

**SAPURA ENERGY BERHAD**  
(Company No. 950894-T)  
(Incorporated in Malaysia)

SUMMARY OF KEY MATTERS DISCUSSED

**SEVENTH ANNUAL GENERAL MEETING HELD AT THE GRAND BALLROOM 1 & 2, LEVEL 3 (EAST WING), KUALA LUMPUR CONVENTION CENTRE, KUALA LUMPUR CITY CENTRE, 50088 KUALA LUMPUR ON WEDNESDAY, 18 JULY 2018 AT 10.00 A.M.**

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**ITEM 1.0**                      **OPENING REMARKS**

The Chairman of the Board, Dato' Hamzah Bakar, welcomed those present at the Seventh Annual General Meeting ("AGM" or "Meeting") of Sapura Energy Berhad ("SEB" or "Company").

**ITEM 2.0**                      **NOTICE**

Notice convening the Meeting, having been circulated within the prescribed period and with the permission of the Meeting, was taken as read.

**ITEM 3.0**                      **QUORUM**

Upon confirmation by the Group Company Secretary on the presence of a quorum pursuant to Article 65 of the Articles of Association of the Company, the Chairman called the Meeting to order.

**ITEM 4.0**                      **PRESENTATION**

The Meeting started with a slide presentation by the President and Group Chief Executive Officer ("PGCEO") on the Group's focus for the past 3 years, its market presence and objectives going forward, followed by a video presentation showcasing the key highlights of the Group's businesses.

**ITEM 5.0**                      **VOTING ON RESOLUTIONS**

The Chairman informed that in compliance with the Main Market Listing requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the AGM would be voted by poll and be conducted via electronic poll voting method ("e-Polling"). The e-Polling would commence upon completion of the tabling of all resolutions.

**ITEM 6.0**

**CONSIDERATION OF THE AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2018 TOGETHER WITH THE DIRECTORS' AND AUDITORS' REPORTS**

The Audited Financial Statements of the Company for the financial year ended 31 January 2018 together with the Directors' and Auditors' Reports were tabled for discussion. As formal approval by the shareholders was not required, the matter was not put forward for voting.

The Board and Management addressed several questions from shareholders and proxies, and that the key matters raised were set out below:

(i) The business prospect for the next 5 years amid the challenging economic and political environment in Malaysia

SEB is a global integrated oil and gas service and solutions provider with operations in more than 20 countries. During the downturn, the Group capitalised on its opportunities that augur well with its capabilities and strategic aims. The Group strengthened its presence in existing markets and entered into new markets.

For the first six months of this financial year, SEB had already won RM4.5 billion worth of contracts compared to the value achieved in the same corresponding period of the previous year between February to June 2017. The Management believes that the market is turning and the Group's performance will improve.

The Group is also looking into monetising its assets to pare down part of its debts which would in turn reduce interest costs. The Group has identified several strategic initiatives, including the potential listing of one of its businesses and a possible capital raising exercise.

(ii) Why has the share price of SEB dropped so much?

The Group had not performed well from a financial standpoint. The Group had invested from an operational standpoint to be well positioned to excel in the next few years and to entrench the Group as a viable global competitor.

Investors that have a short-term view on the Group and sold off their shares had caused the drop in share price.

(iii) Any further significant impairments expected to be made?

From an operational view point, the Management does not foresee any material impairment unless there is further prolonged downturn of the industry or major shift in technology that affects the Group's business.

(iv) Independence of the Board Remuneration Committee (“BRC”)

The Independent Directors of the Company are experienced in the corporate world and have expertise in the oil and gas industry. Where necessary, the Board will ask the PGCEO to leave the meeting room when sensitive matters are discussed to ensure objectivity.

(v) The bonus paid to PGCEO was on the high side of RM55 million. Is “profit” one of the KPIs for the PGCEO? What are the KPIs for the PGCEO?

Apart from financials, PGCEO’s KPIs included operations and safety, stakeholders’ relationship management, people development and strategic initiatives, as set out on page 93 of the Annual Report 2018.

To determine his remuneration, one of the important elements that the Board took into consideration was his contribution in the refinancing exercise of the existing RM16 billion borrowings. The PGCEO had given several personal undertakings as requested by the bankers. This included that the PGCEO cannot dispose of his shareholdings in SEB to less than 10% and to remain committed to the company by being part of the Management.

The Board had recognised that while the PGCEO is not a controlling shareholder of the Company with about 17% equity interest, he had made a personal commitment for the benefit of the Company by entering into the share covenant.

(vi) Clarification on the treatment of Islamic facilities and interest payment in Audited Financial Statements

Borrowings were disclosed on page 188 of the Annual Report 2018. Most of the financing were under Islamic facilities and sukuk secured from Islamic Institutions. However, SEB Group also has conventional borrowing from foreign banks. Management agreed that the terms used for Islamic facilities should be “financing” and “profit rate”, but from disclosure point of view, it was currently all grouped under “Borrowings” and “Interests” together with conventional loans.

EY explained that under the accounting standards, there was no difference on the accounting treatment for Islamic financing and conventional interest. He further confirmed that the existing accounting presentation is in compliance with the requirements of the accounting standards.

**ITEM 7.0**

**CONSIDERATION OF PROPOSED ORDINARY RESOLUTIONS NO. 1 TO 6**

On the proposal of shareholders and proxies, and seconded by shareholders and proxies, all six proposed Ordinary Resolutions were tabled to the shareholders for approval.

**ITEM 8.0**

**POLLING**

A representative of the Share Registrar, Symphony Share Registrar Sdn Bhd briefed the shareholders and proxies on the e-Polling procedures, and thereafter, the polling process began.

**ITEM 9.0**

**ANNOUNCEMENT OF E-POLLING RESULTS**

The Chairman announced the results of the poll, which had been verified by the Scrutineers, Messrs Symphony Corporatehouse Sdn Bhd.

All 6 proposed Ordinary Resolutions had been passed and detailed results were as follows:

	Voted For		Voted Against		RESULT
	No. of Shares	%	No. of Shares	%	
<b><u>Ordinary Resolution 1</u></b>					
“THAT Tan Sri Dato’ Seri Shahril Shamsuddin, a Director retiring by rotation pursuant to Article 87 of the Company’s Articles of Association, being eligible and having offered himself for re-election, be hereby re-elected as a Director of the Company.”	2,766,886,763	81.7067	619,479,161	18.2933	Carried
<b><u>Ordinary Resolution 2</u></b>					
“THAT Encik Mohamed Rashdi Mohamed Ghazalli, a Director retiring by rotation pursuant to Article 87 of the Company’s Articles of Association, being eligible and having offered himself for re-election, be hereby re-elected as a Director of the Company.”	1,844,720,282	54.4559	1,542,825,713	45.5441	Carried
<b><u>Ordinary Resolution 3</u></b>					
“THAT Datuk Muhamad Noor Hamid, a Director retiring by rotation pursuant to Article 87 of the Company’s Articles of Association, being eligible and having offered himself for re-election, be hereby re-elected as a Director of the Company.”	2,598,122,001	76.6962	789,426,123	23.3038	Carried
<b><u>Ordinary Resolution 4</u></b>					
“THAT the payment of Directors’ fees and benefits to Non-Executive Directors up to an amount of RM5,600,000 from 19 July 2018 until the next Annual General Meeting of the Company be hereby approved.”	2,482,229,636	73.205	908,564,703	26.795	Carried

	Voted For		Voted Against		RESULT
	No. of Shares	%	No. of Shares	%	
<p><b><u>Ordinary Resolution 5</u></b></p> <p>“THAT the retiring Auditors, Messrs Ernst &amp; Young, having expressed their willingness to continue in office be hereby re-appointed as Auditors of the Company until the conclusion of the next Annual General Meeting AND THAT the Board of Directors be authorised to determine their remuneration.”</p>	3,301,047,949	96.641	114,737,375	3.359	Carried
<p><b><u>Ordinary Resolution 6</u></b></p> <p>“THAT subject to the provisions of the Company’s Articles of Association and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”), the Directors be and are hereby empowered, pursuant to Sections 75 and 76 of the Companies Act 2016 (“the Act”), to allot and issue shares in the Company at any time and upon such terms and conditions and for such purpose as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company as at the date of such issuance and that the Directors be and are also hereby empowered to obtain all necessary approvals from the relevant authorities for the issuance and the listing of and quotation for the additional shares so issued on Bursa Malaysia and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.”</p>	2,429,364,397	73.6817	867,743,698	26.3183	Carried

**ITEM 10.0**

**CONCLUSION OF THE SEVENTH ANNUAL GENERAL MEETING**

The Chairman declared the Meeting closed at 3.02 p.m. and thanked the shareholders and proxies for their presence.