

CORPORATE GOVERNANCE REPORT

STOCK CODE : 6947
COMPANY NAME : Digi.Com Berhad
FINANCIAL YEAR : December 31, 2021

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 PERSUANT 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 shoulders the ultimate responsibility of determining the direction of the Digi.Com Berhad and its subsidiaries (Digi Group), assisting in the fine-tuning of corporate strategies and ensuring effective execution of these strategies and necessary resources are in place to meet its objectives to protect the interests of the shareholders and stakeholders of Digi Group.</p> <p>The Board recognises that a healthy corporate governance culture defined on the principles of transparency, objectivity and integrity are fundamental to Digi's business purpose and strategy. In order to ensure the effective discharge of its functions, the Board has delegated its specific powers of the Board to the relevant Board Committees, the Chief Executive Officer (CEO) and Management Committees.</p> <p>Three (3) Board Committees namely the Audit and Risk Committee (ARC), Nomination Committee (NC) and Remuneration Committee (RC) are set up to assist the Board in performing its oversight function. These Board Committees have each specific responsibility all of which are governed by clearly defined terms of reference which are available on Digi's website at https://www.digi.com.my/our-company/our-governance.</p> <p>The Board delegates the implementation of its strategies to Digi Management Team (DMT) that plays a critical role in setting the tone from the top in championing behaviour in committing to ethical values and Digi Way of Work. Meanwhile, the Board remains ultimately responsible for corporate governance and the affairs of Digi.</p> <p>The CEO is accountable to the Board for the achievement of Digi Group's mission, goals and objectives alongside the observance of management's limitations. The CEO, together with the DMT, reports to the Board the operational, regulatory and financial performance of Digi Group on a quarterly basis and as and when required.</p>

Various Management Committees comprising key DMT members have been established to oversee the areas of business operations assigned to them under their respective mandates. These Committees are:

- The Vendor and Investment Committee governs the approval process regarding material capital investments and operating expenditure for Digi including the review and approval of the vendor evaluation criteria and vendor selection.
- The Commercial Forum governs the decision-making process for commercial issues and is managed by Marketing.
- The Regulatory Steering Committee provides direction and makes decisions on regulatory matters and/or related topics that have a significant impact on Digi.
- The Risk Management Forum (RMF) reviews and deliberates on the significant risks reported across Digi and makes decisions on the coordinated action plans necessary to mitigate risks. The quarterly forum is chaired by the Chief Financial Officer (CFO) with DMT as members of the RMF.
- Responsible Business Forum oversees Digi's Sustainability focus and Environmental, Social and Governance (ESG) performance.

Digi has an established Delegation Authority Matrix (DAM) providing a framework of authority and accountability. The DAM outlines approval authority for strategic, capital and operational expenditure approved by the Board. The DAM is reviewed and approved by the Board in line with changes in business needs.

However, the Board retains full responsibility for guiding and monitoring the Company, in discharging its responsibilities. The Board has in October, November and December 2021 deliberated the Digi's 2022 Strategy Plan, the Preliminary Financial and Operational Targets for 2022 as well as the Build Plan and Capital Expenditure Allocation 2022 and approved the strategy plans thereon.

The Board constantly provides leadership within a framework of prudent and effective controls which enable risks to be appropriately assessed and managed.

Notwithstanding that, the Board is also involved in any matters that have significant impact on Digi's business, including, and not limited to, issues within objectives and strategies, operations, finances and employees.

The Board ensures that Digi's strategic plan supports long term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability. The Board is aware of the

	<p>significant financial and non-financial elements that could result in exposures and alter the risk profile accordingly.</p> <p>The Board is guided by the Board Charter and the DAM to ensure an optimal structure for efficient and effective decision making in Digi.</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

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 Chair of the Board, Mr Haakon Bruaset Kjoel is a Non-Independent Non-Executive Director and he plays an effective role as Chair of the Board by:</p> <ul style="list-style-type: none"> (a) leading the Board in establishing and monitoring good corporate governance practices in the Company, including but not limited to inclusion of corporate governance element as agenda item for discussion at Board meetings; (b) providing leadership, demonstrating strong commitment and judgement in overseeing management function; (c) ensuring the Company's decisions taken are in the best interest of shareholders and other stakeholders as well as fairly reflect the Board's consensus; (d) facilitating Board meetings to ensure effective contribution by all Directors and allows dissenting views to be freely expressed, promotes a culture of openness in ensuring no one Director dominates the discussion; (e) managing the interface and act as the main conduit between the Board and Management in ensuring constructive relations; and (f) acting on the results of Board performance evaluation by recognising the strengths and addressing the weaknesses of the Board. <p>The details of the roles and responsibilities of the Chair of the Board have been clearly specified in the Board Charter, which is available on Digi's website at https://www.digi.com.my/our-company/our-governance.</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

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 positions of Chair of the Board and Chief Executive Officer (CEO) are held by two (2) different individuals. The Chair, Mr Haakon Bruaset Kjoel leads the Board with a keen focus on governance and compliance while ensuring its effectiveness whereas the CEO, Mr Albern Murty ensures effective implementation of the Board's policies, achieves strategic and performance targets, exercises high levels of business judgment, and manages the relationships with stakeholders and the public.</p> <p>The clear distinction between the roles of the CEO and the Chair of the Board is to ensure a balance of power and authority, making sure that no one individual has unfettered decision making power.</p> <p>The distinct and separate roles and responsibilities of the Chair and CEO are clearly articulated in the Board Charter and CEO Charter which are available on Digi's website at https://www.digi.com.my/our-company/our-governance.</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

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	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>Currently, Mr Haakon Bruaset Kjoel, the Chair of the Board, a representative from Telenor Asia Pte Ltd (major shareholder) is the Chair of the Remuneration Committee (RC) and member of the Nomination Committee (NC).</p> <p>It is recommended to have a representative from Telenor Asia Pte Ltd with relevant experience in the telecommunications industry to be in the RC and NC. In this regard, Mr Haakon's extensive experience gained from working in Telenor Group across Europe and Asia can provide more insights and strategic contribution from regional and global point of view towards RC and NC discussion, particularly on the remuneration structure and policy for Executive Director and Senior Management, talent management, retention and succession planning.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	We will review the roles and responsibilities of the Chair of the Board and Board Committees, to ensure the Chair of the Board's independence by not being a member of any Board Committees. This is to prevent self-review and risks impairing objectivity in boardroom deliberations on the observations and recommendations given by the Board Committees.
Timeframe	:	Within 2 years

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 Board is supported by two (2) suitably qualified and competent Company Secretaries in discharging their functions. The Company Secretaries play an advisory role to the Board and are qualified under Section 235(2) of the Companies Act 2016 (the Act), experienced, and competent in performing their duties. The Company Secretaries carry out, among others, the following tasks:</p> <ul style="list-style-type: none">• statutory duties as specified under the Act, Main Market Listing Requirements of Bursa Malaysia Securities Berhad and other relevant laws and regulations;• updating and advising the Board on relevant guidelines on statutory and regulatory requirements periodically and the resultant implications to Digi and the Directors in relation to their duties and responsibilities;• monitoring corporate governance developments and assisting the Board in applying governance practices to meet the Board's needs and stakeholders' expectations;• attending and ensuring that all Board and Shareholders' meetings are properly convened, pertinent issues discussed and decided upon, and conclusions are properly recorded;• following-up on the action points and implementation of the Board's decisions to Management;• facilitating the provision of information to the Board and Board Committees, and between Directors and Management from time to time;• facilitating the orientation of new Directors and assist in Directors' training and development;• ensuring availability of information required by new Directors for the proper discharge of their duties;• supporting the Board in ensuring adherence to Board's policies and procedures; and• providing full access and services to the Board and carrying out other functions deemed appropriate by the Board from time to time. <p>All Directors have full access to the advice and services of the Company Secretaries who ensure that Board procedures are always adhered to during meetings and advise the Board on matters including corporate</p>

	governance issues, and Directors' responsibilities in complying with relevant legislations and regulations.	
	The removal of Company Secretaries, if any, is a matter for the Board to decide collectively.	
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 1.6

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 agenda for the meeting of the Board is set by the Chair in consultation with the Chief Executive Officer and the Company Secretaries. The Chair ensures that adequate time is allocated for discussion of issues under each agenda tabled to the Board for deliberation. The agenda, the relevant reports and Board materials are furnished to Directors via electronic Board portal at least seven (7) days prior to the meetings to allow Directors sufficient time to peruse the materials, thereby facilitating effective discussion and decision making during the meeting. Exceptions may be made for certain ad hoc or urgent instances when Directors unanimously consent to short notice. The Board has a regular schedule of matters which are typically on the agenda and is reviewed during the year.</p> <p>Board Committees meetings are conducted separately from the Board meeting to enable objective and independent discussion during the meeting.</p> <p>The proceedings of and resolutions passed at each Board and Board Committee meetings are minuted by the Company Secretaries and the minutes circulated within a reasonable timeframe for comments and/or confirmation.</p> <p>The minutes of meetings record the decisions, including key deliberations, rationale for each decision made, any concerns or dissenting issues and matters where Directors abstained from voting or deliberation. Minutes of each meeting are kept at the registered office.</p> <p>The Company Secretaries are responsible to ensure Board's decisions and recommendations are communicated to the relevant Management. The Company Secretaries will also follow up with the Management on status of actions taken with reference to the previous minutes of meetings for updating to the Board. All action items would be tracked as matters arising in the minutes of meetings until they are resolved.</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 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>The Board is guided by the principles contained in the Malaysian Code on Corporate Governance (MCCG), the Board Charter and the Delegation Authority Matrix, which set out the practices and processes, roles and responsibilities of the Board, Board Committees, individual Directors and Management, matters that are reserved for Board's consideration and decision making, specific focus areas that require attention from the Board, authority that has been delegated to the Chief Executive Officer (CEO) including the authority limits which the CEO can execute, and provides guidance on the division of responsibilities between the Board and the CEO.</p> <p>The key matters reserved for the Board's full decision-making powers as stated in the Board Charter include conflict of interest issues relating to a substantial shareholder or approving related party transactions, material acquisitions and disposition of assets not in the ordinary course of business including significant capital expenditures, strategic investments, mergers and acquisitions and corporate exercises, Digi Delegation Authority Matrix, treasury policies, risk management policies and key human resource issues.</p> <p>The Board Charter and Terms of Reference (TOR) for Board Committees are periodically reviewed and updated in accordance with the needs of the Company and any new/revised regulations in ensuring optimal structure for efficient and effective decision making. In March 2021, the Board reviewed and approved the revisions to the Board Charter, Diversity Policy, TORs of the Audit and Risk Committee, Nomination Committee and Remuneration Committee, Non-Executive Directors' Remuneration Policy and CEO's Charter.</p> <p>The Board Charter, Diversity Policy, and TORs of Board Committees, Non-Executive Directors' Remuneration Policy and CEO's Charter are published on Digi's website at https://www.digi.com.my/our-company/our-governance.</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>A) <u>Digi Code of Conduct (Code)</u></p> <p>The Board has adopted and implemented a Code which is a vital and integral part of Digi Group's governance regime. It defines Digi Group's core principles and ethical standards in conducting business with all stakeholders in a responsible manner and in accordance with the relevant laws and regulations. The said Code is based on the following four principles:</p> <p>1) We play by the rules: We follow laws, regulations and our policies, and, if in conflict we uphold the highest standard;</p> <p>2) We are accountable for our actions: We actively seek information, understand our responsibilities, and recognise our wider impact on the societies in which we operate;</p> <p>3) We are transparent and honest: We are open and truthful about our challenges; and</p> <p>4) We speak up: We ask questions and raise concerns when in doubt and we encourage others to do so by creating a culture where retaliation against those who report a concern in good faith is not accepted.</p> <p>The Code sets Digi's expectations on Digi employees and Board members, identifies risks and provides guidance on the following areas:</p> <ul style="list-style-type: none">• anti-corruption• business partners• competition• confidentiality and information handling• conflict of interest• climate and environment

- financial integrity and fraud
- gifts, hospitality and travel
- health, safety and people security
- human rights and labour rights
- insider trading
- money laundering
- privacy
- news and social media
- public officials
- safeguarding our assets
- workplace environment
- how to speak up

The principles and provisions in the Code have been incorporated in other relevant Digi Group's governing documents where appropriate. All employees including the Board Members are required to read and confirm that they have read and understood the Code and will comply with it.

The Code does not apply directly to Digi's business partners. However, as part of Digi Group's responsible business practices, Digi has implemented relevant measures to ensure association with business partners that operate in accordance with the highest ethical standards. In this regard, since 2018, Digi conducts integrity due diligence on its key business partners to validate their respective backgrounds. This is to ensure that Digi's business relationship with business partners do not pose unacceptable compliance risks pertaining to subject matters such as corruption, fraud, money laundering, trade sanctions, privacy, business security, health and safety, human rights and the environment. In addition, business partners are also required to accept and comply with Digi's Agreement on Responsible Business Conduct and its Supplier Conduct Principles.

In December 2021, the Board reviewed and approved the revisions to the Code.

B) The Audit and Risk Committee (ARC)

The ARC oversees the implementation and effectiveness of Digi Group's Compliance Plan. Digi's Compliance Officer is responsible for preparing an annual Compliance Plan for the purpose of carrying out activities such as periodic employee communications and training on the Code, Policies and Manuals. These activities include awareness trainings, Digi-wide campaigns and eLearning modules. Digi's Compliance Officer provides quarterly updates to the ARC on the said Compliance Plan. These updates include completion rates of eLearning modules, employees' acceptance of the Code and details pertaining to training sessions conducted in Digi.

In addition to the ARC's responsibilities pertaining to the compliance plan, the ARC also oversees compliance risk in Digi. Digi's Compliance

	<p>Officer provides bi-annual updates to the ARC on compliance risk assessments. These include updates on compliance risk assessments on specific subject matter, identification of appropriate mitigation steps and implementation status of the said mitigation steps.</p> <p>The ARC also reviews compliance cases reported, Compliance resolutions which includes recommended corrective and disciplinary actions taken for the said reported cases.</p> <p>The Code is accessible on Digi’s website at: https://www.digi.com.my/our-company/our-governance.</p>	
<p>Explanation for departure</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>		
<p>Timeframe</p>		

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>Digi updated its Whistleblowing Policy in 2020. The objective of this Whistleblowing Policy is to provide an avenue for employees, business partners, customers and the general public to speak up anonymously or otherwise about any malpractice involving Digi or breach of Digi’s Code of Conduct (Code), Agreement on Responsible Business Conduct and Supplier Conduct Principles.</p> <p>A reporter may raise a complaint/blow the whistle via several channels as follows:</p> <p>(a) Report via the Integrity Hotline, which can be assessed at https://telenorgroup.integrityline.com/frontpage; and</p> <p>(b) Reports directly to Digi Management/leaders, Digi’s Compliance Officer, or to Digi’s Internal Audit Department (Digi IA).</p> <p>Digi IA, Digi Compliance and the various governance functions within the Company work closely in carrying out and concluding investigations as well as taking appropriate action including legal action where appropriate.</p> <p>Pursuant to the Code and Whistleblowing Policy, where applicable, any failure by a Digi employee to report a breach of the Code will warrant an immediate inquiry and appropriate disciplinary action, including an up to dismissal based on the gravity of the breach.</p> <p>The Audit and Risk Committee (ARC) is responsible to oversee the reports raised by whistleblowers, with a view to ensure objective and independent investigations are carried out on the said reports. Digi IA and Digi Compliance provide quarterly updates on reported cases as well as the follow up actions to the ARC.</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

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>Digi's sustainability strategies, priorities and targets are part of the Company's strategy plan and are approved by the Board. Responsible Business (RB) is part of Digi's strategy and Key Performance Indicators and is discussed quarterly in the Responsible Business Forum (RBF). Internal and external stakeholders' views are engaged in Digi's Materiality Assessment.</p> <p>Sustainability matters in Digi are addressed as part of Digi's overall RB strategic pillar. The RB covers material issues relating to Environmental, Social and Governance (ESG) Indicators, Risk Management, Sustainability, Climate Change, Anti-Corruption, Data Protection, Cybersecurity, Supply Chain, Health and Safety as well as Diversity and Inclusion. These are governed across different leadership levels within the organisation - the Board, Management, key departments and support functions. Digi's sustainability framework defines the governance structure and the responsibilities of each party within.</p> <p>Digi Management Team is responsible for sustainable business policies and business directions. Digi addresses Governance, Risks, Compliance and Sustainability matters at the RBF. RBF is chaired by the Chief Executive Officer who oversees ESG and Non-Financial Reporting performances.</p> <p>The Board has conducted deliberations on the current emerging climate risks and opportunities and overview of Digi's high level climate roadmap. To ensure our Board's oversight and accountability on the matters to sustainability, the Board also deliberated and approved the outcome of materiality assessment and disclosure within the Integrated Annual Report. Our Board is committed to elevate ESG and sustainability-related issues to the boardroom agenda in a consistent manner.</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	:	<p>Digi reports annually in our Integrated Annual Report (IAR) on our sustainability strategies, priorities and targets and progress. The IAR includes strategic direction outcomes arising from mega trends and emerging opportunities as well as Digi’s Environmental, Social and Governance (ESG) performances in support of United Nations Sustainable Development Goals (SDGs). Accompanying the IAR is a Data Book that provides details and in line with Global Reporting Initiatives (GRI) standards.</p> <p>Digi’s sustainability strategies, materiality and ESG performances and disclosures are guided by globally recognised reporting frameworks. In addition, we participate in annual ESG rating assessments by various rating houses such as Sustainalytics, MSCI, FTSE4Good and S&P Global ESG, which reflects our dedication in achieving our target to become the number one telco ESG performance in Malaysia in 2023.</p> <p>The immediate focus areas on ESG for years 2022 and 2023 are also communicated to Digi’s internal and external 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

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>Sustainability remains a key focus area for Digi’s Board. The Board is updated at Board Meeting on key sustainability issues through report from the Management including climate related risks and opportunities such as national plan and actions, macro-environment and Digi’s climate status in the Board Meeting.</p> <p>Digi’s Responsible Business commitment includes a focus on Environmental, Social and Governance (ESG) priorities to meet the expectations of stakeholders, and to manage its reputational risks while strengthening industry leadership positioning.</p> <p>Digi has implemented climate solutions, high quality environmental reporting including a climate data integrity exercise and resolves to adopt best practices in line with maturing carbonisation solutions in the market and climate governance frameworks.</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 4.4

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>Self and Peer Evaluations are conducted to assess each Director's professional competency, attributes, and personality. Directors' Peer Evaluation overall results continued to be high in 2021. The assessment also includes the evaluation of the performance of the Board in addressing the Company's material sustainability risks and opportunities. Within the assessment, the Board has also assessed the Senior Management (for Chief Executive Officer and Chief Financial Officer) on overall sustainability management in meeting Digi's sustainability targets.</p> <p>The Nomination Committee (NC) has assessed and agreed that the Board Members are knowledgeable and have the depth of understanding on the sustainability issues that are relevant to Digi. Board members have articulated and exercised robust deliberations of the Company's material matters on ESG issues.</p> <p>The NC has also assessed and agreed that the Senior Management has addressed the ESG risks in its risk reporting to the Board and monitored sustainability Key Performance Indicators and targets, and reaching the sustainability targets.</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 4.5- 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.

<i>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.</i>	
Application	: Adopted
Explanation on adoption of the practice	: Digi has appointed the Chief Corporate Affairs Officer (CCAO) as the designated person to focus on managing Sustainability priorities. Digi has set up a Responsible Business Forum that oversees the progress, issues and updates of material issues identified in Digi’s Materiality Matrix and is under the purview of the CCAO. These material issues are discussed and deliberated at the forum, chaired by the Chief Executive Officer. Other members of the forum include the Chief Human Resource Officer, Chief Financial Officer, Chief Technology Officer and other senior leadership members. When needed, some material issues are brought to the Board’s agenda for further dialogues and guidance.

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 Nomination Committee (NC) reviews the size, balance and composition of the Board to ensure that the composition of the Board is refreshed periodically for it to operate in an effective manner.</p> <p>On 24 May 2021, Datuk Iain John Lo was appointed as new Independent Non-Executive Director and Ms Vimala V.R. Menon was re-designated as Senior Independent Non-Executive Director.</p> <p>The tenure of each Director and annual re-election of Directors are reviewed by the NC. The recommendation on the re-election of Directors has taken into consideration the evaluation of the Director's performance and contribution to the Board for the financial year under review.</p> <p>The NC has reviewed, and the Board has recommended the re-election of the three (3) retiring Directors, Mr Haakon Bruaset Kjoel, Mr Lars Erik Tellmann and Datuk Iain John Lo and retention of Puan Yasmin binti Aladad Khan as Independent Non-Executive Director who will serve the Board for more than nine (9) years on 23 July 2022 for the shareholders' approval at the forthcoming 25th Annual General Meeting based on their annual assessment.</p> <p>Details of the evaluation are set out in the Corporate Governance Overview Statements on page 104 of the Integrated Annual Report 2021 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>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.2

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>Currently, at least half of the Board is comprising of Independent Non-Executive Directors. None of the key senior management sits on the Board or Board Committees. The Board currently has six (6) Directors, comprising three (3) Non-Independent Directors and three (3) Independent Directors. They are all Non-Executive Directors. The Board composition is balanced and complies with Paragraph 15.02 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (MMLR) of at least 2 or 1/3 of the Board of Directors are Independent Directors.</p> <p>In view of the need to ensure independent and objective judgement in Board deliberations, all Independent Directors of Digi have no relationships with other Board Members or other telco industry or to persons connected to them, directly or indirectly. Besides, the Independent Directors are knowledgeable about the Company's business strategies, market and competitors in the telco industry. The Independent Directors are of high calibre with diversified background and wide skills and in-depth experience in boardroom and leadership positions.</p> <p>As a Member of the Board, the Independent Directors take their roles and responsibilities to shareholders and other stakeholders seriously and hold robust discussions and deliberations during Board and Board Committees meetings. They are also opened to raise ideas and offer different views in deliberations during Board or Board Committees meetings. They do not shy away from asking hard and uncomfortable questions during deliberations and willing to challenge Management if answers provided are not satisfactory.</p> <p>The Independent Directors are constantly engaging in in-depth dialogues with the Chief Executive Officer and Senior Management Team including taking initiatives to have strategy review discussion and bringing their breadth of knowledge to the Board's deliberation. They can exercise strong independent judgment and provide check and balance to the Board with their unbiased and independent views as to foster greater objectivity in the boardroom. During the year 2021, Digi</p>

	<p>has held a total of eleven (11) Board meetings dealing in finance, operational, risks, strategies as well as environmental, social and governance issues.</p> <p>In addition, the assessment on independence of the Independent Directors is conducted on an annual basis based on the criteria of independence in the MMLR and other criteria, in particular their abilities to exercise their objective and independent judgement to act in the best interests of the Company.</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>	<p>:</p>	<p>Ms Vimala V.R. Menon acts as the Senior Independent Director to provide a sounding board to the Chair. She ensures that each Non-Executive Director is given due consideration and where necessary, to act as a communication channel between Independent Directors and Non-Independent Directors to ensure proper checks and balance are in place. In areas of conflict of interest, the Chair will abstain from relevant discussions and deliberations. Ms Vimala V.R. Menon is also available to respond to shareholders' concerns when contact through the normal channel is inappropriate.</p>
<p>Timeframe</p>	<p>:</p> <p>Others</p>	<p>Digi intends to maintain current Board composition. Digi has obtained the approval from waiver to comply with paragraph 3.2C of Practice Note 9 of MMLR pursuant to the disclosure of timeframe for adoption of this practice in the Company's Corporate Governance Report from Bursa Malaysia Securities Berhad via its letter dated 5 March 2021.</p>

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	:	Applied
Explanation on application of the practice	:	<p>The provision in Board Charter states that the tenure of an independent Director should not exceed a cumulative term of nine (9) years. Upon completion of the 9 years, an Independent Director may continue to serve on the Board subject to the Directors' re-designation as a Non-Independent Director. However, the Board may, in exceptional cases, subject to the assessment of the Nomination Committee on an annual basis, recommend and subject to valid justifications and obtaining shareholders' approval, retain an Independent Director who has served a cumulative term of 9 years as Independent Director of the Company.</p> <p>The Board is of the view that in ensuring continuity, stability and orderly succession in the Board and/or Board Committees (if applicable), it is not possible at this point in time to adopt a 9-year term limit for Independent Director.</p> <p>During the financial year ended 31 December 2021, all of the existing Independent Non-Executive Directors of the Company have not exceeded the cumulative terms of nine (9) years.</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 5.4 - Step Up

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

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.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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>The Board has adopted a formal policy on diversity of the Company by considering the number of aspects in designing the Board's composition, including but not limited to gender, age, culture and educational background, ethnicity, professional experience, skills, knowledge and length of service. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard on the benefits of diversity on the Board.</p> <p>Appointment process for Directors and Senior Management Team are based on merit as well as objective criteria that assess competency, experience, skills and abilities, integrity and governance. It also considers Digi's ambitions to be an inclusive and diverse organisation by paying attention to attributes such as gender, age, ethnicity and background. For financial year 2021, the Board members' skills and background are diverse ranging from telecommunications, information technology, logistics, oil and gas, banking, leadership, strategic development, sales and marketing, legal and regulatory, operations, merger and acquisition, audit, corporate governance, risk management and internal control, taxation, sustainability and human resources with average age from 50 to 67.</p> <p>The Nomination Committee has a vital role in achieving diversity on the Board and considers the following before making its recommendations of suitable candidates to the Board:</p> <ul style="list-style-type: none">(a) To take into consideration the benefits from boardroom diversity and to appoint candidates based on merit and without prejudice, when reviewing the Board's composition;(b) To consider the balance of skills, experience, independence, knowledge and the diversity of representation on the Board, as part of the annual performance evaluation on the effectiveness of the Board, Board Committees and individual Directors; and

	<p>(c) To implement and monitor the progress of the Diversity Policy towards the achievement of such objectives.</p> <p>The Board Diversity Policy of Digi is accessible on Digi’s website at https://www.digi.com.my/our-company/our-governance.</p> <p>Digi has devised succession and development plans for senior women leaders in the Company in order for them to grow and create impact while developing their fullest potential as leaders in Digi and beyond.</p> <p>Diversity initiatives were accelerated in 2016 and over the last 6 years, Digi has organically achieved a great gender balance in the organisation, including at leadership layers.</p> <p>In 2021, 53% of the extended management team and 45% of the senior leader’s forum comprised of women leaders, thus enabling Digi to continue building a diverse succession pipeline for the Senior Management Team.</p> <p>Efforts in 2022 would comprise of continued effort in strengthening gender diversity, with a focus on pandemic-related support initiative as well as broadening the inclusion agenda within Digi.</p> <p>The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities. At present, none of the Directors hold more than five directorships in any other public listed companies at any point of time.</p>
<p>Explanation for departure :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure :</p>	
<p>Timeframe :</p>	

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>The Board does not solely rely on recommendations from existing Board Members, Management or Major Shareholders. Digi engages an independent search firm in identifying suitably qualified candidates as Independent Non-Executive Directors of Digi based on the criteria identified.</p> <p>Telenor Asia Pte Ltd, which is the major shareholder, nominates their representatives as Non-Independent Non-Executive Directors of the Company.</p> <p>The Nomination Committee is guided by its Terms of Reference in carrying out its responsibilities in respect of the nomination, selection, and appointment process in Digi.</p> <p>During the year under review, Digi has engaged a professional recruiting firm to assist in the search for a new Independent Non-Executive Director (INED) and considering the mix of skills, competencies, experience, integrity, personal attributes, and time commitment. Datuk Iain John Lo was appointed as INED on 24 May 2021.</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 5.7

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>The Nomination Committee is responsible to evaluate and recommend to the Board the re-appointment of any non-executive director at the conclusion of his or her specified term of office, re-election of any director under the retirement by rotation provision in the Company's Constitution having regard to their performance and contributions to the Board before tabling the same for the shareholders' approval.</p> <p>During the financial year ended 31 December 2021, the Board has not recommended any appointment of new director and re-appointment of director for retention as Independent Non-Executive Director to the shareholder for approval besides the re-election of Directors.</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 5.8

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board believes that the role of the Chair of Nomination Committee (NC) can be effectively carried out by an Independent Non-Executive Director in ensuring objectivity and independence in the deliberations of the NC including the evaluation of the Board, Board Committees, and individual Directors as well as the selection and appointment process.</p> <p>Puan Yasmin binti Aladad Khan, an Independent Non-Executive Director chairs the NC.</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 5.9

The board comprises at least 30% women directors.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board recognises that other aspects of diversity within the Board are also important, and this includes a mix of skills, experience, perspective, gender and age. The evolution of this mix is a long-term process that is deliberated each time a vacancy arises to ensure a balanced and diverse Board composition is maintained. The Diversity Policy aims to set the approach to achieve diversity on Digi’s Board and its workforce.</p> <p>Currently there are three (3) women serving as members of Digi Board reflecting a 50% female representation among Non-Executive Directors.</p> <p>The Board Diversity Policy of Digi is accessible on Digi’s website at https://www.digi.com.my/our-company/our-governance.</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 5.10

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>The Board has a formal policy on diversity by considering the number of aspects in designing the Board’s composition. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard on the benefits of diversity on the Board and Senior Management.</p> <p>The Board Diversity Policy of Digi is accessible on Digi’s website at https://www.digi.com.my/our-company/our-governance.</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 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>The Board has adopted a formal and objective annual evaluation of the Board, Board Committees and Directors' performance. The assessment considered the contribution and performance of the Directors in relation to their competencies, time commitment, and experience in meeting the needs of the Company.</p> <p>The evaluation process was based on self and peer assessments whereby the Directors assessed themselves and the Board as well as the performance of each Board Committee. The criteria and outcome of the assessment were properly documented.</p> <p>The evaluation process is led by the Nomination Committee (NC) Chair and the Company Secretaries. Each Director conducts the evaluation based on online questionnaire accessible via the Board portal in a confidential manner.</p> <p>The Board has engaged an external consultant to conduct the one-off Board Effectiveness Evaluation (BEE) exercise to bring a more outside-in view and deeper understanding of current Board performance for the first quarter of the financial year ended 31 December 2021 (FY2021) and identified potential focus areas.</p> <p>The Board has agreed on areas of improvement based on the Board assessment results reported by external consultant in July 2021. The Chair of the Board and the Chair of the NC have discussed with the Chief Executive Officer (CEO) on the key areas identified, (i) Effectiveness and efficiency of Board meetings; (ii) Effectiveness of the Company Secretary department; (iii) Strategic agenda development; and (iv) Director onboarding and training. The CEO has assisted the Board to look into the key areas and update the Board progressively.</p>

	<p>The annual Board performance evaluation was conducted internally through an online platform, focuses on maximising the effectiveness and performance of the Board and its Committees in the best interest of Digi. The Board performance evaluation results were compiled by an independent external secretarial firm to facilitate the Board evaluation.</p> <p>Based on the FY2021 Board evaluation findings, the Board was satisfied and acknowledged that the Board has continued to carry their duties well and amicably with most areas rated in the range of “3” (Moderate/Developing), “4” (Good/Competent) to “5” (Strong/Outstanding). The respective Board Committees have performed their responsibilities diligently and efficiently.</p> <p>The Board was satisfied that the Board size and its composition are optimum as the Board comprises of individuals with the requisite skills, knowledge, experience, characteristics and competencies to effectively discharge their roles. The Directors, Board Committees and Senior Management Team have also discharged their responsibilities in a commendable manner and contributed to the overall effectiveness of the Board and Company. The Directors have also committed the time necessary to responsibly fulfil their commitment to the Company during the year. There was a total of eleven (11) Board meetings and thirteen (13) Board Committees meetings held during the FY2021.</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>The Board via the Remuneration Committee (RC) has responsibility over the establishment of Remuneration Policy framework for Directors and Senior Management and reviews the remuneration of Directors which is linked to the strategy objectives of Digi Group to ensure that Digi can attract and retain high-performing Directors and/or Senior Management.</p> <p>The level of remuneration of the Non-Executive Directors, Chief Executive Officer and Senior Management are fair and in line with local market practice while aligned with their required skills, experience, responsibilities and/or time commitment.</p> <p>Board Retainer Fee for Independent Non-Executive Director (INED) is based on his/her responsibility in the Board as well as any special skills and expertise he/she contributes to the Board that could add value to the Group. Board Committee Retainer Fee is introduced to recognise contribution of the INED's role on Board Committees. No meeting attendance allowance shall be payable to the INED.</p> <p>For Non-Independent Non-Executive Director representing Telenor Group or other major shareholder, they are not entitled to meeting allowance, Board Retainer Fee and Board Committee Retainer Fee.</p> <p>Digi Group's Remuneration Policy for Non-Executive Directors, Remuneration Policy and Procedure for Senior Management and Terms of Reference of RC are in place and published on Digi's website at https://www.digi.com.my/our-company/our-governance.</p> <p>Digi engages independent/external Human Resource firm periodically to benchmark the remuneration of Senior Management against the market. At present, Digi's Board, Chief Executive Officer and Senior</p>

	Management remuneration remain competitive and is benchmarked against industry standards to attract and retain the right talent in Digi to drive the Group's long-term objectives.	
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 7.2

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 Remuneration Committee (RC) of Digi has implemented policies and procedures on remuneration of Non-Executive Directors and Senior Management. Both policies and procedures are published on Digi's website at https://www.digi.com.my/our-company/our-governance.</p> <p>The RC reviews and recommends the remuneration of Independent Directors for the Board's approval and subsequently for shareholders' approval pursuant to the Terms of Reference of the RC and Remuneration Policy of Non-Executive Directors. Digi does not have any Executive Directors on Board. The RC has delegated to the CEO to determine the remuneration package for Senior Management under Digi Delegation Authority Matrix approved by the Board.</p> <p>Each of the Independent Directors abstained from deliberating and voting on their own remuneration. The Non-Independent Non-Executive Directors receive their remuneration from their employing companies within Telenor Group and do not receive any form of remuneration from Digi. The Board is of the view that the current remuneration level suffices to attract, retain and motivate qualified Directors to serve on the Board.</p> <p>At present, Digi's Board and Senior Management remuneration remains competitive and is benchmarked against industry standards to attract and retain the right talent in Digi to drive Digi Group's long-term objectives.</p> <p>Digi engages an independent Human Resource firm to benchmark the remuneration of Senior Management to the market periodically.</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 collectively determined the remuneration for the Independent Directors based on the recommendation of the Remuneration Committee. Each of the Independent Directors has abstained from deliberating and voting on his or her own remuneration.</p> <p>The Board ensures that information relating to Directors' remuneration is made transparent to all shareholders in line with good corporate governance practice and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The detailed disclosure on Directors' remuneration for the financial year 2021 is disclosed on named basis for Digi and its subsidiaries in our Integrated Annual Report.</p> <p>The Non-Independent Non-Executive Directors receive their remuneration from their employing companies within Telenor Group and do not receive any form of remuneration from Digi or its subsidiaries.</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	Vimala A/P V.R. Menon	Independent Director	275.000	0	0	0	5.300	0	280.300	294.350	0	0	0	5.300	0	299.650
2	Yasmin binti Aladad Khan	Independent Director	312.742	0	0	0	0.300	0	313.042	312.742	0	0	0	0.300	0	313.042
3	Datuk Iain John Lo (Appointed on 24 May 2021)	Independent Director	163.306	0	0	0	4.499	0	167.805	163.306	0	0	0	4.499	0	167.805
4	Tan Sri Saw Choo Boon (Retired on 18 May 2021)	Independent Director	110.699	0	0	0	0.300	0	110.999	122.911	0	0	0	0.300	0	123.211
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6	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
7	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
8	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
9	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
10	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
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
13	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
14	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
15	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	:	Currently, Senior Management's remuneration is not disclosed in the annual report for confidentiality reason as it may be detrimental to the interest of the Company and individuals concerned.	
		The Board wishes to give assurance that the remuneration of the Senior Management commensurate with their individual performance, taking into consideration the Group's performance and achievement of key performance indicators. Market benchmark is also conducted on an annual basis to maintain a total compensation level which is competitive compared to the market.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Remuneration Committee will review the disclosure of the top five (5) Senior Management in the required band and on named basis.	
Timeframe	:	Within 1 year	

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 Audit and Risk Committee (ARC) comprises three (3) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director.</p> <p>The ARC is chaired by Ms Vimala V.R. Menon, Senior Independent Non-Executive Director, with more than thirty (30) years of experience in finance and general management. She is a Fellow of the Institute of Chartered Accountants in England and Wales, United Kingdom and a member of the Malaysian Institute of Accountants.</p> <p>The Chair of the ARC is not the Chair of the Board, so as not to impair the objectivity of the Board's view of the ARC's findings and recommendations.</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>None of the Audit and Risk Committee (ARC) members are former key audit partners of the External Auditors of Digi.</p> <p>The Terms of Reference of the ARC requires a former key audit partner to observe a cooling-off period of three (3) years before being appointed as ARC member by the Company, or any of its related corporations.</p> <p>This is to ensure that the objectivity, effectiveness and independence of the External Auditors are preserved.</p> <p>The Terms of Reference of the ARC is accessible on Digi's website at https://www.digi.com.my/our-company/our-governance.</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>The Board recognised the value of an effective Audit and Risk Committee (ARC) in ensuring the integrity in reporting and quality of audit in assisting investors in making an informed decision.</p> <p>This duty is discharged via reviewing the Company's financial statements and quarterly results to ensure completeness, adequacy and accuracy, in the presence of external auditors and internal auditors before recommending the same for Board's approval.</p> <p>On an annual basis, the ARC considers the re-appointment, remuneration and terms of engagement of the external auditors. A formalised review procedure is used to assess the independence, objectivity and the service standards provided by the external auditors, inter alia, reviewing external auditors' performance and quality of work, the ability to meet deadlines, timeliness of key deliverables, including the provision of non-audit services.</p> <p>The ARC has assessed the external auditors for the year 2021. Areas assessed included the level of knowledge, technical competencies, capabilities, adequacy of specialist support and the accessibility of senior audit partners and time committed. The external auditors have presented their 2021 Transparency Report and confirmed to the Board their obligation to maintain independence in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants and the International Code of Ethics for Professional Accountants (including International Independence Standards).</p> <p>Following the assessment, the ARC was satisfied with Messrs. Ernst & Young PLT's technical competence and audit independence and recommended the re-appointment of Messrs. Ernst & Young PLT for shareholders' approval at the forthcoming Annual General 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

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>The review of the term of office and performance of the Audit and Risk Committee (ARC) and each of its members are conducted on an annual basis concurrently with annual Board assessment by the Nomination Committee pursuant to Paragraph 15.20 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (MMLR).</p> <p>Based on the results of the recent ARC evaluation, the Board was satisfied with the ARC's performance as the Chair and its members possess the necessary knowledge, experience, expertise and skills which contributed to the overall effectiveness of the ARC.</p> <p>All members of ARC are financially literate and have sufficient understanding of Digi's business and commercial expertise skills required to discharge their roles and responsibilities effectively. The composition of the ARC is set out in the ARC Report while the profile of each member is disclosed in the Directors' profiles of the Integrated Annual Report.</p> <p>Ms Vimala V.R. Menon is a Fellow of the Institute of Chartered Accountants in England and Wales, United Kingdom and a member of the Malaysian Institute of Accountants. The ARC, therefore, meets the requirement of Paragraph 15.09(1)(c)(i) of the MMLR, which stipulates that at least one (1) member of the ARC is a qualified accountant.</p> <p>The ARC ensures that the financial reports of the Company comply with applicable financial reporting standards.</p> <p>All ARC members keep abreast of relevant industry developments including accounting and auditing standards, business practices and rules, and enhance their skills through appropriate continuing</p>

	<p>education programmes and constantly update themselves on new statutory and regulatory requirements.</p> <p>The details of training programmes attended by the Directors during the year under review are set out in the Integrated Annual Report 2021.</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

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 recognises its overall responsibility for establishing and overseeing Digi’s system of internal control and risk management framework and ensuring the adequacy and effectiveness of the system.</p> <p>Digi has established its risk management framework that is designed to identify, assess and manage significant risks that may impede the achievement of business objectives and strategies whilst the internal control systems are designed to manage and minimise, rather than eliminate occurrences of material misstatement, financial loss or fraud.</p> <p>Management is responsible for implementing Board policies and procedures on risk management by identifying and evaluating risks and monitoring the risk vis-à-vis achievement of business objectives within the risk appetite parameters. The Board via the Audit and Risk Committee (ARC) oversees the Company’s risks through its quarterly review and deliberation on the key risks identified and responses in mitigating the risk exposures. The ARC also periodically reviews the process to ensure the internal control and risk management framework are adequate and effective.</p> <p>The Company’s risk management processes are based on ISO 31000:2018 (a standard relating to risk management codified by the International Organisation for Standardisation) for the setting of objectives, risk identification, assessment, prioritisation, mitigation and monitoring.</p> <p>Details on internal control and risk management framework are set out in the Statement on Risk Management and Internal Control in the Integrated Annual Report.</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

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>Management is responsible in managing the key business risks of the Group and implementing appropriate internal control system to manage those risks. The Board via the Audit and Risk Committee (ARC) reviews the adequacy and effectiveness of the risk management framework and internal controls including technology security and control as well as policies and compliance procedures in respect of key business practices.</p> <p>The features of its risk management framework and practices are disclosed in the Statement on Risk Management and Internal Control as part of the Integrated Annual Report, including the adoption of internationally recognised risk management framework, key risks areas and its relevant risk responses in mitigating the risk exposures. The Company's key risks are reviewed, and its mitigation progress is reported to ARC on a quarterly basis, and the Board annually, or on ad hoc basis, when a material risk arises.</p> <p>The Internal Audit function assists the ARC in evaluating the effectiveness of the Company's risk management and internal control system through the implementation of its Internal Audit Plan. The Board has received assurance from the Chief Executive Officer and Chief Financial Officer that Digi's risk management and internal control framework are operating adequately and effectively in all material aspects.</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 :	Not Adopted
Explanation on adoption of the practice :	

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 Internal Audit function is carried out by the Internal Audit department independently, and the Head of Internal Audit reports directly to the Audit and Risk Committee (ARC). The internal audit function provides independent assurance over the areas reviewed on the effectiveness of Digi’s internal control system, based on the annual Internal Audit Plan approved by the Board of Directors. The purpose, authority and responsibility of the Internal Audit department are reflected in the Internal Audit Charter, which is reviewed and approved by the ARC annually.</p> <p>In fulfilling its responsibilities, the ARC reviews the performance of the Head of Internal Audit and holds private sessions without the presence of Management. This contributes to the effectiveness of the Internal Audit department in maintaining its ability to function independently.</p> <p>The internal audit reports are issued to Management for comments and to agree on remediation actions with corresponding deadlines committed. The reports are tabled, and the summary of key findings are presented to the ARC for deliberation to ensure that Management undertakes the agreed remediation actions. Management will be invited to present at the ARC meetings when major control weaknesses are highlighted by 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

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 Internal Audit department comprising of seven (7) members, is led by Serena Chin Hui Ling, who has 15 years of audit experience in various industries such as property development, education, capital markets, banking and insurance. She also has eight (8) years of project management experience and spent two (2) years in an operational role within the capital markets regulatory environment. She holds a Bachelor of Business (Accountancy) degree from RMIT University and is a member of the Malaysian Institute of Accountants.</p> <p>To preserve the independence of the Internal Audit function, its staff report to the Head of Internal Audit, who reports directly to the Chair of the Audit and Risk Committee (ARC), and administratively to the Chief Executive Officer. The performance of the Head of Internal Audit is appraised by the ARC.</p> <p>All Internal Audit staff are required to perform an annual declaration on their adherence to the Code of Ethics, and that they are free from any relationships or conflicts of interests, which could impair their objectivity and independence. Any non-conformance and/or conflicts of interest will be reported to either the Head of Internal Audit or to the ARC.</p> <p>The Internal Audit department adopts the Institute of Internal Auditors International Standards for the Professional Practice of Internal Auditing and maintains a quality assurance and improvement programme covering its internal audit processes, which is subject to an annual internal assessment and an external assessment by a certified body once in five (5) years.</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

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>In Digi, we utilise multiple communication channels to proactively engage with the investment community on the development of Digi. The primary sources of reference are via our publications namely the annual integrated reports, sustainability databooks, interim reports and media releases. We ensure timely updates are published on public domain for equal access of all stakeholders. Our corporate website served as the main communication channel for all shareholders, the investment community and the general public.</p> <p>Throughout the Covid-19 pandemic, Digi has fully adapted to digital way of work, by fully digitalising our engagements with investors and analysts to online channels. We have maintained the quality of our meetings throughout the year as we utilise various digital and video conferencing platforms, which reflected our firm focus on continuous stakeholder engagement despite the change of way of work.</p> <p>Having said that, our innovative way of work has also led to successful virtual Annual General Meeting (AGM)s in 2020 and 2021. We believe the current virtual setup anchored on our seamless execution and modernised digital tools which are beneficial from cost and logistical aspects, as measured by participant surveys post-events. As always, we will include a Management presentation on the Company's performances during the year under review followed by a Questions and Answers (Q&A) session to facilitate all questions from our esteemed shareholders. Finally, we will be providing the AGM minutes and Q&A on our corporate websites for public references.</p> <p>Meanwhile, we always ensure dissemination of information is made in a timely and accurate manner, particularly investor-related corporate disclosures, such as Digi's latest developments, quarterly financial results, corporate presentations, annual reports, announcements to Bursa Malaysia Securities Berhad (Bursa Malaysia) as well as information on Digi's business principles and Corporate Governance Framework.</p> <p>In addition, all the filing of interim results or any major transactions are made in accordance with the relevant regulatory requirements on</p>

	<p>Bursa Malaysia’s website. Our Investor Relation (IR) unit will subsequently schedule an update, call or investor briefing on the same day to facilitate discussions on earnings performance, strategies, business operations and major transactions as well as to address clarifications from the community.</p> <p>The IR unit will also ensure an active investor calendar to build a robust communication channel and access to Management. We proactively engages institutional investors, fund managers and analysts via the participation in investors conferences and non-deal roadshows where Senior Management Team meets with existing shareholders and potential investors to provide updates on Digi’s strategic focus, recent performances, and prospects as well as to listen to their views. These include addressing their concerns on Environmental, Social and Governance areas which will enable us to perform a comprehensive assessment on our sustainability matters and performance gaps.</p> <p>Lastly, the regular dialogues between Senior Management Team and the investment community have been instrumental to facilitate a clear, fair and holistic appreciation on Digi’s performance, business strategies and prospects among research analysts, fund managers, investors and other stakeholders. We welcome feedbacks and inquiries from all shareholders and investors throughout the year via invesrel@<u>digi.com.my</u> or through the enquiry form listed on our 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

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	:	<p>This is the third year for the Company in its adoption of Integrated Reporting (IR) Framework set out by the International Integrated Reporting Council (IIRC). The past two publications have been a great learning curve to Digi and well received by the investment community and external rating agencies, as evidenced by the receipts of several accolades and recognition in Reporting Quality.</p> <p>As we continuously look into enhancing the quality of our corporate report, we take cognisance of the ongoing requirements in data transparency, especially on Sustainability related matters. This is also backed by full support from the leadership team and Board as both leadership teams fully recognise the values of a comprehensive and fair report, alongside the evolving requirements of this global reporting framework. As such, we are not only focusing on information integration for reporting needs, but also attributes the extensive process to fully integrate internal processes in accordance with global reporting standards.</p> <p>Our reporting suite will comprise of Annual Integrated Report, Sustainability Data Book and Corporate Governance Report, all of which will be made available on our corporate website prior to the scheduled Annual General Meeting. We are fully committed to improve the standards of our reporting.</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 13.1

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 Board considers the Annual General Meeting (AGM) as an invaluable platform for shareholders to engage the Board and Management of the Company in a productive and constructive two-way dialogue. As such, the Board strives to ensure that shareholders are accorded with sufficient time to prepare and accord due consideration to the resolutions that will be discussed and decided upon at the AGM.</p> <p>The 24th AGM of Digi was held on 18 May 2021 and the Notice was issued to shareholders on 15 April 2021, which is more than 28 days prior to meeting date. In addition to sending notice, the Company also published the AGM Notice on the newspaper and on its 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 including the Chair of the respective Board Committee attended the 24th Annual General Meeting (AGM) held on 18 May 2021. At the AGM, the Chief Executive Officer and Chief Financial Officer provided shareholders with a presentation on the Group's financial performance and operations. The Chair of the Board also shared with shareholders at the meeting and responded to questions submitted in advance by the Minority Shareholders' Watch Group.</p> <p>During the AGM, shareholders are encouraged to actively participate by submitting their questions in real time via the chat box about the resolutions being proposed before putting them to vote. Meaningful responses were given to the questions raised by shareholders and proxies.</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>Digi has successfully convened its 24th Annual General Meeting (AGM) on 18 May 2021 as a fully virtual meeting conducted via live streaming. All members participated in the AGM online and voted electronically using the Remote Participation and Electronic Voting (RPEV) facilities. Meanwhile, shareholders and proxies of Digi were also able to submit their questions electronically via the virtual event platform before and during the AGM.</p> <p>The results of all votes casted in respect of each resolution were displayed on-screen at the virtual AGM. Subsequently, the poll results were announced via Bursa LINK and posted on Digi's website on the same day.</p> <p>At the coming AGM, shareholders may participate and vote remotely via the RPEV facilities at https://meeting.boardroomlimited.my. Shareholders can register for remote participation at Boardroom Smart Investor Portal prior to the meeting day to join the livestreaming of the AGM proceedings, pose questions to the Chair (Remote Meeting) and cast their votes online (Remote Voting).</p> <p>The security, confidentiality, integrity, and availability of LumiAGM application are vital to conducting a successful AGM. The Lumi platform is regularly and extensively tested using independent, accredited third-party experts.</p> <p>All LumiAGM systems and suppliers' services are certified with the ISO/IEC 27001:2013 international standard. This provides a robust, auditable and externally verified framework of controls designed to maintain the confidentiality, integrity and availability of customer information and the personal data Lumi processes on their behalf. Lumi uses strong, industry best-practice encryption techniques to ensure customer data is protected from unauthorised access. All data is encrypted, with all keys managed directly by Lumi. There is also audit trail on respective LUMI system.</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>With the innovative use of digital platforms, Digi's virtual Annual General Meeting (AGM) has been improved with interactive and user-friendly features to enhance both voting experiences as well as Questions and Answers (Q&A) interactions. We have provided a Chat Box function to facilitate live commentary and feedback from the audience throughout the general meeting. In addition, we have appointed two (2) independent moderators to facilitate all live and incoming questions, while ensuring sufficient time of response from our Directors and Management. Participants are also encouraged to send in their questions in advance, as early as one week prior to the scheduled general meeting.</p> <p>As such, the quality of virtual AGM over the past two years throughout Covid-19 pandemic has been further strengthened as we continue to emphasise on openness and transparency.</p> <p>At the AGM, the Chief Executive Officer and Chief Financial Officer provided shareholders with a presentation on the Group's financial and non-financial performance, 2020 operational highlights, Digi 2021 priorities and outlook as well as value created for stakeholders.</p> <p>The Chair of the Board also shared with shareholders at the meeting and responded to questions submitted in advance by the Minority Shareholders' Watch Group.</p> <p>Following the conclusion of the AGM, all participants will also be given full access to an enquiry channel via the Investor Relations Unit as they can channel additional follow-up questions via email correspondences.</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.

<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. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
Application	: Applied
Explanation on application of the practice	: Digi has successfully organised our virtual Annual General Meeting (AGM) for two (2) years. This setup anchored on our seamless execution and implementation of modernised and user-friendly digital platform. The internal team takes serious steps to perform trial runs prior to scheduled event to prevent any potential technical glitches, while ensuring sufficient capacity to manage large audience size. A presentation on the Company's performance, major activities during the year under review was presented by the Chief Executive Officer and Chief Financial Officer. Shareholders are allowed to pose questions and comment on the Company's performance and operations.
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 13.6

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	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	Minutes of the last Annual General Meeting were uploaded to the website after the Board's confirmation at the next scheduled Board meeting. Moving forward, minutes will be uploaded within 30 business days after the general meeting.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	To obtain Board's confirmation and upload the minutes of the general meeting not later than 30 business days after the general meeting.
Timeframe	:	1 year

**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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