

Responses to questions received from shareholders – Pre-AGM and During AGM

CelcomDigi Berhad's 26th Annual General Meeting

No.	Questions Received from Shareholders	Responses
Door gift/e-vouchers		
1	Shareholders requested for door gifts and suggested type of door gifts.	<ul style="list-style-type: none"> There will be no distribution of AGM door gifts physically or electronically this year. Thank you for the suggestion, we will evaluate this for the next AGM when closer to the time.
Policies		
2	How well has the company positioned itself in the telco market post merger?	<ul style="list-style-type: none"> Delivering the widest network coverage, leading position in network quality. Being the #1 digital enabler, serving 20mil customers - market leadership in the mobile segment. Driving growth in convergence and enterprise solutions - and launched new home fibre and enterprise product offerings under CD brand. Invest in innovation and 5G.
Directors Appointment		
3	Ms Vimala will exceed 9 years tenure as Independent Director next year. Can you share with us CelcomDigi plan for this? Is CelcomDigi going to appoint new female Independent Director to make sure the Group align with 30% female Directors?	<ul style="list-style-type: none"> As at the date of this report, all the INEDs of the Company have not exceeded the cumulative term of 9 years The BNRC will through the annual assessment review the performance of Ms Vimala Menon who will serve the Board more than 9 years on 30 June 2024. Given that CelcomDigi Berhad had only been merged for approximately 6 months, Ms Vimala Menon's vast experience enables her to provide the Board with a diverse set of experience, expertise, skills and competence. She has good understanding of the industry and the Company's business operations which enables her to participate actively and contribute effectively to the discussions without compromising her independence and objective judgement, in addition to providing guidance to the new Management team. Sufficient time is required by the Company to find a suitable successor for Ms Vimala Menon as an INED, who is also a member of Board Audit Committee and Board Nomination and Remuneration Committee to ensure an orderly succession plan. CelcomDigi is in compliant with the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") on the requirements of an Independent Director.
Audit Fees		
4	Can you disclose the audit fees for this year?	<ul style="list-style-type: none"> We are unable to provide that as this is pending the necessary Board approval.

		<ul style="list-style-type: none"> • The expected increase in audit fees would be natural given the complexity and expanded scope of work following the completion of two large telcos in the market. • The auditor is expected to ensure full harmonisation and alignment of financial structure, while ensuring the company adheres to all required laws and regulations.
Directors' Fees		
5	Resolution No. 9 is seeking approval for directors fees & allowance amounting to RM2.25mil & RM110K representing a 250% and 687% increase compared to each of the past 3 years of RM900K & 16K respectively. Please explain.	<ul style="list-style-type: none"> • The Board, via the BNRC had taken into consideration the responsibility and contribution required from a Director in view of telco industry, and also the market rate among the industry, hence, the proposed directors' fees (RM2.25m) and benefits payable (RM110k) to be approved by shareholders at the AGM. The increase is due to additional directors appointed to the Company on 30 November 2022 upon completion of the merger between Digi and Celcom ("Merger"). Please note that the Non-Executive Directors who are also the employees of Telenor or Axiata group are not entitled to the Directors' fees and benefits payable. • The mandate sought in AGM 2022 held on 13 May 2022 was for the period from 14 May 2022 until AGM 2023 (approximately 12 months). Due to the Merger, the portion of the approved amount obtained at the AGM 2022 had been paid to the Directors (i.e. Ms Vimala V.R. Menon, Datuk Iain John Lo and Pn. Yasmin Aladad Khan) for their services prior to the Merger. • The remaining balance of the approved amount by the shareholders at the AGM 2022 was not utilized upon the merger on 30 November 2022. CelcomDigi sought a new mandate from the shareholders at its EGM held on 24 February 2023 for the period from 30 November 2022 until AGM 2023 (approximately 6 months). The Directors who are entitled to the fees and benefits include Ms Vimala V.R. Menon, Datuk Iain John Lo, Tan Sri Abdul Farid Alias and Pn. Khatijah Shah Mohamed as well as Tengku Dato' Sri Azmil Zahrudin who was appointed on 19 January 2023. Tan Sri Halim Shafie and Thayaparan S Sangarapillai received their entitlement until their resignation on 19 January 2023. • CelcomDigi is currently seeking shareholders' approval for the period from 23 May 2023 until AGM 2024 (approximately 12 months). Therefore, the total amount of proposed fees (RM2,250,000) and benefits (RM110,000) to be approved in AGM 2023 are higher as compared to AGM 2022.
6	Can we understand why the Directors' fees increased significantly from RM1.1m in 2022 to RM2.25m in 2023?	<ul style="list-style-type: none"> • This is mainly driven by the additional directors appointed to the Company since 30 November 2022 upon merger. • During pre-merger (Jan 2022 – 30 Nov 2022): The Company had 6 directors, i.e. 3 were NINEDs and employees of Telenor group, hence, they were not entitled for the Directors' fees while remaining 3 were IDs and were entitled to the fees.

		<ul style="list-style-type: none"> Completion of the merger (30 Nov 2022-31 Dec 2022): The Company has 10 directors. Out of the 10 directors, 6 were entitled to the Directors' fees. The 6 directors were Tan Sri Halim Shafie, Thayaparan S Sangarapillai, Tan Sri Abdul Farid Alias, Vimala V.R. Menon, Datuk Iain John Lo and Khatijah Shah Mohamed. Jan 2023 - Dec 2023: The Company has a total of 10 Directors. Out of the 10 directors, 5 are eligible for the Directors' fees, namely Tengku Dato' Sri Azmil Zahrudin Raja Abdul Aziz, Tan Sri Abdul Farid Alias, Vimala V.R. Menon, Datuk Iain John Lo and Khatijah Shah Mohamed.
RRPT		
7	General explanation on the mandate differences YoY	<ul style="list-style-type: none"> The mandates are not comparative due to post merger, we have extended related parties, hence there were new mandate approved on 24th February EGM to cover the 3 months mandate till the date of next AGM in May 2023.
CelcomDigi-Telenor		
8	Can you guide us the nature of business between CelcomDigi and Telenor?	<ul style="list-style-type: none"> Mainly relating to managed services of sourcing synergies, provision of manage and support services for IT platforms, use of licenses and trademark and traffic related services with the Telenor group of companies (Interconnect and roaming traffic).
9	Why is the utilisation rate for the RRPT between CelcomDigi and Telenor is so low, at 46% in 2022?	<ul style="list-style-type: none"> The reason for lower utilisation is mainly due to : <ul style="list-style-type: none"> Termination of the fixed BSC contract with Telenor with effect from date of merger (1st Dec) Delayed activities resulting in delayed in spending on managed services The actual value transacted is until LPD (Mar) not full 2 months period as per the mandate Most of the non-critical and non-BAU activities were put on hold, pending the then merger process. As a result, the transacted volumes and services with Telenor-related businesses were lower
CelcomDigi-Axiata		
10	Can we understand the nature of transaction between CelcomDigi and Axiata?	<ul style="list-style-type: none"> Mainly relating to expenses paid to Axiata on leasing of its sites and infrastructures, provision of manage and support services for IT platforms, use of licenses and trademark and traffic related services with the Axiata group of companies (Interconnect and roaming traffic).
11	The amount requested for this year for RRPT with Axiata is significantly higher. Can we understand why?	<ul style="list-style-type: none"> Arising from the merger, Axiata becomes a related party of CelcomDigi Berhad effective 30th November 2022, date of the merger. Subsequent to the merger, CelcomDigi Berhad obtained shareholders approval for the new mandate with Axiata during the EGM on 24th February 2023, for the expected spend from 24th February to 23rd May (upcoming AGM), which consist of approximately 3 months spending. In this year's request for RRPT with Axiata to be obtained in the upcoming AGM, the shareholders' mandate covers the full 12

		months period from 23rd May till next AGM. That explains the 4 times increase in proposed mandate renewal.
CelcomDigi-DNB		
12	Is the estimated value for FY23 is in-line with nation's coverage target? i.e 80% coverage by FY23?	<ul style="list-style-type: none"> Yes, as the committed payment to DNB is dependent on DNB's rollout progress, and currently the target for 5G coverage stands at 80% of CoPA.
13	What is the basis of determining the transaction value? Do we expect some discounts in 2023?	<ul style="list-style-type: none"> The current terms of the access access agreement signed in November 2022 remain effective until further announcement and changes by the authorities. We will apprise the changes to the commercial terms when made available.
CelcomDigi-TM		
14	Please explain the transaction between CelcomDigi and Telekom Malaysia	<ul style="list-style-type: none"> Mainly relating to leased line and bandwidth leasing, site leasing, and traffic related services with the Axiata group of companies (Interconnect and roaming traffic). We have ongoing contracts for the provision of mobile and digital services to TM operations.
15	What is the site operating charges mentioned on the expenses nature?	<ul style="list-style-type: none"> That is in relation to site leasing which is previously managed under the joint-build plans between Digi-TM and Celcom-TM. It is referring to site rental, site maintenance and site utility charges.
16	Can we understand why the amount requested for this year is significantly higher than the last year?	<ul style="list-style-type: none"> Arising from the merger, TM becomes a related party of CelcomDigi Berhad effective 30th November 2022, date of the merger. Subsequent to the merger, CelcomDigi Berhad obtained shareholders approval for the new mandate with TM during the EGM on 24th February 2023, for the expected spend from 24th February to 23rd May (upcoming AGM), which consist of approximately 3 months spending. In this year's request for RRPT with TM to be obtained in the upcoming AGM, the shareholders' mandate covers the full 12 months period from 23rd May till next AGM. That explains the 4 times increase in proposed mandate renewal.
Proposed Adoption		
17	The Proposed Adoption, it is a normal practice for a new formed mergeCo?	<ul style="list-style-type: none"> The rationale for the Proposed Adoption are to better regulate CelcomDigi's Board's proceedings, improve certain aspects of corporate governance, improve clarity of certain articles and updating certain terminology changes and removal of object clause to be in line with the Companies Act 2016 and MMLR of Bursa Securities.
18	Can you list out all the effect of the Proposed Adoption?	<ul style="list-style-type: none"> The Proposed Adoption provides the Constitution to be in line with the Companies Act 2016 and MMLR of Bursa Securities. It also enhances administrative efficiency and provides greater clarity to the Constitution. Please refer to Appendix II of the Circular to Shareholders download (bursamalaysia.com) for the key proposed amendments which amongst others include:

		<ul style="list-style-type: none"> i. Increase the minimum number of Directors from 2 to 3. ii. Remove Board Chair's second/casting vote. iii. Requiring Board resolutions in writing to be signed by all Directors of the Company. iv. Providing for a process for alternate Director to attend Board meeting. v. Providing details of Directors' power. vi. Requiring the Board to meet at least once every three (3) months.
19	In what condition could we expect the Company to amend the Company's Constitution moving forward?	<ul style="list-style-type: none"> • The Company's Constitution will be reviewed to ensure it does not contravene the Companies Act 2016 and MMLR of Bursa Securities.

Responses to questions received from shareholders – Live submitted

CelcomDigi Berhad's 26 th Annual General Meeting

No.	Questions Received from Shareholders	Responses
Door gift/e-vouchers		
1	Shareholders requested for door gifts and suggested type of door gifts.	<ul style="list-style-type: none"> There will be no distribution of AGM door gifts physically or electronically this year. Thank you for the suggestion, we will evaluate this for the next AGM when closer to the time.
Financial		
2	What is your profit target this year? When are you going to pay dividend?	<ul style="list-style-type: none"> We have provided guidance in terms of Service revenue and EBITDA growth. We do not normally guide beyond that, but we are committed to delivering our internal target for Management. Pay progressive dividends on quarterly basis above our minimum payout ratio of 80% of: <ul style="list-style-type: none"> Free cash flow strength and sufficient financial capabilities Prudent cash management and capital allocation
3	Why the lease value of telco sites and spectrum bandwidths increase significantly? Any financial impact to the company?	<ul style="list-style-type: none"> Page 182 of IAR
Secretarial		
4	Request for company Annual Report.	<ul style="list-style-type: none"> You can email the Investor Relations team at invesrel@celcomdigi.com and a copy will be mailed to you.
5	How much does the company spend on this virtual AGM?	<ul style="list-style-type: none"> The total cost of the virtual AGM is approximately RM40,000.00 that includes proxy processing and summary report, electronic poll voting for pre-general meeting and day of general meeting.
6	Is the director given any allowance for today meeting?	<ul style="list-style-type: none"> No, the Directors has not been allocated with any meeting allowances. It's part of our duty.
7	What is the review process of RRPT to ensure minority shareholders interest is protected?	<ul style="list-style-type: none"> The BAC review the RRPT procedures on a quarterly basis, to ensure that the RRPTs will be carried out on normal commercial terms which are not detrimental or prejudicial to the interest of the minority shareholders. This include, making sure all terms of the RRPTs are not more favourable for the related partis than those generally available to the Public. More details can be referred to Section 2.6, Part A of our Circular to shareholders.
8	Is there a whistleblowing hotline for staff/customers/suppliers to	<ul style="list-style-type: none"> There is an independent Whistleblowing Hotline set up from Day 1 of the merger for reporting of irregularities, misconduct or breaches to the Code of Conduct.

	highlight any wrongdoing. What is the process to ensure all cases are managed independently and fairly and report to the board. How many cases of fraud cases reported last year and what is the losses to the company?	<ul style="list-style-type: none"> The Whistleblowing process is managed entirely by the Internal Audit department, where all reported concerns are solely received and investigated by the Investigation Unit within Internal Audit. To ensure independence, the Internal Auditors report directly to the Board Audit Committee. We will not disclose the total number of fraud and non-compliance cases.
9	Why do you need E&Y to review statement of risk management & internal control? This piece of work can be done by the Internal Audit Department. How much was the cost involved?	<ul style="list-style-type: none"> Paragraph 15.23 and rule 15.23 of the Listing Requirements requires a listed corporation to ensure that the external auditor reviews the SORMIC made by the Board of Directors pursuant to paragraph 15.26(b) and rule 15.26(b) and report the results of the review to the Board of Directors. The cost of performing this task by EY was approximately RM10,000.
10	Why was the non-audit fees jumped so drastically last year? What advisory services performed by E&Y and what type of work performed?	<ul style="list-style-type: none"> The increase in non-audit fees in 2022 was mainly attributed to additional audit and assessment throughout the merger of Digi Telecommunication and Celcom Axiata Berhad. Some of the key non-audit services rendered were preparation of accountant reports for the merger, advisory services on corporate structure, review of risk controls, among others. Moving forward, we expect slight increase in audit fees to reflect the increased scope of works given the complexity of financial processes and systems post-merger. The auditor is expected to ensure full harmonisation and alignment of financial structure.
Outlook		
11	Any expected changes to dividend policy in the future?	<ul style="list-style-type: none"> There is no plan to change any existing dividend policy that we currently have right now. <p><u>Note for Directors</u></p> <ul style="list-style-type: none"> Continue to distribute minimum of 80% of profit after tax to be paid on quarterly basis <p>Manage within our leverage level threshold of not more than 2.5x Net Debt/EBITDA</p>
12	What should shareholders expect in 2023?	<ul style="list-style-type: none"> The establishment of CelcomDigi through the merger of Celcom and Digi was a major milestone not just for us, but also for Malaysia's digitalisation journey Today, we are the nation's largest telecommunications operator and are proud to be among the top 10 largest companies by market capitalisation on Bursa Malaysia We have the scale, experience, and resources to be the most trusted partner to consumers, businesses, and government by playing a significant part in driving the digitalisation growth that will propel Malaysia's economic competitiveness <ul style="list-style-type: none"> Accelerating merger integration activities Developing CelcomDigi into a Top TelcoTech Company

		<ul style="list-style-type: none"> ○ Sustaining Financial Strength to Deliver Healthy Shareholder Returns ○ Delivering on Business Commitments Responsibly ● Committed to Upholding Good Corporate Governance
Merger		
13	What is the rationale of CelcomDigi merger?	<ul style="list-style-type: none"> ● Market consolidation. ● Strength and resilience in managing escalating data demand. ● Commercially stronger with combined enhanced economies of scale. ● Stronger capability to invest and drive digitisation, innovation and sustainable growth for Malaysia. ● Financially resilient to mitigate industry challenges in the mid to long term.
14	How well has the company positioned itself in the telco market post merger?	<ul style="list-style-type: none"> ● Delivering the widest network coverage, leading position in network quality. ● Being the #1 digital enabler, serving 20mil customers - market leadership in the mobile segment. ● Driving growth in convergence and enterprise solutions - and launched new home fibre and enterprise product offerings under CD brand. ● Invest in innovation and 5G.
5G / DNB		
15	What is the impact of the latest 5G DWN model announcement on CelcomDigi's plans? and are there any details available regarding payments made by CelcomDigi to DNB, if any prior to the termination of the SSA for DNB?	<ul style="list-style-type: none"> ● Welcome government's decision, have been working closely with the relevant parties to support the Government's review process on 5G policy. ● Regarding payments to DNB on equity process, we have not made any payments. ● Will appraise all stakeholders at the right time.
Feedback / Suggestion		
16	Do not use Boardroom for RPV in future. It is not integrated and doesn't allow us to vote when the meeting starts. Need a separate app for RPV. Use SSHSB or Tricor in future.	<ul style="list-style-type: none"> ● Thank you for your feedback. We take all feedback seriously as part of our continuous improvements towards customers' experience.
17	Kindly allow us to vote when the meeting starts and not keep us waiting long.	<ul style="list-style-type: none"> ● Thank you for your suggestion, we will evaluate this for the next AGM when closer to the time.