

NOTICE OF 38TH ANNUAL GENERAL MEETING

PETRONAS DAGANGAN BERHAD
Registration No.: 198201008499 (88222-D)
(Incorporated in Malaysia)

NOTICE IS HEREBY GIVEN THAT the 38th Annual General Meeting (AGM) of PETRONAS Dagangan Berhad (“the Company”) will be held at Exhibition Hall 1, Ground Floor, Kuala Lumpur Convention Centre, Jalan Pinang, 50088 Kuala Lumpur, Malaysia on Wednesday, 10 June 2020 at 10.00 a.m. for the following businesses:

AGENDA

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2019 together with the Reports of the Directors and Auditors thereon.
Please refer to Explanatory Note A
2. To re-elect the following Directors who were appointed pursuant to Article 100 of the Company’s Constitution:
 - (a) Nirmala Doraisamy **(Resolution 1)**
 - (b) Azrul Osman Rani **(Resolution 2)***Please refer to Explanatory Note B*
3. To re-elect the following Directors who retire by rotation pursuant to Article 107 of the Company’s Constitution:
 - (a) Shafie Shamsuddin **(Resolution 3)**
 - (b) Alvin Michael Hew Thai Kheam **(Resolution 4)***Please refer to Explanatory Note B*
4. To approve the Directors’ Fees and Allowances payable to the Non-Executive Directors of up to RM2,300,000 with effect from 11 June 2020 until the next AGM of the Company. **(Resolution 5)**
Please refer to Explanatory Note C
5. To approve the re-appointment of KPMG PLT, as Auditors of the Company for the financial year ending 31 December 2020 and to authorise the Directors to fix their remuneration. **(Resolution 6)**
Please refer to Explanatory Note D

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Ordinary Resolution pursuant to Article 98 of the Company’s Constitution:

6. **Proposed Increase of Number of Directors** **(Resolution 7)**
 “THAT the maximum number of Directors of the Company which is currently fixed at not more than ten (10) as set out in Article 98 of the Company’s Constitution be hereby increased to twelve (12) with immediate effect.”
Please refer to Explanatory Note E
7. To transact any other business for which due notice shall have been given in accordance with the Companies Act 2016 and the Company’s Constitution.

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FURTHER NOTICE IS HEREBY GIVEN THAT for the purpose of determining a member who shall be entitled to attend and vote at the forthcoming 38th AGM, the Company shall be requesting the Record of Depositors as at 3 June 2020. Only a depositor whose name appears on the Record of Depositors as at 3 June 2020 shall be entitled to attend and vote at the meeting as well as for appointment of proxy(ies) to attend and vote on his/her stead.

BY ORDER OF THE BOARD

NUR NADIA MOHD NORDIN (LS0009231)

YEAP KOK LEONG (MAICSA 0862549)

Company Secretaries

Kuala Lumpur

31 March 2020

NOTES:

Proxy and/or Authorised Representative

1. A member of the Company entitled to attend, participate, speak and vote at the meeting may appoint not more than two proxies to attend, participate, speak and vote on his behalf provided that the member specifies the proportion of the member's shareholdings to be represented by each proxy. There shall be no restriction as to the qualification of the proxy.
2. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), it may appoint at least one proxy in respect of each Securities account it holds with ordinary shares of the Company standing to the credit of the said Securities accounts.
3. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for the omnibus account, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
4. Where a member or the authorised nominee appoints two proxies, or where an exempt authorised nominee appoints two or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
5. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if the appointer is a corporation either under seal or under the hand of an officer or attorney duly authorised and must be deposited with Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively to submit your electronic proxy form via TIIH Online at <https://tiih.online> not less than 48 hours before the time fixed for holding the meeting. Please refer to the Annexure of the Proxy Form in the Administrative Details for submission of electronic proxy form.
6. If the Proxy Form is signed under the hand of an officer duly authorised, it should be accompanied by a statement reading "signed as authorised officer under Authorisation Document which is still in force, no notice of revocation having been received". If the Proxy Form is signed by an attorney duly appointed under a power of attorney, it should be accompanied by a statement reading "signed under Power of Attorney which is still in force, no notice of revocation having been received". A copy of the Authorisation Document or the Power of Attorney, which should be valid in accordance with the laws of the jurisdiction in which it was created and is exercised, should be enclosed with this Proxy Form.
7. Pursuant to Paragraph 8.29A of Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (Bursa Malaysia), all resolutions set out in the Notice of 38th AGM will be put to vote on a poll.

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8. **Explanatory Notes**

Note A

Audited Financial Statements for the Financial Year Ended 31 December 2019

The Audited Financial Statements are laid before the shareholders pursuant to the provision of Section 244(2)(a) of the Companies Act 2016 for discussion only. The Audited Financial Statements do not require shareholders' approval and hence, will not be put forward for voting.

Note B

Re-election of Directors who retire in accordance with Article 100 and Article 107 of the Company's Constitution

Article 100 of the Company's Constitution provides that the Board shall have power to appoint any person to be a Director to fill a casual vacancy or as an addition to the existing Board, and that any Director so appointed shall hold office until the next following AGM and shall then be eligible for re-election.

Article 107 of the Company's Constitution provides that one-third of the Directors of the Company for the time being shall retire by rotation at an AGM of the Company provided always that all Directors, shall retire from office once at least in each three years but shall be eligible for re-election at the AGM. A Director retiring at a meeting shall retain office until the close of the meeting whether adjourned or not.

At the forthcoming 38th AGM, three Directors will be retiring in accordance with Article 107 of the Company's Constitution and they are Dato' Sri Syed Zainal Abidin Syed Mohamed Tahir, Shafie Shamsuddin and Alvin Michael Hew Thai Kheam. Whilst Shafie Shamsuddin and Alvin Michael Hew Thai Kheam, being eligible for re-election, have given their consent for re-election at the AGM, Dato' Sri Syed Zainal Abidin Syed Mohamed Tahir has expressed his decision to retire at close of the AGM. In view thereof, Dato' Sri Syed Zainal Abidin Syed Mohamed Tahir will retire from office upon the conclusion of the 38th AGM of the Company.

The Board has endorsed the Nomination and Remuneration Committee's recommendation that the Directors who retire in accordance with Article 100 and Article 107 of the Company's Constitution are eligible to stand for re-election.

The profiles of the retiring Directors are set out in the Profile of the Board of Directors on pages 92 to 97 (inclusive) of the 2019 <IR>.

Note C

Non-Executive Directors' Fees and Allowances

Pursuant to Section 230(1) of the Companies Act 2016, the fees of the directors, and any benefits payable to the directors including any compensation for loss of employment of a director or former director of a public company or a listed company and its subsidiaries, shall be approved at a general meeting.

The fees and allowances structure of the Non-Executive Directors (NEDs) of the Company is as follows:

- Monthly fixed fees for duties as Director/Chairman;
- Meeting allowance for each Board/Board Committee attended; and
- Fuel allowance.

The Directors' fees and meeting allowances for Non-Independent Non-Executive Directors who are also employees of PetroliaM Nasional Berhad (PETRONAS) are paid directly to PETRONAS.

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The shareholders at the last AGM held on 25 April 2019 approved the Directors' fees of up to RM2,300,000 for the period from 26 April 2019 until the next AGM of the Company. The Directors' fees and other benefits paid to NEDs for the said period was RM1,928,997.20.

The Directors' fees and allowances for the NEDs for the period from 11 June 2020 until the conclusion of the next AGM of the Company (Mandate Period) are estimated not to exceed RM2,300,000. The calculation is based on the estimated number of scheduled Board and Board Committees meetings and on assumption that all the NEDs will remain in office until the next AGM. This resolution is to facilitate payment of the Directors' fees for the Mandate Period.

The Board will seek shareholders' approval at the next AGM in the event the Directors' fees and allowances proposed are insufficient.

Details of the Directors' fees and allowances paid to the NEDs for the financial year ended 31 December 2019 are published in the Corporate Governance Report on PDB's corporate website at www.mymesra.com.my.

Note D

Re-appointment of Auditors

In May 2019, the Board Audit Committee (BAC) has endorsed the adoption of PETRONAS Framework on External Auditors (the Framework) for PDB effective June 2019. One of the requirements under the Framework is for the BAC to carry out annual assessment on the suitability, objectivity, independence and performance of the external auditors based on the following four key areas:

- a. quality of the audit engagement team and services;
- b. adequacy of resources;
- c. quality of communication and interaction; and
- d. independence, objectivity and professional skepticism.

Based on the assessment conducted, KPMG PLT has also met the criteria prescribed by Paragraph 15.21 of the MMLR of Bursa Malaysia.

The Board at its meeting held on 25 February 2020 recommended the re-appointment of KPMG PLT as the External Auditors of the Company for the financial year ending 31 December 2020 for approval by the shareholders under Resolution 6.

Note E

Proposed Increase of Number of Directors

The Ordinary Resolution, if passed, shall allow the Company to increase the number of Board members to be in line with the dynamic growth of the business of Company and to provide diverse views as well as to facilitate effective decision-making and constructive deliberation at the Board/Board Committees meetings.

9. Other Information

The Company has engaged independent scrutineers to count, audit and validate the votes for each proposal presented to shareholders.