

METIS ENERGY LIMITED
(Company Registration No. 199006289K)

RESPONSE TO SGX-ST QUERIES ON 2022 ANNUAL REPORT

Metis Energy Limited (“Metis Energy” or “the Company”) has received the following queries from the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 14 June 2023 in respect of the Corporate Governance Statement in the Annual Report 2022.

SGX-ST’s questions and the Company’s corresponding responses are listed below to enable investors to understand the matters raised by SGX-ST:

SGX-ST’s Question

1. **Listing Rule 710 requires issuers to explicitly state, when deviating from the provisions prescribed in the Code of Corporate Governance 2018 (the “Code”), an explanation on how the practices it had adopted are consistent with the intent of the relevant principle. We note that the Company had not complied with Provisions 8.1(a) and 8.1(b) of the Code with regards to the disclosure of remuneration of the directors and the CEO, and at least the top five key management personnel (who are not directors or the CEO) in bands no wider than S\$250,000 and in aggregate the total remuneration paid to these KMP respectively. There were no explanations provided for in your FY2022 annual report on how it is consistent with the intent of Principle 8 of the Code. Please clarify how the practices the Company had adopted are consistent with the intent of Principle 8 of the Code, which requires transparency on the Company’s remuneration policies, level and mix of remuneration, the procedure for setting remuneration and the relationships between remuneration, performance and value creation.**

Company’s Response

The Company has disclosed the following in the FY2022 Annual Report (on pages 24 to 25):

- a) names and remuneration breakdown (in percentage terms) of individual Directors (including CEO/MD) in bands of S\$250,000 - S\$499,999;
- b) names and remuneration breakdown (in percentage terms) of individual Directors below S\$250,000;
- c) the number of the top five key management personnel (who are not Directors or the CEO) in bands below S\$250,000; and
- d) the policies and practices adopted by the Company in relation to remuneration, relationships between remuneration, performance and value creation, and procedure for setting remuneration, in relation to the Executive Directors and key management personnel

The Company has also disclosed the information on the compensation paid to all Directors (including Executive Directors) in Note 21 to the Financial Statements of the Financial Report.

As disclosed in page 24 of the FY2022 Annual Report, the Board has decided not to disclose the remuneration of each individual director, CEO and the total remuneration of the top five key executive officers (who are not directors) of the Group, including names of the top key executives, taking note of the highly competitive industry conditions and pressure in talent market and the sensitivity and confidentiality of remuneration matters.

The Board is of the view that disclosure of such information would not be in the interests of the Company as such information is confidential and sensitive and could be exploited by competitors. The Company needs to maintain stability in the management team.

The amounts and breakdowns of remuneration of the top five key management personnel were not disclosed for the same reasons above.

Taking into consideration the disclosures in the FY2022 Annual Report as described above, the Company is of the view that there is sufficient transparency in its practices which are consistent with the intent of Principle 8 of the Code.

SGX-ST's Question

2. Listing Rule 710A states that an issuer must describe in its annual report its board diversity policy, including the following:-

- (a) The issuer's targets to achieve diversity on its board;**
- (b) The issuer's accompanying plans and timelines for achieving the targets;**
- (c) The issuer's progress towards achieving the targets within the timelines; and**
- (d) A description of how the combination of skills, talents, experience and diversity of its directors serves the needs and plans of the issuer.**

Please disclose whether and how Listing Rule 710A has been complied with.

Company's Response

The Company has disclosed the following in the FY2022 Annual Report (on pages 13 to 15):

The NC has been delegated by the Board to review the Board's composition and effectiveness and make recommendations to the Board on all Board and Board Committee appointments. The NC considers and makes recommendations to the Board concerning its size and the need of the Board to ensure that the Board and Board Committees are of an appropriate size and comprise directors who as a group provide the appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate. As gender is an important aspect of diversity, the NC will strive to ensure that:

- i. the requirement to present female candidates will be made known where external consultants are used for the search,
- ii. female candidates are included for consideration whenever it seeks to identify a new Director for appointment to the Board, and
- iii. there is female representation on the Board.

The NC is responsible for setting the board diversity policy, including the targets, plans and timeline and has adopted such policy which addresses gender, skills and experience with effect from 1 August 2022. The NC will review the policy from time to time, as appropriate, to assess the effectiveness of this policy. The NC will recommend any revision, if required, and recommend to the Board for approval. The NC will report annually under the Corporate Governance section of the Company's Annual Report.

The Company has been actively searching for suitable candidates to ensure there is female representation on the Board. The Company hopes to achieve this by the end of 2023.

The composition of the current Board has an appropriate balance and diversity of skills, experience and knowledge of the Company. The Board comprises members who have extensive experience in Group's businesses from industrial utility, energy, shipping, engineering to accounting, financial services and legal sectors. The profiles of the directors are set out on pages 3 to 4 of the FY2022 Annual Report.

The Company is of the view that Listing Rule 710A has been complied with.

SGX-ST's Question

3. **Listing Rule 1207(18B) provides that an issuer's annual report must contain at least an explanation of how the issuer has complied with the following:-**
- (a) The issuer has designated an independent function to investigate whistleblowing reports made in good faith;**
 - (b) The issuer ensures that the identity of the whistleblower is kept confidential;**
 - (c) The issuer discloses its commitment to ensure protection of the whistleblower against detrimental or unfair treatment; and**
 - (d) The Audit Committee is responsible for oversight and monitoring of whistleblowing.**

Please disclose whether and how Listing Rule 1207(18B) has been complied with.

Company's Response

The Company has disclosed the following in the FY2022 Annual Report (on page 28):

The Audit Committee ("AC") has adopted a Whistle-blowing Policy to encourage and to provide a channel for stakeholders to report and to raise, in good faith and in confidence, their concerns about possible improprieties in matters of financial reporting and other matters. An email address has been created to receive any whistle-blowing concerns and stakeholders are invited to write to ACchairman@metisenergy.com and only the AC Chairman has access to this.

Under the policy, whistle-blowing reports and information received are treated with confidentiality and the AC will not reveal the whistle-blowers' identities or information leading to their identities being known. Whistle-blowers who in good faith reports a wrongdoing shall not suffer harassment, retaliation, or adverse employment consequence. The Company views such harassment, retaliation, or adverse employment consequence seriously and will not hesitate to take disciplinary actions against those who are involved in such practices. The AC will decide the course of actions to be taken and investigation may be carried out by the management, internal auditor or a special committee formed. The findings will be reported to the Board and the Board will decide on the appropriate actions to be taken. Legal opinion may be sought if required. The Company is of the view that Listing Rule 1207(18B) has been complied with.

BY ORDER OF THE BOARD

Tang Kin Fei
Board Chairman
21 June 2023