

Version 1 (November 2023)

DIRECTORS' CONFLICT OF INTEREST POLICY

**CELCOMDIGI BERHAD
(formerly known as DIGI.COM BERHAD)
(Registration No.:199701009694 (425190-X))**

Document History

| Version | Date of Issue | Author |
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| 1.0 | November 2023 | <ul style="list-style-type: none">• Legal - Sharoon Abas and Irene Lim Pei Ling |
| | | <ul style="list-style-type: none">• Company Secretary - Choo Mun Lai |
| | | |

Management sign-off

| Concurred by | Signature | Date |
|--|------------|---|
| Name: Datuk Idham Nawawi Designation: CEO | - signed - | 16 November 2023 (<i>as approved by the Board of Directors</i>) |

CELCOMDIGI BERHAD (FORMERLY KNOWN AS DIGI.COM BERHAD)
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DIRECTORS' CONFLICT OF INTEREST POLICY

1.0 PURPOSE

- 1.1 A Director of the Company must exercise his/her powers for a proper purpose and in good faith in the best interest of the Company¹.

This Directors' Conflict of Interest Policy² (the "**Policy**"), sets out the principles, processes and procedures to guide the Board and individual Directors in instances of actual or potential conflict of interest (including interest in any competing business) and provides measures to deal with conflict situations and assist the Board and individual Directors to identify, declare and manage any actual or potential conflict of interest (including interest in any competing business).

- 1.2 This Policy is intended to complement the Company Board Charter.

2.0 SCOPE

- 2.1 This Policy shall apply to the Board and individual Directors of the Company and its Subsidiaries³.

3.0 DEFINITIONS

- 3.1 The definitions in Appendix A shall apply throughout this Policy.

4.0 RELEVANT PROVISIONS FOR CONFLICT OF INTEREST

- 4.1 The relevant provisions that govern conflict of interest include the following:-

- (a) Section 221(1) of the CA 2016 provides that every director of a company who is in any way, whether directly or indirectly, interested in a contract or proposed contract shall, as soon as practicable after the relevant facts have come to the director's knowledge, declare the nature of his/her interest at a meeting of the board of directors.
- (b) Section 222(1) of the CA 2016 provides that a director of a company who is in any way, whether directly or indirectly, interested in a contract entered into or proposed to be entered into by the company, shall be counted only to make the quorum at the board meeting but shall not participate in any discussion

¹ Section 213(1) CA 2016

² The Malaysian Code on Corporate Governance 2021 recommends that public listed companies establish a code of conduct and ethics that should, among others, stipulate measures put in place to handle actual or potential conflict of interest.

³ Under Paragraph 10.02(k) MMLR, Related Party Transaction is extended to transactions entered into by the listed company or its subsidiaries.

while the contract or proposed contract is being considered during the meeting and shall not vote on the contract or proposed contract.

- (c) Paragraph 10.08(6) of the MMLR provides that a director with any interest, direct or indirect, must abstain from board deliberation and voting on the relevant resolution in respect of the Related Party Transaction.

5.0 CIRCUMSTANCES WHICH MAY GIVE RISE TO A CONFLICT OF INTEREST

5.1 Conflict of interest refers to a situation where:

- (a) the interests of the Director or Person Connected with such Director, interfere, or appear to interfere, with the interests of the Company and/or its Subsidiaries; or
- (b) the Director or Person Connected with such Director has interests that may make it difficult to perform his/her role objectively and effectively⁴.

5.2 Directors are required to avoid any action, position or interest that conflict with interest of the Company and/or its Subsidiaries, or gives the appearance of a conflict.

5.3 Conflict may be actual or potential, may be financial or non-financial or may arise from competing loyalties or interests⁵.

5.4 Potential conflict of interest (including interest in any competing business) is a conflict of interest that has yet to materialize or happen, but may arise subsequently due to, among others, prevailing relationships or interests of the Director⁶ or Person Connected with such Director.

5.5 Conflict can arise from the interest (direct or indirect) of a Director or Major Shareholder or Person Connected with such Director or Major Shareholder in a transaction proposed to be entered into and/or action/decision to be taken by the Company and/or its Subsidiaries.

5.6 Where a Director has an interest (direct or indirect) in a transaction or proposed transaction to be entered into by the Company and/or its Subsidiaries, he/she may be biased in making a decision or may have difficulty in performing his/her role objectively and effectively⁷ which could be to the detriment of the Company and/or its Subsidiaries.

5.7 Directors can be regarded as having a conflict of interest where the Director and/or Person Connected with the Director may have or potentially have, amongst others, an advantage, gain or other form of benefit of any kind or in any manner whatsoever from him/her being a Director.

5.8 The following are circumstances which may give rise to a conflict of interest. It is a non-exhaustive list, and each Director will need to assess each circumstance accordingly.

⁴ Paragraph 7 Issuers Communication Note No.1/2023 - Guidance on Conflict of Interest

⁵ Paragraph 8 Issuers Communication Note No.1/2023 - Guidance on Conflict of Interest

⁶ Paragraph 13 Issuers Communication Note No.1/2023 - Guidance on Conflict of Interest

⁷ Paragraph 7 Issuers Communication Note No.1/2023 - Guidance on Conflict of Interest

- (a) Holding another office including being a director of another company or possessing any property where duties or interests may be created in conflict with his/her duties or interests as a Director⁸.

Eg: Company intends to enter into an agreement with a service provider where the Director is also a senior management or director of the service provider. In this case, there is a conflict of interest between the interest of the Director (which is to obtain the highest fee payable for the service rendered) and the Director's duty to act in the best interest of the Company (which is to procure that the Company pays the lowest fee possible to the service provider).

- (b) Having an interest in a contract or proposed contract with the Company and/or its Subsidiaries.

Eg: The Director or Person Connected with the Director enters into a contract to lease a property to the Company. In the case of a contract to lease property to the Company, there is a conflict of interest between the interest of the Director or Person Connected with the Director (which is to obtain the highest lease fee for the property) and the Director's duty to act in the best interest of the Company (which is to procure that the Company lease the property at the lowest price possible).

- (c) Using the Company and/or its Subsidiaries' property, information or position to gain directly or indirectly, a benefit for himself or any other person⁹.

- (d) Taking advantage of any opportunity which may be given to the Company and/or its Subsidiaries¹⁰.

Eg: The Director or Person Connected with the Director enters into a transaction with a third party where the Company is currently considering or is interested in the transaction.

- (e) Engaging in business which is in competition with the Company and/or its Subsidiaries¹¹

- (f) Related Party Transaction and/or Recurrent Related Party Transaction

Eg: Where the Company enters into a transaction with a Major Shareholder of the Company (Related Party Transaction), a Director who is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the Major Shareholder must abstain from board deliberation and voting on the relevant resolution in respect of the Related Party Transaction.

⁸ Section 221(6) CA 2016

⁹ Section 218(1)(a), (b) and (c) CA 2016

¹⁰ Section 218(1)(d) CA 2016

¹¹ Section 218(1)(e) CA 2016

- 5.9 A Director who was appointed by virtue of his/her position as an employee of a company, or who was appointed by or as a representative of a shareholder, employer or debenture holder, shall act in the best interest of the Company and in the event of any conflict between his/her duty to act in the best interest of the Company and his/her duty to his/her nominator, he/she shall not subordinate his/her duty to act in the best interest of the Company to his/her nominator¹².
- 5.10 Independent non-executive Directors are those Directors who fall within the definition of “Independent Director” in the MMLR and have no direct or indirect pecuniary interest in the Company other than the remuneration for their services as members of the Board and Board committees of the Company and/or its Subsidiaries.

6.0 STEPS TO BE OBSERVED WHEN DEALING WITH CONFLICT OF INTEREST

- 6.1 The Company has set out the process to identify conflict of interest. Please see **Annex 1** to this Policy.
- 6.2 A Director is required to comply with all conflict requirements under the CA 2016 and, where applicable in a Related Party Transaction or Recurrent Related Party Transaction, the requirements under the MMLR; and/or any other relevant regulatory requirements.
- 6.3 Duty of Declaration
- (a) A Director shall declare to the BAC, Board and Company Secretary the fact, nature, character or extent of his/her interest (actual, potential (including interest in any competing business) and/or perceived), whether directly or indirectly, in any transaction or arrangement with the Company and/or its Subsidiaries as soon as practicable after the relevant facts have come to his/her knowledge (the “**Interested Director**”) before the commencement of the said Board meeting.
- (b) Where there is any change in the fact, nature, character or extent of the Director’s interest subsequent to the declaration, the Director shall declare such changes.
- (c) When a Director is in doubt whether or not he/she is in conflict, for good governance purpose, the Director should declare the potential conflict of interest (including interest in any competing business) to the BAC and the BAC shall, subject to Paragraph 6.3(d), deliberate and agree whether the said Director is conflicted.

If the Company and the said Director have differing views, the Company shall seek external legal advice to ascertain whether the said Director is conflicted (“**External Opinion**”) at least seven (7) Business Days (or such shorter period of time as may be required by the Company and as approved by the BAC) prior to the BAC meeting. If agreed by the BAC, the Company may also seek Bursa Malaysia’s view.

The External Opinion (together with any external legal advice obtained by the said Director) and Bursa Malaysia’s view (if any) shall be presented to the BAC at least seven (7) Business Days (or such shorter period of time as may be

¹² Section 217(1) CA 2016

required by the Company and as approved by the BAC) prior to the BAC meeting. The BAC shall deliberate and consider whether the said Director is conflicted or not and provide its recommendation to the Board. The Board of Directors (except for such Interested Director, who shall abstain from deliberation and voting) shall deliberate and consider whether such Interested Director is conflicted or not; The decision of the Board will be decided by the majority of the votes cast by the Directors at the meeting (excluding the Interested Director). The Board's decision shall be binding.

If the Interested Director is:

- (i) interested in the proposed transaction where the conflict is in relation to the interest (direct or indirect) of the Major Shareholder or Person Connected with such Major Shareholder which nominated the Interested Director; or
- (ii) interested in the proposed transaction where the conflict is in relation to the interest (direct or indirect) of the Interested Director or Person Connected with such Interested Director (and not arising from that Interested Director being nominated by a Major Shareholder or Person Connected with a Major Shareholder),

the process as set out in **Annex 2** shall apply.

- (d) A declaration of conflict is still required notwithstanding other Directors would already have actual knowledge of the subject matter involved. Also, the defence of good faith, or the defence that the Company would not have been affected notwithstanding non-declaration does not exempt a Director's duty to declare.

6.4 Duty of Recusal

- (a) For good governance purposes, an Interested Director shall not be present¹³ during the deliberations at the Board meeting to consider the transaction or arrangement which the Director is interested and shall abstain from board deliberation and voting on the resolution to approve the transaction or arrangement. If the Interested Director is present at the start of the meeting, the Interested Director shall withdraw from the meeting and leave the room for that agenda.

Exception – where the Interested Director is an expert of the subject matter and/or if the Board is of the view that the views of the relevant Interested Director is important to assist the Board in making a decision to determine the course of action or direction of the Company (and not in relation to a specific transaction or arrangement) (the “**relevant resolution**”), in such event, the Board (if agreed by the majority of the votes cast by the Directors (who are not Interested Directors)) shall have the option to require:

- (i) the Interested Director withdraws from the meeting and leaves the room for that agenda and does not vote on the relevant resolution; or

¹³ It is best practice for Interested Directors not be present during the deliberations to facilitate full and frank discussion of the transaction.

- (ii) the Interested Director to participate in the board deliberation but does not vote on the relevant resolution.
- (b) The Interested Director can be counted to meet the quorum at the Board meeting.
- (c) Board materials for proposed transaction which has conflict of interest shall not include information related to the Management's recommendation and the proposed resolution (the "**Information**"). The Information will only be presented to the Board during Board meeting.

6.5 Record Maintenance

- (a) The Company Secretary shall maintain a register of every conflict of interest declared by the Interested Director. The register shall be as set out in **Annex 3**. The Company Secretary shall also minute any deliberation of conflict of interest in the minutes of meeting (including the rationale for the chosen course of action).
- (b) The Declaration, register and/or minutes of meetings shall be made available for inspection by auditors or any relevant authorities upon request.

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Appendix A

DEFINITIONS

In this Policy, the following expressions shall have the following meanings:

| | |
|------------------------------------|--|
| CA 2016 | means Companies Act 2016; |
| Bursa Malaysia | means Bursa Malaysia Securities Berhad; |
| BAC | Board Audit Committee; |
| Business Day | means any day which is not a Saturday or Sunday, or a public holiday (whether gazetted or otherwise) on which banks are open for business in Kuala Lumpur. |
| Company | means CelcomDigi Berhad (formerly known as Digi.Com Berhad); |
| Director ¹⁴ | means any person occupying the position of director of a corporation by whatever name called and includes ... an alternate or substitute director; |
| Family ¹⁵ | in relation to a person means such person who falls within any one of the following categories: (a) spouse; (b) parent; (c) child including an adopted child and step-child; (d) brother or sister; and (e) spouse of the person referred to in subparagraphs (c) and (d) above; |
| Independent Director ¹⁶ | means a Director who is independent of management and free from any business or other relationship which could interfere with the exercise of independent judgement or the ability to act in the best interests of the Company. Without limiting the generality of the foregoing, an Independent Director is one who – |

¹⁴ Section 2(1) CA 2016

¹⁵ Paragraph 1.01 MMLR

¹⁶ Paragraph 1.01 MMLR

- (a) is not an executive Director of the Company or any Related Corporation of the Company;
- (b) is not, and has not been within the last 3 years, an officer (except as an Independent Director) of the Company. For this purpose, “officer” has the meaning given in section 2 of the CA 2016¹⁷;
- (c) is not a Major Shareholder of the Company;
- (d) is not a Family member of any executive Director, officer or Major Shareholder of the Company;
- (e) is not acting as a nominee¹⁸ or representative of any executive Director or Major Shareholder of the Company;
- (f) has not been engaged as an adviser by the Company under such circumstances as prescribed by Bursa Malaysia, or is not presently a Partner, Director (except as an Independent Director) or Major Shareholder, as the case may be, of a firm or corporation which provides professional advisory services to the Company under such circumstances as prescribed by Bursa Malaysia; or
- (g) has not engaged in any transaction with the Company under such circumstances as prescribed by Bursa Malaysia, or is not presently a Partner, Director or Major Shareholder, as the case may be, of a firm or corporation (other than Subsidiaries of the Company) which has engaged in any transaction with the Company under such circumstances as prescribed by Bursa Malaysia;

Major Shareholder¹⁹ means a person who has an interest or interests in one or more voting shares in a corporation and the number or aggregate number of those shares, is –

- (a) 10% or more of the total number of voting shares in the corporation; or
- (b) 5% or more of the total number of voting shares in the corporation where such person is the largest shareholder of the corporation;

MMLR

Bursa Malaysia Main Market Listing Requirements;

¹⁷ “officer”, in relation to a corporation, includes, among others, any director, secretary or employee of the corporation. See Section 2 CA 2016.

¹⁸ Under Paragraph 3.1 Practice Note 13 MMLR, “nominee” means a person who has been designated to act for another in his or her place and denotes a person who is accustomed, or is under an obligation, whether formal or informal to act in accordance with the directions, instructions or wishes of another person.

¹⁹ Paragraph 1.01 MMLR

Partner²⁰

in relation to any person (referred to as "said Person"), means such person who falls within any one of the following categories:

- (a) a person with whom the said Person, is in or proposes to enter into partnership with. "Partnership" for this purpose refers to a "partnership" as defined in section 3 of the Partnership Act 1961 or "limited liability partnership" as defined in section 2 of the Limited Liability Partnerships Act 2012, as the case may be; or
- (b) a person with whom the said Person has entered or proposes to enter into a joint venture, whether incorporated or not;

Person Connected²¹

in relation to any person (referred to as "said Person") means such person who falls under any one of the following categories:

- (a) a Family member of the said Person;
- (b) a trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which the said Person, or a Family member of the said Person, is the sole beneficiary;
- (c) a Partner of the said Person;
- (d) a person, or where the person is a body corporate, the body corporate or its Directors, who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the said Person;
- (e) a person, or where the person is a body corporate, the body corporate or its Directors, in accordance with whose directions, instructions or wishes the said Person is accustomed or is under an obligation, whether formal or informal, to act;
- (f) a body corporate in which the said Person, or Persons Connected with the said Person are entitled to exercise, or control the exercise of, not less than 20% of the votes attached to voting shares in the body corporate; or
- (g) a body corporate which is a Related Corporation of the said Person;

²⁰ Paragraph 1.01 MMLR

²¹ Paragraph 1.01 MMLR

| | | |
|--|---------|--|
| Recurrent Party Transaction ²² | Related | means a Related Party Transaction which is recurrent, of a revenue or trading nature and which is necessary for day-to-day operations of the Company; |
| Related Corporation ²³ | | means a corporation which is – <ul style="list-style-type: none"> (a) the holding company²⁴ of another corporation; (b) a Subsidiary of another corporation; or (c) a Subsidiary of the holding company of another corporation; |
| Related Party ²⁵ | | means a Director, Major Shareholder or Person Connected with such Director or Major Shareholder; |
| Related Transaction ²⁶ | Party | means a transaction entered into by the Company or its Subsidiaries which involves the interest ²⁷ , direct or indirect, of a Related Party; |
| Subsidiary ²⁸ | | a corporation shall be deemed to be a subsidiary of another corporation, but only if— <ul style="list-style-type: none"> (a) the other corporation— <ul style="list-style-type: none"> (i) controls the composition of the board of directors of the corporation; (ii) controls more than half of the voting power of the corporation; (iii) holds more than half of the issued share capital of the corporation, excluding any part of the share capital which consists of preference shares; or (b) the corporation is a Subsidiary of any corporation which is that other corporation's Subsidiary; |

²² Paragraph 10.2(j) MMLR

²³ Paragraph 1.01 MMLR

²⁴ Section 4(4) CA 2016 provides that “holding company of a company or other corporation shall be read as a reference to a corporation of which that company or corporation is a subsidiary”.

²⁵ Paragraph 1.01 MMLR

²⁶ Paragraph 10.02(k) MMLR

²⁷ Paragraph 10.5 FAQ Chapter 10 MMLR provides that: ““interest” includes directorships, shareholdings (direct or deemed), commissions or such other benefits received or derived from the transaction”.

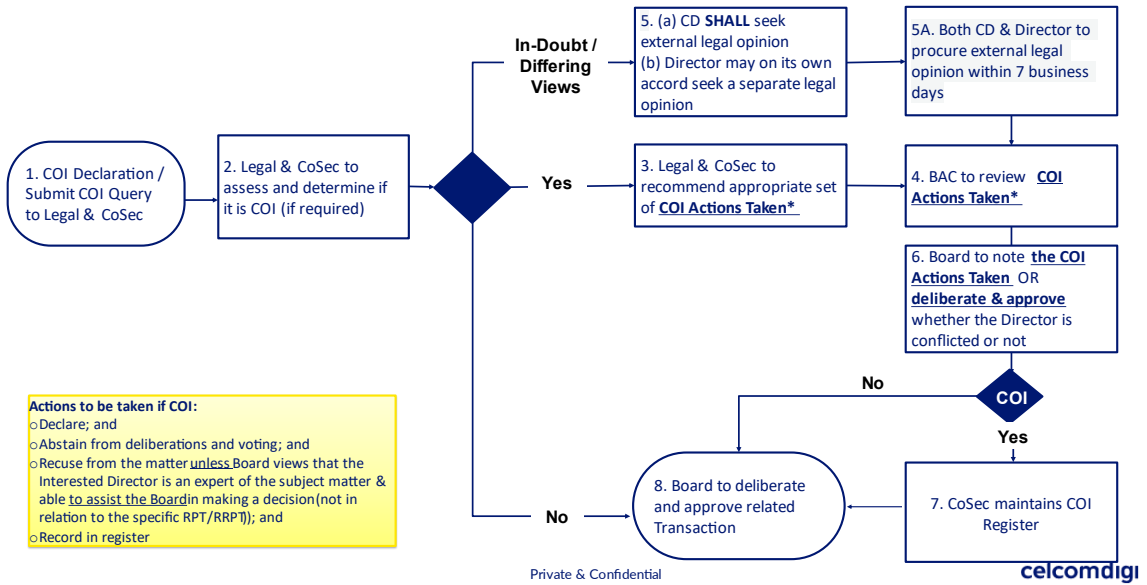
²⁸ Section 4(1) CA 2016

Annex 1

PROCESS IN ASCERTAINING CONFLICT OF INTEREST

Process in Ascertaining Conflict of Interest (COI)

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ANNEX 2
VOTING & QUORUM

| COI Resolutions | Voting (Resolution to decide whether or not a Director is interested or not (“COI Resolution”)) | | Meeting Quorum |
|---|---|---|--|
| | Non-Independent Director | Independent Director | |
| <p>Conflict relating to the interest of <u>a Major Shareholder</u> who nominates the Interested Director (“Relevant Nominator”)</p> <p>Paragraph 6.3(c)(i)</p> | <ul style="list-style-type: none"> • Abstain & Recuse – Non-Independent directors nominated by the Relevant Nominator • Can Vote - Other Non-Independent Director not nominated by the Relevant Nominator | <ul style="list-style-type: none"> • Can vote | <ul style="list-style-type: none"> • Article 94(A) of the Company’s constitution – majority of all directors including at least 1 independent director • if a Board meeting is convened <u>solely</u> to deliberate and consider whether <u>all the Interested Directors nominated by the Relevant Nominator(s)</u> are conflicted or not, - notwithstanding Paragraph 3.3 of the Company Board Charter, <u>the majority of the Independent Directors.</u> |
| <p>Conflict relating to the interest of the Non-Independent Director / Independent Director on its <u>personal capacity</u> eg family member) (“Relevant Interested Director”)</p> <p>Paragraph 6.3(c)(ii)</p> | <ul style="list-style-type: none"> • Abstain & Recuse – the Interested Non-Independent Director • Can vote –the other Non-Independent Directors | <ul style="list-style-type: none"> • Abstain & Recuse – the Interested Independent Director • Can vote –the other Independent Directors | <p>Article 94(A) of the Company’s constitution – majority of all directors including at least 1 independent director</p> |

ANNEX 3

REGISTER OF CONFLICT OF INTEREST

| Name of Director | Person/Organization with Interest | Nature of the Conflict of Interest | Date of Declaration | Deliberation/Decision by the Board* |
|-------------------------|--|---|----------------------------|--|
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* Company secretary to note the Board's decision, whether exception being made. Also to attach the minutes of meeting (if applicable)