

PETRONAS DAGANGAN BERHAD (88222-D)
(Incorporated in Malaysia)

36TH ANNUAL GENERAL MEETING

Minutes of the 36th Annual General Meeting (“AGM” or “Meeting”) of PETRONAS Dagangan Berhad (“the Company”) held at Sapphire Ballroom, Level 1, Mandarin Oriental Kuala Lumpur, Kuala Lumpur City Centre, 50088 Kuala Lumpur on Wednesday, 25 April 2018 at 10.00 a.m.

Present : Datuk Md Arif Mahmood
(Chairman)

Dato’ Mohd Ibrahimnuddin Mohd Yunus
(Managing Director/Chief Executive Officer)

Lim Beng Choon
(Independent Non-Executive Director)

Vimala V.R. Menon
(Independent Non-Executive Director)

Datuk Anuar Ahmad
(Independent Non-Executive Director)

Nuraini Ismail
(Non-Independent Non-Executive Director)

Dato’ Sri Syed Zainal Abidin Syed Mohamed Tahir
(Non-Independent Non-Executive Director)

Shafie Shamsuddin
(Independent Non-Executive Director)

Alvin Michael Hew Thai Kheam
(Independent Non-Executive Director)

In Attendance : Hasnizaini Mohd Zain
(Company Secretary)

Yeap Kok Leong
(Joint Secretary)

and shareholders and proxies entered in the Attendance Register.

By Invitation : As per attendance list

1.0 **NOTICE**

The Notice of the Meeting dated 27 March 2018 was taken as read as it was sent and received by shareholders, the Bursa Malaysia Securities Berhad (“Bursa Malaysia”) and the Auditors of the Company together with the 2017 Annual Report which has also been published on the Company’s corporate website.

2.0 **QUORUM**

Upon confirming the presence of the requisite quorum by the Company Secretary, the Chairman called the meeting to order at 10.00 a.m.

The shareholders were informed that in compliance with the Main Market Listing Requirements of Bursa Malaysia, all proposed resolutions of this AGM would be voted by poll. In the case of the Company, the poll will be by way of e-polling which is to be undertaken at the end of the Meeting after the proposed resolutions of this Meeting have been tabled.

The total number of shareholders and proxies present at this AGM was 513, which represented a total of 124,571,448 shares. The Chairman was appointed by the shareholders as proxy representing 739,540,797 shares, which represented 74.44% of the total voting rights at this AGM.

The shareholders were also informed that all resolutions at this meeting required a simple majority vote.

3.0 **PRESENTATION BY THE MANAGING DIRECTOR/CHIEF EXECUTIVE OFFICER**

Before the Chairman proceeded with the business of the Meeting, the Chairman invited Dato’ Mohd Ibrahimuddin Mohd Yunus, Managing Director/Chief Executive Officer (“MD/CEO”) of the Company to present to the shareholders on the highlights of the performance of the Company for the year ended 31 December 2017.

Dato’ Mohd Ibrahimuddin thanked the shareholders for their attendance and shared his presentation that covered the Company’s financial performance, operational performance, key activities and achievements for the period.

The Chairman thanked Dato’ Mohd Ibrahimuddin for the presentation and proceeded with the business of the Meeting.

4.0 **AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON**

The Audited Financial Statements and Reports of the Directors and Auditors for the year ended 31 December 2017 having been circulated to all the shareholders of the Company on 27 March 2018 were tabled at the Meeting.

The Chairman informed the shareholders that the Audited Financial Statements and Reports of the Directors and Auditors for the year ended 31 December 2017 were for discussion only as it did not require shareholders' approval. Hence, it would not be put for voting.

The Chairman also informed the shareholders that the Company received the list of questions from the Minority Shareholder Watch Group ("MSWG") on 16 April 2018 and had responded to the MSWG on their queries ahead of this AGM. The Chairman informed the shareholders that the reply to the questions had also been displayed on the LCD screen at the foyer outside the meeting hall and the same had been published on the Company's Corporate website.

The Chairman then invited Hasnizaini Mohd Zain, the Company Secretary to read out the MSWG's questions and Dato' Mohd Ibrahimuddin Mohd Yunus, the MD/CEO to respond accordingly for the benefit of the shareholders present.

The Chairman then invited the shareholders present to put forth questions or comments on the reports and financial statements. The following summarises the matters raised by the shareholders and/or proxies and the responses from the Board at the meeting:-

(A) On the issue of **BUSINESS PERFORMANCE** of the Company, **NOTED** as follows:

- The Company divested its investment in the Philippines as the Company did not have enough facilities to grow its business there. Although there was growth opportunity in Luzon, retaining its presence in the Philippines or further expansion plan would require a large capital injection.
- The Company divested its investment in Vietnam as the Company's market share is very small.
- The lubricant business is a very competitive business. The lubricant developed for the F1 car was formulated by PETRONAS research facilities in Bangi, Malaysia and Turin, Italy. The Company focuses on high end lubricants for higher profit margin and receives technical support from PETRONAS Lubricants International Sdn Bhd to improve the Company's lubricant business.

- With over 1000 retail network, the Company is the market leader for fuel. The non-fuel profit from Kedai Mesra and partners has also increased. However, for lubricant business, the Company is working very hard to capture the market.
- The volatility of oil price impacted the inventory costs of the Company. Hence, the Retail Division has been working closely with the dealers to manage the impact of fluctuations of fuel price and to ensure stock availability.
- The Company continues its commitment in enhancing the image of the petrol stations to be more attractive to the customers.

(B) On the issue of **CORPORATE GOVERNANCE** of the Company, **NOTED** as follows:

- Total dividend declared for financial year 2017 was 78%, i.e. 28% higher than 50% as stated in the Company's policy. The Special Dividend was declared due to higher Profit After Tax arising from the sale of assets (overseas subsidiaries).
- There was no plan to amend the Dividend Policy. The Board would discuss in depth before deciding to declare dividend.
- Puan Lya Rahman of MSWG commended the Board and the Management for the Company's improved performance for financial year ended 31 December 2017 and highlighted that the Company was an exemplary to other listed companies in Malaysia in terms of corporate governance disclosure.
- The Company had taken position not to disclose its Senior Management Remuneration, who are seconded from PETRONAS due to confidentiality, where their remuneration had been benchmarked against the industry to attract talent. MD/CEO is one of the key Senior Management members, therefore, the details and breakdown of his salary and benefits are not disclosed.
- The Company committed to ensure all Board Audit Committee ("BAC") members to attend trainings relevant to accounting and auditing standards, practices and rules in enhancing their professional development in 2018.
- The Company did not plan to have a Board Risk Committee and would maintain the current practice where BAC oversees Risk areas as per the BAC Terms of Reference.
- The Company will maintain the current Company's BAC composition i.e. with one non-independent director.

After dealing with all the questions and comments raised, the Chairman informed the shareholders "**THAT** the Audited Financial Statements for the financial year ended 31 December 2017 together with the Reports of the Directors and Auditors thereon, be and are hereby **RECEIVED** and **NOTED.**"

5.0 ORDINARY RESOLUTIONS 1 AND 2 - RE-ELECTION OF DIRECTORS PURSUANT TO ARTICLE 93 OF THE COMPANY'S CONSTITUTION

In view that the Chairman was standing for re-election, the chairmanship for this agenda was passed to Lim Beng Choon being the Senior Independent Director of the Company.

Lim Beng Choon informed the shareholders that pursuant to Article 93 of the Company's Constitution, Datuk Md Arif Mahmood and Nuraini Ismail were subject to retirement at the AGM and, being eligible, had offered themselves for re-election.

Lim Beng Choon highlighted to the shareholders that with the Nomination and Remuneration Committee's endorsement, the Board had agreed to recommend the re-election of Datuk Md Arif Mahmood and Nuraini Ismail.

The shareholders were informed that the profiles of Datuk Md Arif Mahmood and Nuraini Ismail were available on pages 18 and 20, respectively of the 2017 Annual Report.

The Chairman then put forth the following resolutions for the shareholders' consideration:

5.1 ORDINARY RESOLUTION 1 - RE-ELECTION OF DATUK MD ARIF MAHMOOD

“**THAT** Datuk Md Arif Mahmood retiring in accordance with Article 93 of the Company's Constitution, be and is hereby re-elected as a Director of the Company.”

5.2 ORDINARY RESOLUTION 2 - RE-ELECTION OF NURAINI ISMAIL

“**THAT** Nuraini Ismail retiring in accordance with Article 93 of the Company's Constitution, be and is hereby re-elected as a Director of the Company.”

Since there was no question from the shareholders, Lim Beng Choon then passed the Chair to Datuk Md Arif Mahmood.

The Chairman thanked Lim Beng Choon and proceeded with the next agenda item.

6.0 ORDINARY RESOLUTIONS 3, 4 AND 5 - RE-ELECTION OF DIRECTORS PURSUANT TO ARTICLE 96 OF THE COMPANY'S CONSTITUTION

The Chairman informed the shareholders that pursuant to Article 96 of the Company's Constitution, Dato' Sri Syed Zainal Abidin Syed Mohamed Tahir, Shafie Shamsuddin and Alvin Michael Hew Thai Kheam were subject to retirement at the AGM and, being eligible, had offered themselves for re-election.

The Chairman highlighted to the shareholders that with the Nomination and Remuneration Committee's endorsement, the Board had agreed to recommend the re-election of Dato' Sri Syed Zainal Abidin Syed Mohamed Tahir, Shafie Shamsuddin and Alvin Michael Hew Thai Kheam.

The shareholders were informed that the profiles of Dato' Sri Syed Zainal Abidin Syed Mohamed Tahir, Shafie Shamsuddin and Alvin Michael Hew Thai Kheam were available on page 21, of the 2017 Annual Report.

The Chairman then put forth the following resolutions for the shareholders' consideration:

6.1 ORDINARY RESOLUTION 3 - RE-ELECTION OF DATO' SRI SYED ZAINAL ABIDIN SYED MOHAMED TAHIR

“THAT Dato' Sri Syed Zainal Abidin Syed Mohamed Tahir retiring in accordance with Article 96 of the Company's Constitution, be and is hereby re-elected as a Director of the Company.”

6.2 ORDINARY RESOLUTION 4 - RE-ELECTION OF SHAFIE SHAMSUDDIN

“THAT Shafie Shamsuddin retiring in accordance with Article 96 of the Company's Constitution, be and is hereby re-elected as a Director of the Company.”

6.3 ORDINARY RESOLUTION 5 - RE-ELECTION OF ALVIN MICHAEL HEW THAI KHEAM

“THAT Alvin Michael Hew Thai Kheam retiring in accordance with Article 96 of the Company's Constitution, be and is hereby re-elected as a Director of the Company.”

Since there was no question from the shareholders, the Chairman proceeded with the next agenda item.

7.0 ORDINARY RESOLUTION 6 – INCREASE IN THE PAYMENT OF DIRECTORS’ FEES TO RM288,000 PER ANNUM FOR THE NON-EXECUTIVE CHAIRMAN AND RM144,000 PER DIRECTOR PER ANNUM FOR THE NON-EXECUTIVE DIRECTORS

The Chairman informed the shareholders that the Board had proposed to the shareholders for approval to increase payment of Directors’ fees to RM288,000 per annum for the Non-Executive Chairman and RM144,000 per Director per annum for the Non-Executive Directors for the financial year ending 31 December 2018.

The Chairman then put the resolution to the shareholders for consideration:

“THAT the increase in the payment of Directors’ fees to RM288,000 per annum for the Non-Executive Chairman and RM144,000 per director per annum for the Non-Executive Directors for the financial year ending 31 December 2018 be and is hereby **APPROVED.**”

There was a query on the percentage increase of the Directors’ fees. Chairman replied that the Directors’ fees were increased by 100%, which was comparable against the market.

Since there was no further question from the shareholders, the Chairman proceeded with the next agenda item.

8.0 ORDINARY RESOLUTION 7 – DIRECTORS’ FEES AND ALLOWANCES OF UP TO RM2,430,000 WITH EFFECT FROM 1 JANUARY 2018 UNTIL THE NEXT ANNUAL GENERAL MEETING OF THE COMPANY PAYABLE TO NON-EXECUTIVE DIRECTORS

The Chairman informed the shareholders that the Board had proposed to the shareholders for approval of the payment of Directors’ fees and allowances to Non-Executive Directors (“NED”) of up to RM2,430,000.00 for their services and allowances as Directors of the Company with effect from 1 January 2018 until the next AGM of the Company.

The Directors’ fees and allowances for the Non-Executive Directors for the period from 1 January 2018 until the conclusion of the next AGM (“FYE2018/2019”) were calculated based on the number of scheduled Board’s and Board Committees’ meetings and on assumption that all the Non-Executive Directors will remain in office until the next AGM. This resolution was to facilitate payment of the Directors’ fees for FYE2018/2019.

The Chairman then put the resolution to the shareholders for consideration:

“THAT the payment of Directors’ fees and allowances of up to RM2,430,000 with effect from 1 January 2018 until the next Annual General Meeting of the Company payable to Non-Executive Directors, be and is hereby **APPROVED.**”

With regard to the query on why the Company provides for a Special Fee for selected Directors and who will determine the quantum for Special Fee for Directors, the Chairman clarified that the Nomination and Remuneration Committee will determine the quantum for Special Fee for Directors and which Director would be eligible to receive the Special Fee.

Since there was no further question from the shareholders, the Chairman proceeded with the next agenda item.

9.0 ORDINARY RESOLUTION 8 - RE-APPOINTMENT OF KPMG PLT AS AUDITORS OF THE COMPANY FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2017 AND TO AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION

The Chairman informed the shareholders that the Board recommended to the shareholders for approval of the re-appointment of KPMG PLT as Auditors of the Company who would hold office until the conclusion of the next AGM, and to authorise the Directors to determine their remuneration.

The shareholders were informed that the auditors, KPMG PLT, had expressed their willingness to continue office.

The Chairman then put the following resolution to the shareholders for consideration:

"**THAT** KPMG PLT be and are hereby re-appointed as Auditors of the Company to hold office until the conclusion of the next A G M and that the Directors be and are hereby **AUTHORISED** to determine their remuneration."

Since there was no question from the shareholders, the Meeting has moved to the next agenda item.

10.0 ANY OTHER BUSINESS

The Chairman sought confirmation from the Company Secretary whether the Company had received a notice for transaction of other business which had been given in accordance with the Companies Act 2016 and the Constitution of the Company. The Company Secretary confirmed that the Company had not received any notice for transaction of any other business for this Meeting.

11.0 POLLING PROCESS

The Chairman invited the Company Secretary to brief on the procedures with respect to the e-polling.

The Company Secretary explained the procedures for the conduct of poll at the 36th AGM using the electronic poll voting method system. Each e-polling counters was equipped with desktop and barcode reader. Each shareholder and proxy would be directed to the e-polling counters with his/her barcoded wristband which was issued during the registration for the Meeting.

The Company Secretary further explained that the Company had appointed Symphony Share Registrars Sdn Bhd as the Poll Administrator to conduct the polling process, and Symphony Corporatehouse Sdn Bhd (“SCSB”) as Scrutineers to monitor the e-polling process and verify the poll results.

The Scrutineers will give the results of the poll to the Chairman as soon as the compilation and counting process is completed.

The Chairman thanked the Company Secretary and informed the Meeting that he has been appointed to act as proxy for a number of shareholders and he shall vote in accordance with the instructions given.

The Chairman then announced commencement of the e-polling process at 12.15 p.m.

12.0 ANNOUNCEMENT OF POLL RESULTS

At 12.35 p.m, the Chairman called the Meeting to order for the declaration of results. He informed that he had received the verified poll results from the Scrutineers, SCSB, and declared that all resolutions are carried. The details of the result of the poll is attached as Annexure A to this minutes.

13.0 CLOSURE OF MEETING

There being no further business, the meeting was closed with a vote of thanks to the Chairman.

The Chairman thanked the members for their attendance and declared the meeting closed at 12.40 p.m.

**Signed as a correct record
of the proceedings**

SIGNED

Chairman

Polling Results

PETRONAS DAGANGAN BERHAD

36th Annual General Meeting


Date/Time: 25/04/2018 10:00:00 AM

Sapphire Ballroom, Level 1, Mandarin Oriental Kuala Lumpur, Kuala Lumpur City Centre, 50088 Kuala Lumpur, Malaysia

Ordinary Resolution	FOR			AGAINST			TOTAL			ABSTAIN	
	REC	SHARES	%	REC	SHARES	%	REC	SHARES	%	REC	SHARES
Resolution 1: Re-election of Datuk Md Arif bin Mahmood as a Director	365	858,289,012	99.8276	15	1,482,100	0.1724	380	859,771,112	100	14	3,924,500
Resolution 2: Re-election of Nuraini binti Ismail as a Director	209	838,918,941	97.9352	166	17,687,371	2.0648	375	856,606,312	100	25	7,089,300
Resolution 3: Re-election of Dato' Sri Syed Zainal Abidin bin Syed Mohamed Tahir as a Director	383	859,835,912	99.9999	1	1,000	0.0001	384	859,836,912	100	10	3,858,700
Resolution 4: Re-election of Shafie bin Shamsuddin as a Director	384	859,766,213	99.9918	1	70,699	0.0082	385	859,836,912	100	10	3,858,700
Resolution 5: Re-election of Alvin Michael Hew Thai Kheam as a Director	382	859,736,712	99.9883	2	100,200	0.0117	384	859,836,912	100	10	3,858,700
Resolution 6: Proposed Payment of Directors' fees for Non-Executive Chairman and Non-Executive Directors	384	818,979,112	94.8227	10	44,716,500	5.1773	394	863,695,612	100	0	0
Resolution 7: Directors' fees and allowances of up to RM2,430,000 with effect from 1 January 2018 until the next Annual General Meeting of the Company payable to Non-Executive Directors	381	818,672,812	94.8208	9	44,716,300	5.1792	390	863,389,112	100	4	306,500
Resolution 8: Re-Appointment of KPMG PLT as Auditors of the Company	389	863,282,112	99.9876	1	107,000	0.0124	390	863,389,112	100	4	306,500

Verified by Scrutineer
Symphony Corporatehouse Sdn Bhd (476777-A)

Signature:
Date:


25/4/18