posed by the shareholders and the Chairman and/or MD/CEO answered the questions accordingly.</p> <p>The 26th AGM proceeding was conducted smoothly with the RPV facilities.</p>
Explanation for departure	:

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

Measure :		
Timeframe :		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.6

Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application	: Applied
Explanation on application of the practice	: The minutes of the 26 th AGM of the Company held on 24 April 2024 were circulated to the shareholders within 30 business days after the 26 th AGM of the Company. The minutes of the 26 th AGM of the Company are available on the Company's corporate website at www.petronas.com/pcg
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

**SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT
CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA**

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

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