

BOARD DIVERSITY POLICY

PETRONAS DAGANGAN BERHAD diversity policy is to ensure that the mix and profiles of our Board members, in terms of age, ethnicity and gender, provide the necessary range of perspectives, experience and expertise required to achieve effective stewardship and management. We believe that a truly diverse and inclusive board will leverage differences in thought, perspective, knowledge, skill, regional and industry experiences, cultural and geographical background, age, ethnicity and gender which will ensure that the Company retains its competitive advantage.

In this regard, the Nomination and Remuneration Committee ("NRC") is empowered to review and assess the composition and performance of the Board annually, as well as identifying qualified candidates to occupy Board positions. As for the composition of the Board, the NRC will determine the benefits of diversity in order to maintain an optimum mix of skills, knowledge and experience of the Board.

The NRC will continue to focus on diversity when recommending new candidates for Board memberships, as well as evaluating the performance of the Board and its individual members. In connection with its effort to create and maintain a diverse Board, the NRC will:-

- a) Adhere to the recruitment and sourcing process that seeks to include diverse candidates, including women in any director search.
- b) Assess the appropriate mix of diversity (including gender, ethnicity and age) skills, experience and expertise required on the Board and address gaps (if any).
- c) Make recommendations to the Board in relation to the appointments and maintain an appropriate mix of diversity, skills, experience and expertise on the Board.
- d) Periodically review and report to the Board on requirements in relation to diversity on the Board (if any).

The Board maintains the pursuit of its target of 30% women directors in line with the country's aspirational target of 30% representation of women directors.

The NRC will discuss and agree annually on the measurable objectives for achieving diversity on the Board and recommend them to the Board for adoption. At any given time, the Board may seek to improve one or more aspects of its diversity and measure progress accordingly.

Approved by the Board of Directors

PETRONAS DAGANGAN BERHAD

-SIGNED-

Md Arif Mahmood
Chairman

Dated this 15th day of August, 2016