

CORPORATE GOVERNANCE REPORT

STOCK CODE : 5681
COMPANY NAME : PETRONAS Dagangan Berhad
FINANCIAL YEAR : December 31, 2023

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.1

The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards and ensure that its obligations to its shareholders and other stakeholders are understood and met.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board of Directors (the "Board") of PETRONAS Dagangan Berhad ("PDB" or the "Company") is committed to upholding high standards of corporate governance and ensuring its practices throughout the Group. This commitment forms a fundamental part of discharging its responsibilities to protect and enhance shareholders' value and elevate the Group's performance.</p> <p>The Group is led by an effective, committed, and well-run Board, who is responsible for defining the Group's strategy to deliver enduring value to the Shareholders and other stakeholders. The Board also establishes the culture, values, and governance framework for the Group and provides a robust challenge to the Management regarding the execution of the strategy, and ensures the Group upholds an effective risk management and internal control system. The Board has a schedule outlining matters exclusively reserved for its decision-making.</p> <p>The Board pledges to uphold ethical business practices and lawful conduct, emphasising the proper use of authority and maintaining decorum when acting as Board members. Each Director exercises their powers for a proper purpose and in good faith, always acting in the best interest of the Company. In directing or managing the Company's business and affairs, they exhibit reasonable care, skill, and diligence, drawing upon their knowledge, expertise, and experience.</p> <p>The duties, powers and functions of the Board are governed by the Constitution of the Company, the Companies Act 2016, Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Malaysia") and other regulatory guidelines and requirements that are in force and applicable to the Company.</p> <p>In discharging its duties and roles effectively, the Board is guided by its Board Charter, which sets out the principles and guidelines that are to</p>

	<p>be applied by the Board, whilst the Board Committees are guided by its respective Terms of Reference (“ToR”). The Board Charter and the ToR for each Board Committee are available at www.mymesra.com.my.</p> <p>The Board is entrusted with the responsibility of promoting the success of the Group through the prudent and effective direction and supervision of the Group's affairs. To discharge the Board's stewardship responsibilities, the Board has assumed the following principal roles and responsibilities:</p> <ol style="list-style-type: none"> 1. To review, approve and monitor the strategic business plans, goals and key policies proposed by the Management to ensure sustainability and optimisation of long-term returns; 2. To ensure that appropriate policies are in place, adopted effectively and are regularly reviewed; 3. To review and approve financial statements; 4. To review and manage principal risks and adequacy of the Company's internal control systems including systems for compliance with applicable laws, regulations, rules and guidelines; 5. To ensure that there is an appropriate succession plan for members of the Board and the Leadership Team; and 6. To be accountable to its Shareholders and stakeholders whom may be affected by the Company's decision such as employees, suppliers, customers, the local community and the state/country where PDB is operating. 7. The Board (together with the Management) takes responsibility for the governance of sustainability in the Company, including setting the Company's sustainability strategies, priorities and target. <p>The Board is collectively responsible in promoting the success of the Group in building an enduring and profitable business admired by customers and stakeholders whilst achieving strong returns for the valuable shareholders.</p> <p>The Company has adopted the PETRONAS Code of Conduct and Business Ethics (“PETRONAS CoBE”) that seeks to ensure that the Company's/or Group's Directors, employees and third parties which perform works or services for the Company and/or Group will act ethically and remain above board at all times, and that their individual behaviour is in line with PETRONAS' Shared Values i.e., Loyalty, Professionalism, Integrity and Cohesiveness. PETRONAS CoBE also includes appropriate communication and feedback channels which facilitate whistleblowing.</p>
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	<p>The Board acknowledges the importance of the following:</p> <ol style="list-style-type: none"> 1. maintaining a sound system of internal control and a robust risk management practice for good corporate governance with the objective of safeguarding the Shareholder's investment and the Group's assets. For this purpose, the Board has adopted a Risk Governance Framework and Risk Management Policy; 2. the need to safeguard and minimise the impact to the environment in the course of achieving the Company's objectives. The Board's agenda reflects the commitment to economic support for longer term sustainability with a focus on the positive impact on the environment, community and society; and 3. the need for effective Investor Relations and Communications with Shareholders and to provide them with all relevant information affecting the Company, which is accessible via PDB's corporate website, www.mymesra.com.my. 	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.2

A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

Application	:	Applied
Explanation on application of the practice	:	<p>The Chairman of the Board is a Non-Independent Non-Executive Director ("NINED") who is responsible for the orderly conduct and function of the Board and ensures Its effectiveness on all aspects of its roles. The Chairman also plays a pivotal role in fostering constructive dialogue between Shareholders, the Board and Senior Management.</p> <p>The roles and responsibilities of the Chairman of the Board have been clearly specified in the Company's Board Charter, which is accessible via PDB's corporate website, www.mymesra.com.my.</p> <p>The Chairman of the Board shall also act as Chairman at general meetings. The role of the Chairman is summarised as follows:</p> <ol style="list-style-type: none">1. Leading the Board in setting the values and ethical standards of PDB;2. Chairing Board meetings and stimulating debates on issues and encouraging positive contributions from each Board member;3. Consulting with the Company Secretaries in setting the agenda for Board meetings and ensuring that all relevant issues are on the agenda;4. Maintaining a relationship of trust with and between the Managing Director/Chief Executive Officer (MD/CEO) and Non-Executive Directors;5. Ensuring the provision of accurate, timely and clear information to Directors;6. Ensuring effective communication with shareholders and relevant stakeholders;7. Arranging evaluation of performance of Board members, its Committees and individual Directors, including assessment of the independence of Independent Directors;8. Ensuring that all Directors are properly briefed on issues arising at Board meetings and there is sufficient time allowed for discussion on complex or contentious issues and where appropriate, arranging for informal meetings beforehand to enable thorough preparations;9. Allowing every Board resolution to be voted on and ensuring the will of the majority prevails;10. Casting his votes in accordance with PDB's Constitution;11. Ensuring that all Board members, upon taking up their office, are fully-briefed on the terms of their appointment, time

	commitment, duties and responsibilities, and the business of PDB; and 12. Acting as liaison between the Board and Management, and between the Board and the MD/CEO.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.3

The positions of Chairman and CEO are held by different individuals.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board adheres to a well-defined allocation of duties and responsibilities between the Chairman and MD/CEO, ensuring a balance of power and authority within the Board. The positions of Chairman and MD/CEO are distinctly held by Datuk Anuar Ahmad and Azrul Osman Rani, respectively. This clear demarcation is vital to distinguishing the Chairman's responsibility for Board management from the MD/CEO's responsibility for overseeing the Company's business. The separation of these roles is crucial given the distinct expectations and primary audiences served by each.</p> <p>The Chairman is primarily responsible for the orderly conduct and function of the Board, whilst the MD/CEO is responsible for the overall operations of the business, organisational effectiveness and the implementation of the Group's strategies and policies. Given the Company's synergetic business operational integration with Petroliam Nasional Berhad (PETRONAS), it is in the best interest of the Company that the Chairman is a Non-Independent Non-Executive Director.</p> <p>The MD/CEO also manages the respective responsibilities of the divisions and departments in the Company, and he is assisted in the management of the business by the Leadership Team. The Leadership Team ensures that effective systems, controls and resources are in place to execute business strategies and decisions taken by the MD/CEO and/or the Board.</p> <p>The distinct roles and responsibilities of the Chairman and that of MD/CEO are clearly set out in the Board Charter, which is accessible via PDB's Corporate website, www.mymesra.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
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Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.4

The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>		
Application	:	Applied
Explanation on application of the practice	:	<p>The Chairman of the Board, Datuk Anuar Ahmad, who is a NINED, is neither a member of any of the Board Committees nor participate in any of the Board Committees' meetings.</p> <p>This practice has also been embedded explicitly in the Board Charter and Terms of Reference of the respective Board Committees which are accessible via PDB's corporate website, www.mymesra.com.my.</p> <p>The profile of Datuk Anuar Ahmad is available on page 140 of the PDB Integrated Report 2023.</p>
Explanation for departure	:	
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<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	
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Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.5

The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company Secretaries of PDB are qualified to act as Company Secretary under Section 235 of the CA 2016. During the year under review, Wong Lay See and Yeap Kok Leong vacated their position as Company Secretaries on 13 January 2023 and 22 May 2023 respectively and Mek Yam @ Mariam Hassan and Norhashema Saleh were appointed as Company Secretaries of PDB on 13 January 2023 and 22 May 2023 respectively.</p> <p>Both Mek Yam @ Mariam Hassan and Norhashema Saleh are Fellow of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) and act as advisor to the Board, particularly with regard to PDB's Constitution and its compliance with regulatory requirements, codes, guidance and legislations. All Directors have unrestricted access to the advice and services of the Company Secretaries to facilitate discharge of their duties.</p> <p>The Company Secretaries play a vital role in facilitating communication within the Board, its committees, Leadership Team, and Non-Executive Directors. Post-meeting, the outcomes are conveyed to the Management, and the Company Secretaries keep the Board informed about the follow-up on decisions and recommendations. The Board satisfied with the Company Secretaries' performance and support in facilitating its functions throughout the year.</p> <p>The Company Secretaries constantly keep themselves abreast of the evolving regulatory changes and developments in corporate governance through continuous training.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.6

Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board convenes at least quarterly, supplemented by additional meetings as needed. The Board, Board Committees, Board Management Strategy Retreat and Annual General Meeting during the year under review were pre-scheduled in November 2022 to facilitate the Directors to plan effectively, incorporating the said meetings into their schedules. It also served to provide the Board with ample notice of the meetings.</p> <p>Prior to each Board and Board Committee's meeting, the agenda and Board papers encompassing comprehensive qualitative and quantitative information which include objectives, background, critical issues, implications, risks, strategic fit, recommendations and other pertinent information are circulated to the Directors to enable an informed decision making by the Board. The quality of information given to the Board is important as it leads to good decision-making. Presentations and briefings by the Management and relevant external consultants, where applicable, are also held at Board meetings to advise the Board. In this regard, relevant information is furnished, and clarifications are given to assist the Board in making a decision.</p> <p>Prior to a meeting of the Board and Board Committee, a syndication session, if required, will be organised for papers that require Board's insight especially on critical Board papers.</p> <p>Responsibilities of the Company Secretaries include ensuring the presentation of high-quality information to the Board and its committees, delivering papers and information in a timely manner. Board papers are circulated via a secure collaborative software, on the average of five days before scheduled meetings, allowing Directors ample time for review and queries. This electronic platform enables secure access, reading, collaboration and streamlining the distribution of Board papers while safeguarding sensitive information. Directors can also request agenda inclusions, and urgent matters may be presented under "Any Other Business," subject to the Chairman's approval.</p> <p>Directors' views are sought in advance if unable to attend, emphasising their commitment. Proceedings, comments, and deliberations are diligently minuted and circulated promptly for review, fostering transparency and accountability. Directors may seek clarifications or</p>

	<p>provide comments before the minutes are confirmed at subsequent meetings.</p> <p>The minutes of each Board and Board Committee's meetings were circulated in a timely manner to all Directors for their perusal prior to the minutes being tabled for confirmation at the next Board and Board Committees' meetings. Minutes of each Board and Board Committees' meeting are properly kept by the Company Secretaries.</p>	
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

Practice 2.1

The board has a board charter which is periodically reviewed and published on the company's website. The board charter clearly identifies–

- the respective roles and responsibilities of the board, board committees, individual directors and management; and
- issues and decisions reserved for the board.

Application	:	Applied
Explanation on application of the practice	:	<p>In discharging its duties and roles effectively, the Board is guided by its Board Charter, which sets out the principles and guidelines that are to be applied by the Board, whilst the Board Committees are guided by its respective Terms of Reference ("ToR").</p> <p>The Board has embraced best practices, relevant rules and regulations, and established policies, framework, processes and procedures, to guide the Board in discharging its duties and responsibilities effectively.</p> <p>The Board Charter may be reviewed and updated from time to time to ensure it remains relevant and is consistent with the provisions of the applicable rules and regulations.</p> <p>The Board Charter and the Board Committees' ToRs clearly identify:</p> <ul style="list-style-type: none">• the respective roles and responsibilities of the Board, Board Committees, individual Directors and Management; and• issues and decisions reserved for the Board. <p>The Board Charter and the Board Committees' ToR are accessible via PDB's corporate website, www.mymesra.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.1

The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>PDB Group adopts and practices PETRONAS CoBE which emphasises and advances the principles of discipline, good conduct, professionalism, loyalty, integrity and cohesiveness that are critical to the success and well-being of the Group. The CoBE contains detail policy statements on the standards of behaviour and ethical conduct expected of each individual of the Group. The Group also expects that contractors, sub-contractors, consultants, agents and representatives and others performing work or services for or on behalf of the Group to comply with the relevant parts of the CoBE when performing such work or services. The CoBE expressly prohibits improper solicitation, bribery and other corrupt activity not only by employees and directors but also by third parties performing work or services for or on behalf of companies in the PETRONAS Group.</p> <p>As CoBE sets out the Group's core principles, Anti-Bribery and Corruption Manual (ABC Manual) elaborates upon those principles, providing guidance to employees concerning how to deal with improper solicitation, bribery, giving and receiving of facilitation payments in all business dealings and other corrupt activities and issues that may arise in the course of business.</p> <p>The PETRONAS CoBE is accessible via PDB's corporate website, www.mymesra.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.2

The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

Application	:	Applied
Explanation on application of the practice	:	<p>The PDB Group adopts the PETRONAS Whistleblowing Policy (WBP) which provides an avenue for the Group's employees and members of the public to disclose any improper conduct, in accordance with the procedures as provided under the WBP.</p> <p>Under the WBP, a whistleblower will be accorded with protection of confidentiality of identity, to the extent reasonably practicable. An employee who is an internal whistleblower will also be protected against any adverse and detrimental actions for disclosing any improper conduct committed or about to be committed within the Group, to the extent reasonably practicable, provided that the disclosure is made in good faith. Such protection is accorded even if the investigation later reveals that the whistleblower is mistaken as to the facts and the rules and procedures involved. The process is undertaken through PETRONAS's Whistleblowing Committee.</p> <p>The WBP is accessible via PDB's corporate website, www.mymesra.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.1

The board together with management takes responsibility for the governance of sustainability in the company including setting the company's sustainability strategies, priorities and targets.

The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

Strategic management of material sustainability matters should be driven by senior management.

Application	:	Applied
Explanation on application of the practice	:	<p>With respect to PDB's Sustainability Governance Framework, the Board has the highest oversight of PDB sustainability matters, initiatives and performance.</p> <p>Sustainability elements were incorporated into the ToR of the PDB Board Sustainability and Risk Committee ("BSRC"). PDB Board had approved the amended BSRC's ToR via Circular Resolution ("CR") passed on 14 April 2023. The said ToR is accessible via PDB's corporate website, www.mymesra.com.my.</p> <p>Sustainability Action Council ("SAC") was re-launched in March 2023. The role of SAC is to discuss and deliberate any sustainability management, strategy and policy issues and shall act in an advisory capacity to the MD/CEO. The frequency of meeting is not less than once every two months or as and when required.</p> <p>At the managerial level, Sustainability-based KPIs are set for PDB's MD/CEO and all the Leadership Team. This is to ensure that sustainability matters are addressed and integrated effectively and efficiently throughout our business processes and operations.</p> <p>Regular and scheduled sustainability updates are provided to the board on progress against the specific sustainability KPIs, and any other related matters.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.2

The board ensures that the company's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

Application	:	Applied	
Explanation on application of the practice	:	Aside from the full disclosure of PDB's Sustainability performance, initiatives, programmes, material matters in the annual Sustainability Report (as a separate section in the PDB Integrated Report, available to both internal and external stakeholders) and the company website, there are scheduled and periodic awareness/communication programmes that take place throughout the course of the year for both internal and external stakeholders. These include investor/analyst questionnaires, sustainability assessments, internal communication circulars, internal sustainability workshops, focused groups and forums.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.3

The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

Application	:	Applied																						
Explanation on application of the practice	:	<p>The Board participates in various programmes and awareness initiatives to ensure that they keep abreast with and understand the latest development and issues relating to sustainability including general sustainability topics, climate change among others.</p> <p>Programmes that have been internally organised to provide the Board and Management awareness and industry insights related to sustainability in 2023 include:</p> <table border="1"><thead><tr><th>No.</th><th>Training Information</th><th>Date</th></tr></thead><tbody><tr><td>1</td><td>Nature Action¹</td><td>31st May 2023</td></tr><tr><td>2</td><td>ESG Focus – FTSE4Good, TCFD²</td><td>7th June 2023</td></tr><tr><td>3</td><td>Social Action¹</td><td>31st July 2023</td></tr><tr><td>4</td><td>Sustainability, Transparency & Disclosure¹</td><td>30th August 2023</td></tr><tr><td>5</td><td>Social & Climate Action (Just Transition)¹</td><td>27th September 2023</td></tr><tr><td>6</td><td>Climate Action¹</td><td>24th November 2023</td></tr></tbody></table> <p>¹ Organised by Corporate Sustainability Office (CSO) ² Organised by Sustainability, PDB</p>		No.	Training Information	Date	1	Nature Action ¹	31 st May 2023	2	ESG Focus – FTSE4Good, TCFD ²	7 th June 2023	3	Social Action ¹	31 st July 2023	4	Sustainability, Transparency & Disclosure ¹	30 th August 2023	5	Social & Climate Action (Just Transition) ¹	27 th September 2023	6	Climate Action ¹	24 th November 2023
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Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.4

Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company's material sustainability risks and opportunities.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board and Senior Management have performed their respective roles in addressing material risks and opportunities. materiality validation exercise was conducted during the year by benchmarking against local, regional and global peers to assess its relevancy. Whilst there were no changes required, refinement was made to segmentise each Material Matters using the PETRONAS' Sustainability Lenses: Continued Value Creation, Safeguard the Environment, Positive Social Impact and Responsible Governance.</p> <p>The MD/CEO and Leadership Team are assigned with sustainability related KPIs which are assessed in their performance evaluations. This is essentially linked to the Group's Key Strategies on maximizing values, pursuing non-fuel business growth, and achieving sustainability targets (including climate change management and creating positive social impact).</p>
Explanation for departure	:	
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Measure	:	
Timeframe	:	

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.5- Step Up

The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.

Application	:	Adopted
Explanation on adoption of the practice	:	PDB's Head of Sustainability was on board on 3 July 2023 to lead a dedicated working team in Sustainability department, to focus on the integration of sustainability considerations in the operations of the Company.

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.1

The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board entrusts the Nomination and Remuneration Committee ("NRC") to review the Board's requisite blend of skills and experience matrix. NRC on the other hand, is responsible for ensuring the systematic identification and selection of new Non-Executive Directors ("NEDs") in various scenarios, such as anticipated retirements, unanticipated departures, or Board size expansions, as well as evaluating the tenure of Independent Non-Executive Directors ("INEDs"), in line with the Company's Board Succession Planning Framework. This structured succession plan focuses on enhancing the composition and effectiveness of the Board.</p> <p>Independent NEDs are appointed for a term of three (3) years, with the possibility of renewal for another two (2) terms subject to review and endorsement by the NRC and approval by the Board.</p> <p>The NRC also assessed the performance of the Directors standing for re-election at the Company 42nd Annual General Meeting via the Board Effectiveness Evaluation for year assessment 2023 ("BEE 2023"). Amongst others, the BEE 2023 assessed the Directors' competencies, commitment, contribution, performance, independence and their ability to act in the best interest of the Company as a whole.</p> <p>The affected Directors have given their consent for their re-election at the forthcoming AGM and signed the Directors' Fit and Proper Declaration.</p>
Explanation for departure	:	
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Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.2

At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board comprises ten (10) members with six (6) INEDs, three (3) NINEDs, including the Chairman and one (1) Executive Director.</p> <p>During the reporting year, the Board has six (6) INEDs, which is equivalent to 60% of the composition of the Board namely:</p> <ol style="list-style-type: none">1. Datuk Shafie Shamsuddin2. Alvin Michael Hew Thai Kheam3. Nirmala Doraisamy4. Tang Saw Hua5. Mohd Yuzaidi Mohd Yusoff6. Tunku Alizakri Raja Muhammad Alias <p>The Board's composition is consistent with Practice 5.2 of the Malaysian Code on Corporate Governance 2021 that recommended PDB, as "large companies" to have a majority independent members on its Board as well as in compliance with the requirements of Paragraph 15.02 of the Main Market Listing Requirements of Bursa Malaysia of at least two (2) directors or 1/3 of the Board are Independent Directors.</p> <p>All six (6) INEDs meeting the following criteria:</p> <ul style="list-style-type: none">• Independent from Management, free from any relationship that could compromise independent judgment.• Limited involvement in day-to-day operations, participating only when collective Board approval is needed to prevent undue influence.• Pre-meeting disclosure of any potential conflict of interest, allowing for recusal during deliberations, fostering unbiased decision-making. <p>The Independent Directors were heavily involved in the deliberation at the Board and Board Committee levels. Majority of all Board Committee members comprise INEDs. Hence, there was independence and objectivity in decision making which was made in the best interest of the Company.</p>
Explanation for departure	:	

<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
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Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.3

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

Application	:	Not applicable - Step Up 5.4 adopted	
Explanation on application of the practice	:		
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.4 - Step Up

The board has a policy which limits the tenure of its independent directors to nine years without further extension.

<i>Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.</i>	
Application	: Adopted
Explanation on adoption of the practice	: Aligned with Malaysian Code on Corporate Governance 2021 recommendations, the Company enforces a tenure policy capping an INEDs total board tenure at nine years with no avenue for further extension as an INED. The appointment of an INED is for a 3-year term and renewable for another two terms subject to review and endorsement by the NRC and approval from the Board. Their appointment and renewal of their term of appointment are subject to competencies, commitment, contribution, performance which are assessed based on the annual Board Effectiveness Evaluation ("BEE"), and their ability to act in the best interest of PDB. As of the report date, none of the INEDs has served the Board for more than nine years.

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.5

Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.

Application	:	Applied
Explanation on application of the practice	:	<p><u>Appointment of Board</u></p> <p>NRC plays a pivotal role in the process of Board's Appointment, developing and deliberating on selection criteria based on the competencies and attributes required for effective Board membership. The NRC conducts screening, initial selection, and presents their findings on candidates to the Board for consideration. Before making recommendations, potential candidates shortlisted by the NRC undergo comprehensive background checks, including assessments of financial and character integrity.</p> <p>The NRC ensures that all candidates for Board positions undergo a thorough evaluation, considering a mix of skills, competencies, experience, integrity, personal attributes, and the time commitment required for effective directorship. The selection process also takes into account diversity in terms of age and gender.</p> <p>Additionally, the Board Selection Criteria stipulate a 3-year cooling-off period for individuals, such as existing or former officers, advisers, or transacting parties of the listed issuer or its related corporation, before being appointed as an INED. This cooling-off period is also a requirement for Non-Independent NEDs.</p> <p>NRC also adopts a recruitment and sourcing process; evaluates the appropriate mix of diversity, considering gender, age, skills, experience, and expertise required on the Board, and addresses identified gaps; provides recommendations to the Board regarding appointments, ensuring the maintenance of an appropriate mix of diversity, skills, experience, and expertise; and periodically reviews and reports to the Board on diversity requirements, if any.</p> <p>Despite holding multiple directorships, Directors demonstrate commitment by attending meetings and effectively discharging their responsibilities. The Board is satisfied that each Director allocates sufficient time to fulfill their duties, reflecting dedication and diligence.</p>

	<u>Appointment of Leadership Team</u> <p>The Leadership Team of the Company are seconded from PETRONAS. The Board emphasizes the appointment of qualified individuals with relevant skills and experience to management roles at PDB.</p> <p>In addition to overseeing succession planning for Directors, the NRC is also mandated to review and deliberate the succession plan for the MD/CEO and key senior management personnel namely the Chief Operating Officer, Chief Financial Officer, and Head Venture Builder. Throughout the reviewed year, PDB HRM facilitated by Company Secretary, had arranged numerous "Get To Know You ("GTKY")" sessions between NRC and 10 identified successors to the MD/CEO role. NRC had spent more than 10 hours for the GTKY sessions and is satisfied with the pool and depth of the successors to the role by identifying the 1st Line, 2nd Line and 3rd Line successors.</p> <p>During the year, the NRC had also assisted Board Audit Committee ("BAC") interviewing the candidates for PDB Head Internal Audit.</p>	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.6

In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

Application	:	Applied	
Explanation on application of the practice	:	<p>When necessary, the NRC may leverage independent sources to identify candidates with the appropriate qualifications for potential appointment as INED pursuant to the NRC Terms of Reference. The rigorous selection process for INED is in place to ensure that individuals possess the requisite qualifications, skills, and experiences suitable for a position on PDB's Board.</p> <p>Throughout the candidate selection process, the NRC adheres to the guidelines outlined in the Board Succession Planning Framework as delineated in the Board Appointment Process. This commitment underscores the NRC's dedication to maintaining a robust and qualified composition of the Board in accordance with established governance practices.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.7

The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

Application	:	Applied
Explanation on application of the practice	:	<p>Through the Board Effectiveness Evaluation (“BEE”) 2023, the NRC has assessed the Directors’ eligibility for re-election and appointment by considering their competencies, commitment, contribution, and their ability to act in the best interest of the Company.</p> <p>The Board at its meeting held on 26 February 2024 endorsed the recommendation of the NRC for the following Directors to be considered for re-election pursuant to Article 107 of PDB’s Constitution at its forthcoming 42nd AGM:</p> <ul style="list-style-type: none">(i) Datuk Anuar Ahmad(ii) Tang Saw Hua(iii) Arni Laily Anwarrudin <p>The Directors also declared as follows:</p> <ol style="list-style-type: none">1. No family relationship with any Director/Major Shareholder of PDB2. No conflict of interest or potential conflict of interest, including interest in any competing business with PDB or its subsidiaries3. No conviction for offences, other than traffic offences, if any for the past five (5) years4. No sanction or penalty imposed on them by any regulatory bodies.5. Does not hold more than five directorships in listed issuers. <p>In addition, the current Independent Directors satisfy the following criteria:</p> <ol style="list-style-type: none">1. Independent from Management, free from any relationship that could compromise independent judgment.2. Limited involvement in day-to-day operations, participating only when collective Board approval is needed to prevent undue influence.3. Pre-meeting disclosure of any potential conflict of interest, allowing for recusal during deliberations, fostering unbiased decision-making.

	The profiles of the abovenamed Directors are disclosed on pages 140 to 146 in the PDB Integrated Report 2023 for further information.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.8

The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

Application	:	Applied	
Explanation on application of the practice	:	During the reviewed year, NRC was chaired by Datuk Shafie Shamsuddin, a Senior Independent Director. The profile of Datuk Shafie Shamsuddin is available on page 142 of the PDB Integrated Report 2023.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Applied	
Explanation on application of the practice	:	<p>PDB’s Diversity Policy ensures a mix of age and gender among members that brings a diverse range of perspectives, experiences, and expertise to our stewardship and management practices. Aligned with national aspirations for gender representation, PDB supports the target of having 30% women directors on the Board, in accordance with Practice 5.9 of MCCG 2021.</p> <p>As of the report date, there are three (3) female Directors on the Board of PDB which constitutes 30% of the Board composition namely Nirmala Doraisamy, Tang Saw Hua and Arni Laily Anwarrudin.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.10

The board discloses in its annual report the company's policy on gender diversity for the board and senior management.

Application	:	Applied
Explanation on application of the practice	:	<p><u>Diversity & Inclusion ("D&I") Statement and Focus Area</u></p> <p>At PDB Group, we believe a diverse and inclusive workplace is important for our employees' wellbeing and for the continued success and growth of our business. PDB Board is committed to the company's D&I policy in ensuring mix profiles of age, background and gender that provide the necessary range of perspectives, experience and expertise required to achieve effective results for the organization. To-date, there are three (3) female Directors on the Board of PDB which constitutes 30% of the Board composition. In tandem with the emphasis on gender diversity, the Board is committed in developing a corporate culture that also embraces the aspect of gender diversity.</p> <p>As part of the D&I policy, PDB Group is adopting the PETRONAS D&I statement where D&I is about all of us progressing in this world together, in aligning with the Group's aspiration. Moreover, PDB Group is anchoring on the following D&I Focus Areas with its long terms targets to be achieved by year 2026, in alignment with FTSE4Good timeline.</p> <p>The four (4) key Focus Areas are:</p> <ol style="list-style-type: none"> 1. Gender: Increase women representation in Senior Leadership roles as successors for Key/Critical positions, Top Talents and Potential Leaders 2. Background: Inclusivity and unbiased consideration for every position and equal opportunities are given regardless of ethnicity, nationality and/or disability. 3. Age: Opportunities for young talents to be leaders of tomorrow, in bringing new ideas and perspectives for the organization by increasing the involvement of young talents in project leadership/managerial role as well as talent pools as successors for PDB Group business critical and key positions 4. Culture: Differences in perspective are respected and valued in order to create a safer and respectful environment to foster open conversation and ensure differences in perspectives are valued at all levels in the organization.
Explanation for departure	:	

<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

Practice 6.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

For Large Companies, the board engages an independent expert at least every three years, to facilitate objective and candid board evaluation.

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Applied
Explanation on application of the practice	<p>Every year, under the purview of the NRC, the BEE is undertaken to assess the effectiveness of the Board as a whole, the Board Committees, and contribution of each individual Director. As recommended by MCCG 2021, PDB appoints external independent consultant to conduct the BEE once in every three (3) years. PDB had appointed independent party to carry out the BEE for year assessment (“YA”) 2021. As for YA 2022 and 2023, the BEEs were conducted internally.</p> <p>The BEE YA2023 was conducted internally via a digital platform in order to simplify the assessment process, which covered the Board, Board Committees, Peer and Self Evaluations of the Board members. The BEE allows the Directors to focus on assessing the effectiveness and performance of the Board and its Committees in the best interest of the Company.</p> <p>The NRC reviewed the results of the BEE for YA 2023 and acknowledged that the current composition of the Board is well-balanced, and PDB continued to be led by an effective, committed, and well-run Board. The results also indicate that the Board is satisfied with the performance of each of its Committees and viewed that each of the Committees has played an effective role and fulfilled the functions under their respective ToRs.</p> <p>The results of the BEE YA 2023 enabled the Board to put in place actions to address areas for improvement. One of the key areas for improvement highlighted in the BEE YA2023 is for the Board to continue its focus on Environmental, Economic, Social, and Governance (“EESG”) related matters including Directors and talent upskilling on Sustainability. More training programmes and activities would be organised for the Board and Management, to address concerns of the Board members on “Board’s Focus on Sustainability” based on the BEE YA 2023 findings.</p>

	<p>The BEE results confirmed the strength of the Board and its high performing boardroom culture. Priority areas and key findings have since been incorporated in the action plans that would further improve the Board performance in the new financial year.</p> <p>The findings of the BEE 2023 were presented at the NRC and Board meetings on 8 February 2024 and 26 February 2024, respectively.</p>	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.1

The board has remuneration policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p><u>Directors' Remuneration Framework</u></p> <p>The Director's Remuneration Framework is accessible via PDB's corporate website, www.mymesra.com.my.</p> <p><u>Senior Management Remuneration Framework</u></p> <p>Employees of the Company are seconded from PETRONAS and their remuneration is benchmarked against industry standards with a focus on market alignment. Their training, succession planning, and performance evaluations follow PETRONAS Human Resources Policies and Strategies. The Board ensures only qualified individuals with relevant skills and experience are appointed to management roles at PDB.</p> <p>Their remuneration is guided by PETRONAS' prevailing Remuneration Philosophy and Guiding Principles, and is accessible via PDB's corporate website, www.mymesra.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.2

The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The NRC reviews and recommends the Company's framework, relating to the policies and procedures of the Company to attract and retain Directors.</p> <p>The NRC reviews and recommend the remuneration of Non-Executive Directors to attract and retain accomplished Board members, ensuring they receive fair compensation for their time and contributions.</p> <p>The NRC also reviews the remuneration framework of the MD/CEO and Leadership Team of the Company.</p> <p>The authority and duties as well as functions of the NRC are clearly defined in the Terms of Reference, which is accessible via PDB's corporate website, www.mymesra.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.1

There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has established a Directors' Remuneration Framework encompassing retainer fees, meeting allowances, and benefits in-kind.</p> <p>The remuneration breakdown of the individual directors which includes the above and other emoluments for the financial year ended 31 December 2023 is enumerated in Table 1 attached hereto.</p>

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Datuk Anuar Ahmad	Non-Executive Non-Independent Director	288	28	0	0	6	0	322	288	28	0	0	6	0	322
2	Azrul Osman Rani	Executive Director	0	0	0	0	0	0	1,683.2	0	0	0	0	0	0	1,683.2
3	Datuk Shafie Shamsuddin	Independent Director	144	52.5	0	0	6	0	202.5	144	52.5	0	0	6	0	202.5
4	Alvin Michael Hew Thai Kheam	Independent Director	144	56	0	0	6	0	206	144	56	0	0	6	0	206
5	Nirmala Doraisamy	Independent Director	144	58	0	0	6	0	208	144	58	0	0	6	0	208
6	Tang Saw Hua	Independent Director	144	70	0	0	6	0	220	144	70	0	0	6	0	220
7	Arni Laily Anwarrudin	Non-Executive Non-Independent Director	144	42	0	0	0	0	186	144	42	0	0	0	0	186
8	Datuk Sazali Hamzah	Non-Executive Non-Independent Director	144	31.5	0	0	0	0	175.5	144	31.5	0	0	0	0	175.5
9	Mohd Yuzaidi Mohd Yusoff	Independent Director	144	47.5	0	0	6	0	197.5	144	47.5	0	0	6	0	197.5
10	Tunku Alizakri Raja Muhammad Alias	Independent Director	144	44	0	0	6	0	194	144	44	0	0	6	0	194
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.2

The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>PDB noted on the departure from Practice 8.2 of MCCG 2021 as the components of the remuneration of Senior Management, which include their salary, bonus, benefits in-kind and other emoluments are subject to the Personal Data Protection Act ("PDPA") 2010 and PETRONAS Group including its listed companies opt not to disclose the personal data of their Senior Management personnel to the public at large. At the moment, the Company does not have an alternative plan to meet the intended outcome.</p> <p>The Company has identified its top five (5) Senior Management as follows, however, their remuneration will not be disclosed:</p> <ul style="list-style-type: none">i. Azrul Osman Rani<ul style="list-style-type: none">- Managing Director/Chief Executive Officer (MD/CEO)ii. Khalil Jaffri Muhammad Muri<ul style="list-style-type: none">- Chief Operating Officeriii. Farzlina Ahmad Murad<ul style="list-style-type: none">- Chief Financial Officeriv. Mazlin Erawati Ab Manan<ul style="list-style-type: none">- Head, Venture Builderv. Harlina Pikri<ul style="list-style-type: none">- Head, Strategy & Sustainability <p>The Senior Management of the Company are seconded from PETRONAS. Their remuneration has been benchmarked against the industry and is aligned with the market. Their remuneration is based on the prevailing PETRONAS' Remuneration Philosophy and Guiding Principles, which is accessible via PDB's corporate website, www.mymesra.com.my.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
2	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
3	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
4	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
5	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.3 - Step Up

Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

No	Name	Position	Company ('000)					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
2	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
3	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
4	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
5	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.1

The Chairman of the Audit Committee is not the Chairman of the board.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Chairman of the BAC is Tang Saw Hua, an INED and is not the Chairman of the Board. This ensures that the Board is able to objectively review the audit findings and recommendations.</p> <p>The profile of Tang Saw Hua is available on page 145 of the PDB Integrated Report 2023.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.2

The Audit Committee has a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee.

Application	:	Applied	
Explanation on application of the practice	:	<p>The BAC has a policy that requires a former partner of the external audit firm (and its affiliates) to observe a cooling-off period of three (3) years before being appointed as a member of the BAC.</p> <p>The policy is stated in the BAC Terms of Reference, which is accessible via PDB’s corporate website, www.mymesra.com.my.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

Application	:	Applied
Explanation on application of the practice	:	<p>Under its ToR, the BAC is responsible for assessing the capabilities and independence of the external auditor and to make subsequent recommendations to the Board on the appointment, re-appointment or termination of the external auditor.</p> <p>During the year under review, the BAC has adopted PETRONAS Framework on External Auditors, which has provided a more structured annual assessment on the performance, suitability and independence of the external auditors.</p> <p>In addition, the BAC also met with the external auditors on 14 February 2023, without Management's presence, addressing routine matters. The External Auditors have also confirmed to the Board on their independence in writing by providing both audit and non-audit services up to the date of this report.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

Application	:	Applied	
Explanation on application of the practice	:	<p>BAC possess a wide range of necessary skills to discharge its duties as recommended by MCCG 2021.</p> <p>The BAC members acknowledged the need for continuous education trainings. During the year under review, all BAC members attended training on the developments in accounting and auditing standards practices, and rules, which is in line with Practice 9.5 of the MCCG 2021.</p> <p>The list of training attended by the BAC members is set out on pages 178 to 183 of the PDB Integrated Report 2023.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.1

The board should establish an effective risk management and internal control framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board affirms its overall responsibility for establishing a sound risk management and internal control system, as well as for reviewing its adequacy and effectiveness in identifying, assessing and responding to risks which may hinder the Group from achieving its objectives. One of the vital roles of the Board is to establish the Group's risk appetite, which articulates the levels and types of risk that it is willing to take in the pursuit of its business and strategic objectives. In this respect, the Board actively participates in the Group's strategic goals and plans, ensuring that the corresponding risks are adequately mitigated within its approved risk appetite. In view of the inherent limitations in any risk management and internal control system, the Board recognises that such a system can only provide reasonable, rather than absolute assurance against material financial misstatement, fraud or losses.</p> <p>The Board plays a crucial role in establishing a strong risk management and internal control governance structure, which is critical in setting the tone and culture of effective risk management and internal control. To effectively carry out its risk and control oversight responsibilities, the Board establishes the BSRC and the BAC to oversee matters relating to risk, compliance, controls and sustainability. These Board Committees update the Board periodically of their work, key deliberations and decisions on delegated matters.</p> <p>The internal control mechanisms established by the Board are embedded processes within the organisation.</p> <p>Further information on risk management framework and internal controls are disclosed in the Statement on Risk Management and Internal Control of the Integrated Report 2023.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.2

The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The key features of the Company's risk management and internal control framework, which cover their adequacy and effectiveness are disclosed under the Statement on Risk Management and Internal Control in the Integrated Report 2023.</p> <p>In essence, PDB's Risk Management Framework adheres to the PETRONAS Resiliency Model, which focuses on the three areas namely Enterprise Risk Management, Crisis Management and Business Continuity Management in strengthening the current practices and placing greater emphasis on risk management implementation. The ERM Framework outlines the elements and processes to identify, assess, treat, monitor and review risks impacting its business. The framework provides a standard and consistent approach in implementing ERM across the entity.</p> <p>In addition, to ensure risks undertaken in pursuit of strategic and business objectives are within Board acceptable level, the Board has also approved PDB risk appetite which reflects the stance on acceptable level of risk or boundaries within its risk capacity. PDB monitors and reports the risk appetite on a regular basis and escalates any breach of the risk appetite to management and Board, on a timely basis for deliberation of specific action or decision.</p> <p>In achieving comprehensive risk-based decision making, the Board also deliberated on the risk related to high impact business matters such as commercial transactions with high complexity and exposure, key capital projects, new business ventures and/or special projects, in order to assess the feasibility and commerciality of these projects and investments.</p> <p>In ensuring the adequacy and effectiveness of PDB's risk management and internal control, First Line Assurance for various risk areas was implemented whilst the internal control system is also independently reviewed by the Internal Audit Division ("IAD").</p>

Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.3 - Step Up

The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

Application	:	Adopted																					
Explanation on adoption of the practice	:	<p>The Board Risk Committee ("BRC") was established on 26 February 2019 and on 20 January 2023, BRC was renamed to Board Sustainability and Risk Committee ("BSRC") to reflect the additional oversight function of the Committee on the sustainability matters of PDB. During the reviewed year, BSRC comprised five (5) Independent Directors and one Non-Independent Director to oversee the implementation of Company's risk management framework and policies and sustainability matters. The members of the BSRC are as follows:</p> <table><tr><th>No.</th><th>Directors/ Designation</th><th>Membership</th></tr><tr><td>1</td><td>Alvin Michael Hew Thai Kheam Independent Non-Executive Director</td><td>Chairman</td></tr><tr><td>2</td><td>Datuk Shafie Shamsuddin Senior Independent Director</td><td>Member</td></tr><tr><td>3</td><td>Nirmala Doraisamy Independent Non-Executive Director</td><td>Member</td></tr><tr><td>4</td><td>Tang Saw Hua Independent Non-Executive Director</td><td>Member</td></tr><tr><td>5</td><td>Datuk Sazali Hamzah Non-Independent Non-Executive Director</td><td>Member</td></tr><tr><td>6</td><td>Tunku Alizakri Raja Muhammad Alias Independent Non-Executive Director</td><td>Member</td></tr></table> <p>The profile of the Chairman and Members of BSRC are disclosed on pages 142 to 148 in the PDB Integrated Report 2023 for further information.</p>	No.	Directors/ Designation	Membership	1	Alvin Michael Hew Thai Kheam Independent Non-Executive Director	Chairman	2	Datuk Shafie Shamsuddin Senior Independent Director	Member	3	Nirmala Doraisamy Independent Non-Executive Director	Member	4	Tang Saw Hua Independent Non-Executive Director	Member	5	Datuk Sazali Hamzah Non-Independent Non-Executive Director	Member	6	Tunku Alizakri Raja Muhammad Alias Independent Non-Executive Director	Member
No.	Directors/ Designation	Membership																					
1	Alvin Michael Hew Thai Kheam Independent Non-Executive Director	Chairman																					
2	Datuk Shafie Shamsuddin Senior Independent Director	Member																					
3	Nirmala Doraisamy Independent Non-Executive Director	Member																					
4	Tang Saw Hua Independent Non-Executive Director	Member																					
5	Datuk Sazali Hamzah Non-Independent Non-Executive Director	Member																					
6	Tunku Alizakri Raja Muhammad Alias Independent Non-Executive Director	Member																					

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.1

The Audit Committee should ensure that the internal audit function is effective and able to function independently.

Application	:	Applied	
Explanation on application of the practice	:	<p>The BAC receives support from the in-house Internal Audit Function, known as Internal Audit Division, to fulfill governance responsibilities outlined in the BAC's Terms of Reference. The Company's internal audit function is designed to be 'independent and objective'. PDB IAD's mission is to enhance and safeguard organizational value by providing risk-based and objective assurance, advice, and insights.</p> <p>IAD contributes to the organisation's goals by systematically evaluating and improving the effectiveness of risk management, control, and governance processes within the Group. Reporting directly to the BAC and administratively to the MD/CEO ensures impartiality and independence in executing its role.</p> <p>The independence, objectivity, and freedom from any conflict of interest of IAD and internal auditors are declared annually, complying with International Professional Practices Framework's Code of Ethics. In case a potential conflict of interest arises after the annual declaration, internal auditors report immediately to the Head of IAD and are not assigned an audit scope leading to a conflict of interest.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.2

The board should disclose—

- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The Head of IAD reporting directly to the BAC and administratively to the MD/CEO ensures impartiality and independence in executing its role.</p> <p>Nik Fariza Nik Hamdan took over as the Chief Audit Executive (“CAE”) effective October 2023. She brings with her 20 years of experience in a variety of industries, including oil & gas, chemical, telecommunications, manufacturing, and financial services. She graduated from John Moores Liverpool University and obtained ACCA certification from Dublin Business School. After graduating, Nik worked in Ireland for six years, before moving back to Malaysia to continue her career journey. She joined PETRONAS’ Group Internal Audit department in 2014, leading several audit assignments across the organization focusing on corporate and downstream businesses.</p> <p>The Group continues its commitment to equip the internal auditors with adequate knowledge to discharge their duties and responsibilities. IAD resources are adequate, appropriate, sufficient and effective to implement the approved plan including some collaborative effort with external line experts and resources from PETRONAS Group specifically on IT, Risk Management, Finance, Sustainability and Project Management. There were 16 staff under Internal Audit Division where 13 of them are internal auditors (including CAE), with diverse backgrounds and disciplines such as accounting, finance, business management, marketing, engineering, energy management, commerce and information technology. The internal auditors have sufficient mix of knowledge, skills and competencies to execute the audit plan.</p> <p>IAD operates within the framework of its Audit Charter, approved by the BAC, defining its responsibilities, authority, and scope of work within the Group. Internal Audit activities follow the Audit Manual and the International Professional Practices Framework (“IPPF”), adopting the five components set out in the Internal Control Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission:</p>

	<ul style="list-style-type: none"> • Control Environment • Risk Assessment • Control Activities • Information and Communication • Monitoring Activities <p>The independence, objectivity, and freedom from any conflict of interest of IAD and internal auditors are declared annually, complying with IPPF's Code of Ethics. In case a potential conflict of interest arises after the annual declaration, internal auditors report immediately to the Head of IAD and are not assigned an audit scope leading to a conflict of interest.</p>	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.1

The board ensures there is effective, transparent and regular communication with its stakeholders.

Application	:	Applied
Explanation on application of the practice	:	<p>Facilitating transparent and timely information dissemination is crucial for shareholders and investors to make well-informed decisions about PDB. Acknowledging the importance of open communication with Shareholders, investors, and broader stakeholders, the Board actively engages in two-way communication to understand and consider diverse perspectives, feedback, and concerns. This approach aligns with Malaysian Code on Corporate Governance 2021 guidelines on fostering effective dialogue and adhering to governance principles.</p> <p>The Group shares information on business activities and financial performance through avenues such as Bursa Malaysia announcements, postings on PDB's website, press releases, Integrated Report issuance, and occasional press conferences. Following the AGM, PDB conducts a press conference, and materials distributed are promptly made available on the corporate website.</p> <p>Regular dialogues led by the MD/CEO, Chief Financial Officer, and the Investor Relations Unit with institutional shareholders and analysts, along with quarterly briefings, deepen the understanding of the Group's financial results and operations.</p> <p>PDB proactively updates its corporate website, www.mymesra.com.my, with comprehensive information on corporate and business aspects, including press releases, Bursa Malaysia announcements, analyst briefings, and quarterly results. This commitment ensures accessible information for PDB's shareholders and stakeholders.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.2

Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

Application	:	Applied	
Explanation on application of the practice	:	The Company has adopted full integrated reporting for its 2023 Integrated Report based on a globally recognised framework.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.1

Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

Application	:	Applied
Explanation on application of the practice	:	<p>The Notice and agenda of the Virtual 41st Annual General Meeting ("AGM") together with Forms of Proxy are dispatched to shareholders at least 28 days before the AGM, which gives shareholders sufficient time to prepare themselves to attend, speak (in the form of real time submission of typed texts) and vote remotely (collectively, "participate") at the AGM using Remote Participation and Voting (RPV) the AGM or to appoint proxies to participate on their behalf. For the past six years, 28 days' notice were issued to shareholders.</p> <p>The notice was also published in a nationally circulated newspaper as required under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and is made available on PDB's corporate website.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.2

All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

Application	:	Applied
Explanation on application of the practice	:	<p>All Directors, Company Secretary and the Leadership Team together with the external auditors were present at the Company's 41st Annual General Meeting ("AGM") virtually through live streaming and online remote voting via Remote Participation & Voting ("RPV") facilities which are available on Tricor Investor & Issuing House Services Sdn Bhd's ("Tricor") TIH Online website at https://tiih.online.</p> <p>During the AGM, the Chairman plays a pivotal role in fostering constructive dialogue between shareholders, the Board and Leadership Team. He also shared with the shareholders the company's response to the questions submitted in advanced by the Minority Shareholders Watch Group ("MSWG"). Whilst the Managing Director/Chief Executive Officer presented a comprehensive review of the Group's performance initiatives and value created for shareholders. This review was supported by a visual and graphic presentation of the key points and financial figures.</p> <p>The Chairpersons of the Board Audit Committee, Nomination and Remuneration Committee and Board Sustainability and Risk Committee responded to any queries and clarifications addressed to them (if any).</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.3

Listed companies should leverage technology to facilitate—

- voting including voting in absentia; and
- remote shareholders' participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

Application	:	Applied
Explanation on application of the practice	:	<p>The 41st Annual General Meeting ("AGM") was held virtually on Wednesday, 10 May 2023 as PDB continued leveraging on technology and offer remote shareholders' participation in PDB's general meetings.</p> <p>The AGM was conducted in accordance with the Company's constitution and in line with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, Section 327 of the Companies Act 2016 and Guidance Note on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia on 16 July 2021.</p> <p>PDB had engaged Tricor Investor and Issuing House Services Sdn. Bhd. as the Poll Administrator and Boardroom Corporate Services Sdn. Bhd. as Independent Scrutineer for conduct of poll via e-Vote application. Upon verification of the poll results, the results for each resolution, which included votes in favour and against, were announced, upon which the Chairman of the Meeting declared whether the resolutions were carried. The Company also announced the poll results via Bursa LINK on the same day for the benefit of all shareholders. Minutes of the 41st AGM were also made available on the Company's website.</p> <p>The Board also encouraged active participation by the shareholders and investors during the AGM. The shareholders who participated through RPV facilities were also able to cast their votes online. A total number of 1,538 shareholders and proxies logged in through RPV, which represented a total of 201,249,782 shares.</p> <p>PDB will continue to offer remote shareholders' participation in future general meetings and will undertake a further review to determine the measures that can be taken to facilitate shareholders' participation and enhance the quality of general meetings through the use of digital tools.</p>
Explanation for departure	:	

<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.4

The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company's financial and non-financial performance as well as the company's long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>		
Application	:	Applied
Explanation on application of the practice	:	<p>The 41st Annual General Meeting ("AGM") was held virtually on Wednesday, 10 May 2023 as PDB continued leveraging on technology and offer remote shareholders' participation in PDB's general meetings, via Remote Participation and Voting ("RPV") facilities. The virtual AGM was streamed on Tricor's website for shareholders to attend, speak (in the form of real time submission of typed texts) and vote (collectively, "participate") remotely. This is to supports meaningful engagement between the Board/Management and Shareholders of the Company.</p> <p>The Board recognises that the 41st AGM is a valuable opportunity for the Board to engage with shareholders. In order to enhance the efficiency of the proceedings of the 41st AGM, shareholders may in advance, submit questions to the Board of Directors via Tricor's TIH Online website at https://tjih.online.</p> <p>The Company received 46 live questions and 24 pre-submitted questions from shareholders. The minutes of the AGM together with the responses for the remaining questions were published in the PDB's corporate website after the meeting.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.5

The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.

Application	:	Applied
Explanation on application of the practice	:	<p>The 41st Annual General Meeting (“AGM”) was held virtually on Wednesday, 10 May 2023 as PDB continued leveraging on technology and offer remote shareholders’ participation in PDB’s general meetings, via Remote Participation and Voting (“RPV”) facilities. The virtual AGM was streamed on Tricor’s website for shareholders to attend, speak (in the form of real time submission of typed texts) and vote (collectively, “participate”) remotely. This is to supports meaningful engagement between the Board/Management and Shareholders of the Company.</p> <p>The Board recognises that the 41st AGM is a valuable opportunity for the Board to engage with shareholders. In order to enhance the efficiency of the proceedings of the 41st AGM, shareholders may in advance, submit questions to the Board of Directors via Tricor’s TIH Online website at https://tiih.online.</p> <p>The Company received 46 live questions and 24 pre-submitted questions from shareholders. The minutes of the AGM together with the responses for the remaining questions were published in the PDB’s corporate website after the meeting.</p> <p>Tricor’s online website was chosen due to their experience in handling the past three years of PDB’s virtual AGM and the sense of familiarity for Directors, Shareholders and the Working Committees.</p>
Explanation for departure	:	

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.6

Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>		
Application	:	Applied
Explanation on application of the practice	:	<p>The minutes of the Virtual 41st Annual General Meeting (“AGM”) of the Company held on Wednesday, 10 May 2023 was circulated to shareholders within 30 business days after the conclusion of the AGM of the Company.</p> <p>The minutes of the AGM of the Company is accessible via PDB’s corporate website, www.mymesra.com.my.</p>
Explanation for departure	:	
	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	
	:	

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

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