

NOTICE OF 39TH ANNUAL GENERAL MEETING

PETRONAS DAGANGAN BERHAD

Registration No.: 198201008499 (88222-D)

(Incorporated in Malaysia)

NOTICE IS HEREBY GIVEN THAT the 39th Annual General Meeting (AGM) of PETRONAS Dagangan Berhad will be held fully virtual through live streaming via a remote participation and voting facilities at the Broadcast Venue, Virtual Studio 2, Level 4, Kuala Lumpur Convention Centre, Kuala Lumpur City Centre, 50088 Kuala Lumpur, Malaysia on Wednesday, 28 April 2021 at 10.00 a.m. to transact the following business:

Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 December 2020 together with the Reports of the Directors and Auditors thereon.

Please refer to Explanatory Note A

2. To re-elect the following Directors who retire in accordance with Article 100 of the Company's Constitution and being eligible, offer themselves for re-election:
 - a. Tang Saw Hua
 - b. Ahmad Adly Alias

(Resolution 1)

(Resolution 2)

Please refer to Explanatory Note B

3. To re-elect the following Directors who retire by rotation in accordance with Article 107 of the Company's Constitution and being eligible, offer themselves for re-election:
 - a. Datuk Md Arif Mahmood
 - b. Datuk Anuar Ahmad
 - c. Nuraini Ismail

(Resolution 3)

(Resolution 4)

(Resolution 5)

Please refer to Explanatory Note B

4. To approve the Directors' fees and allowances payable to the Non-Executive Directors of up to an amount of RM2,500,000 with effect from 29 April 2021 until the next annual general meeting of the Company.

(Resolution 6)

Please refer to Explanatory Note C

5. To approve the re-appointment of KPMG PLT, as Auditors of the Company for the financial year ending 31 December 2021 and to authorise the Directors to fix their remuneration.

(Resolution 7)

Please refer to Explanatory Note D

Special Business

To consider and, if thought fit, to pass the following Special Resolution pursuant to Article 174 of the Company's Constitution:

6. **Proposed Amendments to the Company's Constitution**

(Special Resolution)

"**THAT** the existing Article 3 (Object Clause) of the Constitution of the Company be amended by deleting in its entirety and substituting in lieu thereof with the following new Article 3 (Legal capacity and powers of the Company)

3. The Company shall be capable of exercising all the functions of a body corporate and have full capacity to carry on or undertake any business or activity that is in the best interest of the Company with full rights, powers and privileges for such purpose in accordance with Section 21 of the Companies Act 2016, subject always to the requirements of any applicable laws and regulations.

AND THAT the Directors of the Company be and are hereby authorised to do all such acts and things and to take such steps that are necessary to give effect to the amendments of the Constitution of the Company."

Please refer to Explanatory Note E

7. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016 and Company's Constitution.

FURTHER NOTICE IS HEREBY GIVEN THAT for the purpose of determining a member who shall be entitled to attend and vote at the forthcoming 39th AGM, the Company shall be requesting the Record of Depositors as at 21 April 2021. Only a depositor whose name appears on the Record of Depositors as at 21 April 2021 shall be entitled to attend and vote at the meeting as well as for appointment of proxy(ies) to attend and vote on his/her stead.

BY ORDER OF THE BOARD

SURIA KAMARUL BAHARIN (SSM Practising Certificate No. 201908003389) (LS0010448)

YEAP KOK LEONG (SSM Practising Certificate No. 202008001750) (MAICSA 0862549)

Company Secretaries

Kuala Lumpur
29 March 2021

NOTES:

1. IMPORTANT NOTICE

The Broadcast Venue is **strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 (CA 2016)** which requires the Chairman of the meeting to be present at the main venue of the meeting.

Shareholders **will not be allowed** to attend this AGM in person at the Broadcast Venue on the day of the meeting.

Shareholders are to attend, participate, speak (by posing questions to the Board via real time submission of typed texts) and vote (collectively referred as "participate") remotely at this AGM via the Remote Participation and Voting (RPV) facilities provided by Tricor Investor & Issuing House Services Sdn. Bhd. (Tricor) via its TIIH Online website at <https://tiih.online>.

Please read these notes carefully and follow the procedures in the Administrative Guide for the AGM in order to participate remotely via RPV.

2. PROXY AND/OR AUTHORISED REPRESENTATIVE

- a. A member who is entitled to participate in this AGM via Remote Participation and Voting (RPV) facilities is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate in his/her place. A proxy may but need not be a member of the Company.
- b. A member of the Company who is entitled to participate at the meeting may appoint not more than two proxies to participate on his/her behalf provided that the member specifies the proportion of the member's shareholdings to be represented by each proxy. There shall be no restriction as to the qualification of the proxy.
- c. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one proxy in respect of each Securities account it holds with ordinary shares of the Company standing to the credit of the said Securities accounts.
- d. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for the multiple beneficial owners in one Securities Account (omnibus account), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.

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- e. Where a member or the authorised nominee appoints two proxies, or where an Exempt Authorised Nominee appoints two or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
- f. A member who has appointed a proxy or attorney or authorised representative to participate at AGM via RPV **must request his/her proxy or attorney or authorised representative to register himself/herself for RPV** via TIIH Online website at <https://tiih.online>. Procedures for RPV can be found in the Administrative Guide for the AGM.
- g. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than 48 hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote:

- i. In hard copy form

In the case of an appointment made in hard copy form, the proxy form must be deposited with:

- a. Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia; or
- b. By fax at 03-2783 9222 or email to is.enquiry@my.tricorglobal.com

- ii. By electronic means

The proxy form can be electronically lodged with Tricor via TIIH Online at <https://tiih.online>. Kindly refer to the Administrative Guide for the AGM on the procedures for electronic lodgement of proxy form via TIIH Online.

- h. Please ensure **ALL** the particulars as required in the proxy form are completed, signed and dated accordingly.
- i. Last date and time for lodging the proxy form is on Monday, 26 April 2021 at 10.00 a.m.
- j. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with Tricor or alternatively, the Customer Service Centre at the address stated under item g(i)(a) above, not less than 48 hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
- k. For a corporate member who has appointed an authorised representative, please deposit the **ORIGINAL** certificate of appointment of authorised representative with Tricor or alternatively, the Customer Service Centre at the address stated under item g(i)(a) above. The certificate of appointment of authorised representative should be executed in the following manner:
 - i. If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.
 - ii. If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by at least two authorised officers, of whom one shall be a director or any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

3. Pursuant to Paragraph 8.29A of the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (Bursa Malaysia), all resolutions set out in the Notice of 39th AGM will be put to vote as a poll.

4. EXPLANATORY NOTES

NOTE A

Audited Financial Statements for the financial year ended 31 December 2020

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

NOTE B

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

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

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

In view that Tang Saw Hua and Ahmad Adly Alias were appointed after the last AGM held on 10 June 2020, they will be retiring under Article 100 of the Company's Constitution. They, being eligible for re-election, have also given their consent for re-election.

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

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

At the forthcoming 39th AGM, three directors will be retiring in accordance with Article 107 of the Company's Constitution. They are Datuk Md Arif Mahmood, Datuk Anuar Ahmad and Nuraini Ismail, whom being eligible for re-election have given their consent for re-election at the AGM.

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

The profiles of the retiring Directors are set out in the Profile of the Board of Directors on pages 114 to 119 (inclusive) of the Integrated Report 2020.

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NOTE C

Non-Executive Directors' Fees and Allowances

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

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

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

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

The shareholders at the last AGM held on 10 June 2020 approved the Directors' fees and allowances of up to an amount of RM2,300,000 for the period from 11 June 2020 until the next AGM of the Company. The actual Directors' fees and other benefits paid to the NEDs for the said period was RM1,795,505.91.

The Directors' fees and allowances for the NEDs for the period from 29 April 2021 until the conclusion of the next AGM of the Company (Mandate Period) are estimated not to exceed RM2,500,000. The calculation is based on the estimated number of scheduled Board and Board Committees' meetings and on assumption that all the NEDs will remain in office until the next AGM. This resolution is to facilitate payment of the Directors' fees and allowances for the Mandate Period.

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

Details of the Directors' fees and allowances paid to the NEDs for the financial year ended 31 December 2020 are published in the Corporate Governance Report 2020 on PDB's corporate website at www.mymesra.com.my.

NOTED

Re-appointment of Auditors

The BAC had also carried out an assessment on the performance, sustainability and independence of the external auditors based on the following four key areas, and will continue to do so on an annual basis:

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

The annual assessment on the Company's External Auditor, KPMG PLT, was conducted in January 2021 whereby the BAC was satisfied with the performance and independence of the external auditors.

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

The Board at its meeting held on 19 February 2021 recommended the re-appointment of KPMG PLT as External Auditors of the Company for the financial year ending 31 December 2021 for approval of the shareholders under Resolution 7.

NOTE E

Proposed Amendments to the Company's Constitution

A number of far-reaching trends are disrupting the traditional fuel retailing industry. In order to face the disruptions head on and to create a more balanced portfolio, PDB since 2017 has taken steps to transform its portfolio by embracing innovation, new technologies and customer centricity.

PDB has accelerated the growth of its non-fuel offerings at station and created digital ventures such as Setel® (an innovative platform that provides every motorist a seamless experience for retail on-the-go) and ROVR (Malaysia's First Mobile Refuelling Partner) to deliver a seamless and frictionless customer experience. The company is also retiring its hydrocarbon centric mission and vision of 'Value Driven Fuel Marketing with Market Leadership in Malaysia and Brand of 1st Choice' to adopt a more fitting promise centered around the customer of Making Everyday Life Simpler and Better.

Market changes are creating significant opportunities for the most agile and forward looking companies. PDB aims to launch and scale new ventures by expanding into growth verticals that leverage on PDB's assets and existing ecosystem, anchored on data and customer insights. Whilst existing businesses will remain an integral part of PDB's portfolio, focus on growth verticals is crucial to future-proof the business.

To enable more flexibility and agility for PDB to future-proof its business, it is timely for PDB to amend its Constitution by removing existing object clauses and for PDB to carry on or undertake any business or activity that is in the best interest of PDB, in accordance with Section 21 of the Companies Act 2016. The Special Resolution, if passed, will enable PDB to expand into ventures that are in the best interest of the company.

Please click the following link to view the details of the existing Article 3 (Object Clause) of the Constitution of the Company:

https://www.mymesra.com.my/clients/asset_E09476E5-9A3F-437E-995E-88B99F82B020/contentms/img/pdf/New_Constitution_act_2016_clean_version.pdf

OTHER INFORMATION

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