

PETRONAS GAS BERHAD
(Company No:101671-H)
(Incorporated in Malaysia)

THIRTY FOURTH ANNUAL GENERAL MEETING

Minutes of the Thirty Fourth Annual General Meeting of PETRONAS Gas Berhad held at Conference Hall 2, Level 3, Kuala Lumpur Convention Centre, Jalan Ampang, 50088 Kuala Lumpur on Monday, 17 April 2017 at 10.30 a.m.

Present : YBhg Datuk Mohd Anuar Taib (Chairman)
Encik Yusa' Hassan
Cik Habibah Abdul
YBhg Dato' Ab. Halim Mohyiddin
Encik Heng Heyok Chiang @ Heng Hock Cheng
Puan Emeliana Dallan Rice-Oxley
Cik Wan Shamilah Wan Muhammad Saidi

and Members and Proxies as per attendance list

In Attendance : Puan Intan Shafinas (Tuty) Hussain (Secretary)
Encik Yeap Kok Leong (Secretary)
Puan Aida Aziza Jamaludin (Chief Financial Officer)

1.0 WELCOMING ADDRESS BY THE CHAIRMAN

The Chairman welcomed all present to the Thirty Fourth Annual General Meeting of the Company.

2.0 NOTICE

The Notice of the Meeting dated 20 March 2017 was taken as read as it was sent and received by Members together with the Annual Report for the Year Ended 31 December 2016 and has also been published on the Company's website.

3.0 QUORUM

Upon confirming the presence of the requisite quorum by the Secretary, the Chairman called the meeting to order at 10.30 a.m.

NOTED that the Chairman informed that the voting at the 34th AGM would be conducted on a poll in accordance with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia by way of electronic voting (“e-voting”). For this purpose, the Chairman exercised his right as the Chairman of the Meeting to demand for a poll in accordance with Article 66 of the Constitution of the Company.

ALSO NOTED that the Company has appointed Symphony Share Registrars Sdn Bhd (“SSRSB”) as Poll Administrator to conduct the polling process, and Symphony Corporatehouse Sdn Bhd (“SCSB”) as Scrutineers to verify the poll result of the deliberation of all items to be transacted at the 34th AGM.

The Meeting was informed by the Company Secretary that the total number of shareholders and proxies present at this Annual General Meeting (“AGM”) was 1,995, which represents a total of 1,700,134,570 shares. The Chairman had been appointed by the shareholders as proxy representing 1,331,617,310 shares, which represents 78.32% of the total voting rights at this AGM.

The Meeting was also informed that all resolutions would require a simple majority vote of not less than 51%.

4.0 PRESENTATION BY THE MANAGING DIRECTOR/CHIEF EXECUTIVE OFFICER

Before proceeding with the business of the Meeting, the Chairman invited Encik Yusa’ Hassan, the Managing Director/Chief Executive Officer (“MD/CEO”) of the Company to present to the shareholders a presentation on the overview of the business of the Company.

Encik Yusa’ proceeded to present the Company’s performance overview for the financial year ended 31 December 2016 covering the Company’s financial performance, operational performance as well as key activities and achievements for the period.

After the said presentation, the Chairman proceeded with the business of the Meeting.

5.0 TO RECEIVE THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

The Audited Financial Statements and Reports of the Directors and Auditors for the period ended 31 December 2016 having been circulated to all members of the Company within the prescribed period was tabled to the Meeting.

The Chairman informed that the Company had received a list of questionnaires from the Minority Shareholder Watchdog Group (“MSWG”) on 10 April 2017 and had accordingly responded to the MSWG on their enquiries ahead of this Annual General Meeting. For the members’ reference, the replies to the questions were displayed on the LED display screens at the foyer outside the meeting hall today and that the same had been made available on the Company’s website.

Puan Intan Shafinas (Tuty) Hussain, the Company Secretary, proceeded to read out the MSWG’s questions and the MD/CEO thereupon responded to the questions accordingly for the benefit of the Members present.

The Chairman invited the Members present to put forth any questions on the reports and financial statements. The following summarises the matters raised and comments made as by the shareholders and/or proxies at the meeting:-

- (A) On the issue of CORPORATE GOVERNANCE, **NOTED** the comments of Pn Lya Rahman of MSWG as well as the following:
- MSWG noted that there was an impressive improvement in terms of disclosure of Corporate Governance practices of the Company in the Annual Report 2016.
 - For further transparency, MSWG suggested that the Company should disclose the tenure policy of independent directors. **NOTED** the Company informed that there was such a policy in place as endorsed by the Nomination and Remuneration Committee. Directors are appointed for three year periods and reappointed subject to Board assessment. All tenures are for a maximum of nine years. The policy will be made available in the Annual Report for the next year.
 - Pursuant to the Companies Act 2016, Directors who attain the age of more than 70 years are no longer required to retire and seek re-election at the AGM. However, MSWG **NOTED** that at the last AGM held on 26 April 2016, the Shareholders had approved the re-

appointment of Dato' Ab Halim Mohyiddin as Director and to hold office until the conclusion of the next AGM (i.e. 17 April 2017). In reply to the query, the Company Secretary informed that a special NRC will be convened post the AGM today to endorse the re-appointment of Dato' Ab Halim Mohyiddin as an Independent Director of the Company and to seek the approval of the Board on the same immediately thereafter.

- On MSWG's suggestion for the Company to ensure that the process for Succession Planning for MD/CEO as well as the assessment process and the criteria be disclosed in the Company's Annual Report, **NOTED** that the Company does have a succession planning process in place and that the Company took **NOTE** of the suggestion.
 - On issue of written dividend policy, **NOTED** that as the track record of the Company had proven that the Company maintains the 70%-75% dividend payout ratio for every quarter, the written specific policy on dividend is not obligatory for the Company.
- (B) On HSE & OPERATIONAL issues, **NOTED** that the Company has undertaken the necessary investigation to identify the root cause of the recent fatalities and to date the lesson learnt as well as the mitigation actions has been properly reflected in the work processes to avoid recurrence in future. This will continue to be the Company's key focus in 2017.
- (C) On matters concerning REVENUE & COST, **NOTED** that the adoption of hedge accounting has impacted FY 2016 results as follows:-
- The Company has recorded significant unrealized forex loss and gain in FY2014 to FY2016 due to reporting translation of USD finance lease liability on the balance sheet arising from 20 years lease of 2 floating storage units (i.e. Time Charter Party Agreement).
 - Upon adoption of hedge accounting on 1 January 2016, the unrealised forex loss on finance lease liability amounting to USD51.7M had been recorded in other comprehensive income. Hence, there will be no impact on PGB Group's profit or loss and cash outflow with regards to the forex movement. There is also no

impact on actual payment as PGB recovers the equivalent payment on the lease from PGB's customer.

(D) On the impact of the GAS SUPPLY ACT 2016 (AMENDMENT) to the Company, **NOTED** as follows:

- Under the Third Party Access regime, PGB is to allow parties other than PETRONAS to use RGT and Pipeline.
- The Energy Commission's regulatory scope will extend to cover the economic aspect of RGT and pipeline business.
- Hence, PGB revenues from RGT and pipeline business shall be based on agreed return over investment and/or asset values.

(E) On issues regarding CAPEX, **NOTED** that the capital commitment amounting to RM4.3B will be spent for the next 5 years based on the following:-

- Growth projects makes up 43% of the RM4.3B mostly on RGTP and ASU projects.
- Balance of 57% or RM2.5B is for maintaining gas processing, utilities and regasification plants and transmission pipeline for the next 5 years.
- RM2.0B (47%) is expected to be spent in 2017.

(F) **ALSO NOTED** that for BUSINESS ENVIRONMENT/OUTLOOK, the participation by Saudi Aramco in Malaysia's RAPID Downstream Project will add value to the overall Pengerang Integrated Complex (PIC). Hence, PGB will indirectly benefited from the participation of Saudi Aramco in RAPID project through 2 growth projects in PIC namely RGT Pengerang (RGTP) and Air Separation Unit (ASU).

After dealing with all the above, it was **RESOLVED THAT** the Audited Financial Statements for the financial year ended 31 December 2016 together with the Reports of the Directors and Auditors thereon, be and are hereby **RECEIVED** and **NOTED**.

6.0 RE-ELECTION OF DIRECTOR PURSUANT TO ARTICLE 93 OF THE CONSTITUTION OF THE COMPANY

The Agenda item no. 2 is on re-election of Director who is retiring pursuant to Article 93 of the Constitution of the Company. It was informed that Cik Habibah Abdul is subject to re-election and who being eligible offered herself for re-election.

The profile of Cik Habibah can be found on page 43 of the Annual Report. The Board had approved the recommendation of its Nomination and Remuneration Committee ("NRC") that Cik Habsah was eligible to stand for re-election.

Pursuant to Article 66 of the Constitution of the Company, e-voting would be conducted upon completion of the remaining business of the Meeting.

The Chairman put the following resolution to the floor for consideration:-

Resolution 1 -THAT Habibah Abdul retiring in accordance with Article 93 of the Constitution of the Company, be and is hereby re-elected as Director of the Company.

Since there is no question from the Shareholders, the Meeting moved to the next agenda item.

7.0 RE-ELECTION OF DIRECTORS IN ACCORDANCE WITH ARTICLE 96 OF THE CONSTITUTION OF THE COMPANY

The Agenda item no. 3 is on re-election of Directors who are retiring pursuant to Article 96 of the Constitution of the Company. **NOTED** that as the Chairman of the meeting is up for re-election, Cik Habibah Abdul, the Senior Independent Director, took over as Chair of the Meeting.

It was informed that the following 4 Directors are subject to re-election and who being eligible offered themselves for re-election:-

1. Datuk Mohd Anuar Taib
2. Puan Emeliana Dallan Rice- Oxley
3. Cik Wan Shamilah Wan Muhammad Saidi
4. Encik Heng Heyok Chiang @ Heng Hock Cheng

The profile of the Directors standing for re-election were provided on pages 41, 45, 46 and 47 respectively. The Board had approved the recommendation of its NRC that these Directors were eligible to stand for re-election.

Pursuant to Article 66 of the Constitution of the Company, e-voting would be conducted upon completion of the remaining business of the Meeting.

The Chairman put the following resolutions to the floor for consideration:-

1. **Resolution 2 -THAT** Datuk Mohd Anuar Taib retiring in accordance with Article 96 of the Constitution of the Company, be and is hereby re-elected as Director of the Company.
2. **Resolution 3 -THAT** Emeliana Dallan Rice- Oxley retiring in accordance with Article 96 of the Constitution of the Company, be and is hereby re-elected as Director of the Company.
3. **Resolution 4 -THAT** Wan Shamilah Wan Muhammad Saidi retiring in accordance with Article 96 of the Constitution of the Company, be and is hereby re-elected as Director of the Company.
4. **Resolution 5 -THAT** Heng Heyok Chiang @ Heng Hock Cheng retiring in accordance with Article 96 of the Constitution of the Company, be and is hereby re-elected as Director of the Company.

Since there is no question from the Shareholders, the Meeting moved to the next agenda item. **NOTED** that Datuk Mohd Anuar Taib then took over as Chair of the Meeting from Cik Habibah Abdul.

8.0 DIRECTORS' FEES PAYABLE TO NON-EXECUTIVE DIRECTORS WITH EFFECT FROM 1 JANUARY 2017 UNTIL THE NEXT ANNUAL GENERAL MEETING

The Agenda item no. 4 is to approve the payment of directors' fees payable to Non-Executive Directors with effect from 1 January 2017 until the next Annual General Meeting. In this respect, the Board had proposed the payment of directors' fees of up to RM1.0 million with effect from 1 January 2017 until the next Annual General Meeting of the Company payable to the Non-Executive Directors.

Pursuant to Article 66 of the Constitution of the Company, e-voting would be conducted upon completion of the remaining business of the Meeting.

The Chairman then put the resolution to the floor for consideration:-

Resolution 6 - THAT the payment of Directors' fees of up to RM1.0 million with effect from 1 January 2017 until the next Annual General Meeting of the Company payable to Non-Executive Directors be and is hereby approved.

Since there is no question from the Shareholders, the Meeting moved to the next agenda item.

9.0 RE-APPOINTMENT OF KPMG PLT AS AUDITORS OF THE COMPANY

The Agenda item no. 5 is on re-appointment of KPMG PLT as Auditors of the Company, who will hold office until the conclusion of the next Annual General Meeting, and to authorise the Directors to fix their remuneration.

The Chairman informed that KPMG had converted its legal entity status from unlimited liability partnership pursuant to Partnership Act 1961 to limited liability partnership pursuant to Section 29 of the Limited Liability Partnerships Act, 2012 (“LLP Act 2012”) effective 27 December 2016. Accordingly, KPMG had been registered in the name of KPMG PLT. In this instance, PLT means “Perkongsian Liabiliti Terhad”. There was no change to the Partners serving the Company.

The auditors, KPMG PLT, have expressed their willingness to continue office.

Pursuant to Article 66 of the Constitution of the Company, e-voting would be conducted upon completion of the remaining business of the Meeting.

The Chairman put the resolution to the floor for consideration:-

Resolution 7 - THAT KPMG PLT be and are hereby re-appointed as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting and that the Directors be and are hereby authorised to determine their remuneration.

Since there is no question from the Shareholders, the Meeting moved to the next agenda item.

10.0 ANY OTHER BUSINESS

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

The Chairman then invited Encik Mohamed Sophiee Ahmad Nawawi, a representative from SSRSB to advise the Meeting on the procedures with respect to the e-voting.

11.0 POLLING PROCESS

Encik Sophiee explained the procedures for the conduct of poll at the 34th AGM using the electronic poll voting method system. Each of the 10 e-voting counters was equipped with the desktop and barcode reader. Each shareholder/proxy would be directed to the e-voting counters with his/her barcoded wristband which was issued during registration for the Meeting.

The SSRSB e-voting tutorial video on the e-voting process was played at the Meeting prior to the commencement of e-voting process at 12.05 p.m. The results of the poll were verified by the Scrutineers, SCSB.

12.0 ANNOUNCEMENT OF POLL RESULT

At 12.40 p.m, the Chairman called the Meeting to order for the declaration of results. He informed that he had received the poll results from SSRSB and SCSB, attached as Annexure A.

The Chairman invited the Company Secretary to read out the poll results to the members and proxies present.

1. RE-ELECTION OF CIK HABIBAH ABDUL PURSUANT TO ARTICLE 93 OF THE CONSTITUTION OF THE COMPANY

The Secretary announced the poll result in respect of Resolution 1 which was carried as follows:-

RESOLUTION	FOR		AGAINST	
	Number of Shares	%	Number of Shares	%
RESOLUTION 1	1,633,811,325	99.99	602	0.00

The Chairman declared that Resolution 1 was duly passed as follows:-

“**THAT** Habibah Abdul retiring in accordance with Article 93 of the Constitution of the Company, be and is hereby re-elected as Director of the Company. “

2. RE-ELECTION OF DATUK MOHD ANUAR TAIB PURSUANT TO ARTICLE 96 OF THE CONSTITUTION OF THE COMPANY

The Secretary announced the poll result in respect of Resolution 2 which was carried as follows:-

RESOLUTION	FOR		AGAINST	
	Number of Shares	%	Number of Shares	%
RESOLUTION 2	1,615,678,462	98.89	17,990,065	1.10

The Chairman declared that Resolution 2 was duly passed as follows:-

“**THAT** Datuk Mohd Anuar Taib retiring in accordance with Article 96 of the Constitution of the Company, be and is hereby re-elected as Director of the Company. “

3. RE-ELECTION OF PUAN EMELIANA DALLAN RICE- OXLEY PURSUANT TO ARTICLE 96 OF THE CONSTITUTION OF THE COMPANY

The Secretary announced the poll result in respect of Resolution 3 which was carried as follows:-

RESOLUTION	FOR		AGAINST	
	Number of Shares	%	Number of Shares	%
RESOLUTION 3	1,611,285,711	98.62	22,526,216	1.37

The Chairman declared that Resolution 3 was duly passed as follows:-

“THAT Emeliana Dallan Rice- Oxley retiring in accordance with Article 96 of the Constitution of the Company, be and is hereby re-elected as Director of the Company.”

4. RE-ELECTION OF CIK WAN SHAMILAH WAN MUHAMMAD SAIDI PURSUANT TO ARTICLE 96 OF THE CONSTITUTION OF THE COMPANY

The Secretary announced the poll result in respect of Resolution 4 which was carried as follows:-

RESOLUTION	FOR		AGAINST	
	Number of Shares	%	Number of Shares	%
RESOLUTION 4	1,615,726,762	98.89	18,085,165	1.10

The Chairman declared that Resolution 4 was duly passed as follows:-

“THAT Wan Shamilah Wan Muhammad Saidi retiring in accordance with Article 96 of the Constitution of the Company, be and is hereby re-elected as Director of the Company. “

5. RE-ELECTION OF ENCIK HENG HEYOK CHIANG @ HENG HOCK CHENG PURSUANT TO ARTICLE 96 OF THE CONSTITUTION OF THE COMPANY

The Secretary announced the poll result in respect of Resolution 5 which was carried as follows:-

RESOLUTION	FOR		AGAINST	
	Number of Shares	%	Number of Shares	%
RESOLUTION 5	1,633,811,925	99.99	2	0.00

The Chairman declared that Resolution 5 was duly passed as follows:-

“THAT Heng Heyok Chiang @ Heng Hock Cheng retiring in accordance with Article 96 of the Constitution of the Company, be and is hereby re-elected as Director of the Company. “

6. DIRECTORS' FEES PAYABLE TO NON-EXECUTIVE DIRECTORS WITH EFFECT FROM 1 JANUARY 2017 UNTIL THE NEXT ANNUAL GENERAL MEETING

The Secretary announced the poll result in respect of Resolution 6 which was carried as follows:-

RESOLUTION	FOR		AGAINST	
	Number of Shares	%	Number of Shares	%
RESOLUTION 6	1,601,308,352	88.87	200,506,675	11.12

The Chairman declared that Resolution 6 was duly passed as follows:-

“THAT the payment of Directors' fees of up to RM1.0 million with effect from 1 January 2017 until the next Annual General Meeting of the Company payable to Non-Executive Directors be and is hereby approved.”

7. RE-APPOINTMENT OF KPMG PLT AS AUDITORS OF THE COMPANY

The Secretary announced the poll result in respect of Resolution 7 which was carried as follows:-

RESOLUTION	FOR		AGAINST	
	Number of Shares	%	Number of Shares	%
RESOLUTION 7	1,800,791,675	99.94	1,027,852	0.057

The Chairman declared that Resolution 7 was duly passed as follows:-

“THAT KPMG PLT be and are hereby re-appointed as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting and that the Directors be and are hereby authorised to determine their remuneration.”

13.0 CLOSURE OF MEETING

There being no other business, the Chairman thanked the Members for their attendance.

The meeting was adjourned at 12.50 p.m.

Signed as the correct record of the proceedings

-SIGNED-

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CHAIRMAN

PETRONAS GAS BERHAD

34th Annual General Meeting

Date/Time: 17/04/2017 10:30:00 AM

Conference Hall 2, Level 3, Kuala Lumpur Convention Centre, Jalan Ampang, 50088 Kuala Lumpur, Malaysia

Date Printed: 17/04/2017 12:42:33 PM

Ordinary Resolution	FOR			AGAINST			TOTAL			ABSTAINS	
	REC	NO. OF		REC	NO. OF		REC	NO. OF		REC	NO. OF
		SHARES	%		SHARES	%		SHARES	%		
RESOLUTION 1 : RE-ELECTION OF HABIBAH ABDUL AS A DIRECTOR	681	1,633,811,325	99.9999632	3	602	0.0000368	684	1,633,811,927	100	28	168,030,400
RESOLUTION 2 : RE-ELECTION OF DATUK MOHD ANUAR TAIB AS A DIRECTOR	622	1,615,678,462	98.8988000	71	17,990,065	1.1012000	693	1,633,668,527	100	31	168,173,800
RESOLUTION 3 : RE-ELECTION OF EMELIANA DALLAN RICE-OXLEY AS A DIRECTOR	592	1,611,285,711	98.6212000	102	22,526,216	1.3788000	694	1,633,811,927	100	28	168,030,400
RESOLUTION 4 : RE-ELECTION OF WAN SHAMILAH WAN MUHAMMAD SAIDI AS A DIRECTOR	620	1,615,726,762	98.8931000	74	18,085,165	1.1069000	694	1,633,811,927	100	28	168,030,400
RESOLUTION 5 : RE-ELECTION OF HENG HEYOK CHIANG @ HENG HOCK CHENG AS A DIRECTOR	683	1,633,811,925	99.9999999	2	0.0000001	0.0000001	684	1,633,811,927	100	28	168,030,400
RESOLUTION 6 : DIRECTORS' FEES OF UP TO RMI MILLION WITH EFFECT FROM 1 JANUARY 2017 UNTIL THE NEXT ANNUAL GENERAL MEETING OF THE COMPANY PAYABLE TO NON-EXECUTIVE DIRECTORS	696	1,601,308,352	88.8720000	12	200,506,675	11.1280000	708	1,801,815,027	100	4	27,300
RESOLUTION 7 : RE-APPOINTMENT OF KPMG PLT, AS AUDITORS OF THE COMPANY	701	1,800,791,675	99.9430000	10	1,027,852	0.0570000	711	1,801,819,527	100	4	22,800

Verified by:

Symphony
Corporatehouse
Sdn Bhd
(476777-A)