

CORPORATE GOVERNANCE REPORT

STOCK CODE : 6947
COMPANY NAME : CelcomDigi Berhad (formerly known as Digi.Com Berhad)
FINANCIAL YEAR : December 31, 2022

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 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.

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 of Directors (Board) shoulders the ultimate responsibility of determining the direction of CelcomDigi Berhad (formerly known as Digi.Com Berhad) (CelcomDigi or the Company) and its subsidiaries (CelcomDigi Group or Group), oversight of the Company's business and affairs, 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 CelcomDigi Group.</p> <p>The Board recognises that a healthy corporate governance culture defined on the principles of transparency, objectivity and integrity are fundamental to CelcomDigi'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>Following the merger between Digi.Com Berhad (now known as CelcomDigi Berhad) and Celcom Axiata Berhad (now known as Celcom Berhad) on 30 November 2022, three (3) Board Committees have been established, namely the Board Audit Committee (BAC), Board Nomination and Remuneration Committee (BNRC) and Board Governance and Risk Management (BGRMC) to assist the Board in performing its oversight functions. These Board Committees have specific responsibilities of which are governed by the terms of reference which are available on CelcomDigi's website at https://celcomdigi.listedcompany.com/corporate_governance.html.</p> <p>The Board delegates the implementation of its strategies to CelcomDigi Management Team (CDMT) that plays a critical role in setting the tone from the top in championing behaviour in committing to ethical values and CelcomDigi Way of Work. Meanwhile, the Board remains ultimately responsible for corporate governance and the affairs of CelcomDigi.</p>

The CEO is accountable to the Board for the achievement of CelcomDigi Group's mission, goals and objectives alongside the observance of management's limitations. The CEO, together with the Deputy CEO and CDMT, reports to the Board the operational, regulatory and financial performance of CelcomDigi Group on a quarterly basis and as and when required. These functions and powers are spelt out in the Authority Matrix adopted throughout the Group. The Authority Matrix defines the type and limits of authority designed for the specified positions of responsibility and varies according to the type of authority. The Authority Matrix was reviewed and approved by the new Board in line with the changes in business needs on 1 December 2022.

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

- Vendor and Investment Committee governs the approval process regarding material capital investments and operating expenditure for CelcomDigi including the review and approval of the vendor evaluation criteria and vendor selection.
- Commercial Forum governs the decision-making process for commercial go-to-market matters and post evaluation of commercial strategies.
- Regulatory Steering Committee provides direction and makes decisions on regulatory matters and/or related topics that have a significant impact on CelcomDigi.
- Risk Management Forum has been replaced with Governance, Risk and Compliance (GRC) Committee to reviews and deliberates on significant risks reported across CelcomDigi and make decisions on the coordinated action plans necessary to mitigate risks. The quarterly GRC forum chaired by the CEO also ensures effectiveness of internal control including responsible business conduct practices across the three lines of defense.
- Sustainability Committee, converted from Responsible Business Forum is chaired by CEO to oversee CelcomDigi's Sustainability initiatives and monitors Environmental, Social and Governance performance, and assisted by the Deputy CEO.

However, the Board retains full responsibility for guiding and monitoring the Company, in discharging its responsibilities. The Board has on 2 December 2022 deliberated and approved the CelcomDigi's 5-Year Strategy Plan, Business Plan and Synergy which included the 2023 Financial and Capital Expenditure Frames.

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

	<p>Notwithstanding that, the Board is also involved in any matters that have significant impact on CelcomDigi's business, including, and not limited to, issues within objectives and strategies, operations, finances and employees.</p> <p>The Board ensures that CelcomDigi'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 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 Authority Matrix to ensure an optimal structure for efficient and effective decision making in CelcomDigi.</p>	
<p>Explanation for departure</p>	<p>:</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>Timeframe</p>	<p>:</p>	

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>Mr Haakon Bruaset Kjoel was the Chair of the Board from the beginning of the financial year 2022 until 30 November 2022, where he was redesignated to Non-Independent Non-Executive Director.</p> <p>Upon completion of Merger Exercise on 30 November 2022, Tan Sri Dr Halim Shafie (Tan Sri Halim) was appointed as Chair of the Board. On 19 January 2023, Tan Sri Halim resigned as Director of the Company and Tengku Dato' Sri Azmil Zahrudin Raja Abdul Aziz (Tengku Azmil) was appointed as the new Chair on the event date.</p> <p>Tengku Azmil is a Non-Independent Non-Executive Director who is primarily responsible for the orderly conduct and function of the Board and ensures its effectiveness on all aspects of its roles.</p> <p>The Deputy Chair, Mr Jørgen Christian Arentz Rostrup, a Non-Independent Non-Executive Director will assist the Chair of the Board in the matters as set out below and will chair the Board Meetings in the Chair's absence.</p> <p>The Chair of the Board shall also act as Chairperson at general meetings. The role of the Chair of the Board is summarised as follows:</p> <ul style="list-style-type: none">(a) Provide leadership for the Board, instilling good corporate governance practices and ensuring effectiveness on all aspects of its role, ensuring the Board plays a full and constructive part in determining the Group's strategies and policies and that the Board decisions taken are in the best interest and fairly reflect Board's consensus;(b) Ensure proper flow of information to the Board, reviewing adequacy and timing of documentation in support of Senior Management's proposals;(c) Setting the Board agenda in advance alongside the CEO and the Company Secretary, ensuring adequate time is available for discussion of all agenda items and the Board receives complete and accurate information in a timely manner;(d) Lead Board meetings and discussions and provide a reasonable time for deliberations at meetings. Encourage active participation and allow dissenting views to be freely expressed, minuted and to promote a culture of openness while maintaining control of the

	<p>proceedings in ensuring no one Director dominates the discussion;</p> <p>(e) Manage the interface and act as the main conduit between the Board and Senior Management including developing a positive relationship with the CEO and Deputy CEO and carry out other duties as requested by the Board as a whole, depending on need and circumstances;</p> <p>(f) Ensure effective communication with shareholders that enables both, the Board and Senior Management to communicate effectively with its shareholders, stakeholders and the public generally, especially on the Group’s sustainability strategies, priorities and targets as well as performance against these targets. The Chair acts as the spokesperson for the Board and as the main representative of the Group alongside the CEO at shareholders meetings and on other occasions where key or major actions are taken or statements are made in the name of the Company/Group; and</p> <p>(g) Act on the results of Board performance evaluation by recognising the strengths and addressing the weaknesses of the Board.</p> <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 the Company’s website at https://celcomdigi.listedcompany.com/corporate_governance.html.</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

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 Board practices a clear demarcation of duties and responsibilities between the Chair and CEO to ensure a balance of power and authority in the Board. The positions of Chair of the Board and CEO are held by two different individuals. The Chair of the Board, Tengku Dato' Sri Azmil Zahrudin Raja Abdul Aziz, is a Non-Independent Non-Executive Director, appointed on 19 January 2023 in place of Tan Sri Dr Halim Shafie whilst the CEO of the Company, is Datuk Mohamad Idham Nawawi.</p> <p>The Chair of the Board is primarily responsible for the orderly conduct and function of the Board, whilst the CEO is responsible for the effective management of the Group's business affairs and leads the implementation of the financial, strategic and organisational performance policies and strategies agreed upon by the Board to maximise shareholders' value.</p> <p>The Deputy Chair and Deputy CEO are held by different person, and they will assist and support the Chair and CEO respectively.</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 the Company's website at https://celcomdigi.listedcompany.com/corporate_governance.html.</p>
Explanation for departure	:	
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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

<p><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></p>	
<p>Application</p>	<p>: Applied</p>
<p>Explanation on application of the practice</p>	<p>: The Chair of the Board from 1 January 2022 till the date of this report are:</p> <ul style="list-style-type: none"> • Mr Haakon Bruaset Kjoel (Haakon Kjoel) (1 January 2022 - 30 November 2022); • Tan Sri Dr Halim Shafie (Tan Sri Halim) (30 November 2022 – 19 January 2023); and • Tengku Dato' Sri Azmil Zahrudin Raja Abdul Aziz (Tengku Azmil) (19 January 2023 – current). <p>Before the completion of the Merger Exercise, Mr Haakon Kjoel, who was the Chair during that time, was also the Chair of the Remuneration Committee and member of the Nomination Committee, as he represented the major shareholder, Telenor Asia Pte Ltd.</p> <p>After the completion of the Merger Exercise on 30 November 2022, Tan Sri Halim, who was a Non-Independent Non-Executive Directors (NINED) was not a member of the Board Audit Committee (BAC), Board Nomination and Remuneration Committee (BNRC) and Board Governance and Risk Management Committee (BGRMC).</p> <p>The current Chair of the Board, Tengku Azmil and the Deputy Chair, Mr Jørgen Christian Arentz Rostrup are not a member of the BAC, BNRC and BGRMC.</p> <p>The Board takes cognisance of the Malaysian Code on Corporate Governance's recommendation for the chairman of the board should not be a member of the committee(s) and to apply the same.</p>
<p>Explanation for departure</p>	<p>: </p>
<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 1.5

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) qualified and experienced Company Secretaries, who are members of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) with each having more than 20 years of corporate experience attending to company secretarial and compliance matters, as well as advocating best corporate governance (CG) practices for adoption.</p> <p>The Company Secretaries work closely with the Chair of the Board, Deputy Chair, CEO, Deputy CEO and Senior Management to ensure timely, appropriate and adequate resources, and that, information flow within and to the Board and Board Committees, and between the Board and Senior Management. The Board members have independent access to the advice and services of the Company Secretaries, to enable them to discharge their fiduciary duties and responsibilities as Directors effectively.</p> <p>The Company Secretaries provides support to the Board in shaping the CG of the Group. In this respect, they play advisory role to the Board, particularly with regards to the Company's Constitution, Board policies and procedures, CG best practices and its compliance with regulatory requirements, codes, guidelines and legislations.</p> <p>In order to upskill themselves and keep abreast with the evolving capital market environment, regulatory changes and developments in corporate governance, the Company Secretaries have attended relevant training and professional development programmes during the financial year. They have also attended continuous professional development programmes required by Companies Commission of Malaysia or MAICSA for practising company secretaries.</p> <p>The roles and responsibilities of the Company Secretaries are outlined in the Board Charter.</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

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 and Deputy Chair in consultation with the CEO and the Company Secretaries. The Chair and Deputy 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. Upon the merger, the Company has adopted a higher corporate governance in which the meeting notice and materials shall be circulated at least twelve (12) days before holding of such 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, the Board Charter and the 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 CEO and Deputy CEO including the authority limits which the CEO and Deputy CEO can execute, and provides guidance on the division of responsibilities between the Board, CEO and Deputy 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, CelcomDigi 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. Following the completion of the merger, CelcomDigi Board reviewed and approved the Board Charter, TORs of the Board Audit Committee, Board Nomination and Remuneration Committee and Board Governance and Risk Management Committee, Non-Executive Directors' Remuneration Policy and CEO's Charter on 1 December 2022.</p> <p>The Board Charter, and TORs of Board Committees, Non-Executive Directors' Remuneration Policy and CEO's Charter are published on CelcomDigi's website at https://celcomdigi.listedcompany.com/corporate_governance.html.</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>Code of Conduct (Code)</u></p> <p>The Board has adopted and implemented a Code which is a vital and integral part of the Group's governance regime. It defines the 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 Code Principles form the foundation of our ethical culture and define the core of our business conduct as follows:</p> <ol style="list-style-type: none">1) We play by the rules;2) We are accountable for our actions;3) We are transparent and honest; and4) We speak up. <p>The principles and provisions in the Code have been incorporated in the 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.</p> <p>The Code does not apply directly to its business partners. However, as part of the Group's responsible business practices, the Company has implemented relevant measures to ensure association with business partners that operate in accordance with the highest ethical standards. In this regard, since 2018, the Group conducts integrity due diligence on its key business partners to validate their respective backgrounds. This is to ensure that the 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 the Group's Agreement on Responsible Business Conduct and its Supplier Conduct Principles.</p>

	<p>On 1 December 2022, the Board reviewed and approved the Code and its applicability under CelcomDigi and its subsidiaries.</p> <p>B) <u>Audit and Risk Committee (ARC) [pre-merger] and Board Governance and Risk Management Committee (BGRMC) [post-merger]</u></p> <p>Prior to merger, the ARC oversees the implementation and effectiveness of the Group’s Compliance Plan. The 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, campaigns and eLearning modules. The 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 within the Group.</p> <p>In addition to the ARC’s responsibilities pertaining to the compliance plan, the ARC also oversees compliance risk in the Group. The Compliance 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>Upon completion of the merger on 30 November 2022, the Company has restructured the ARC into 2 different Board Committees: Board Audit Committee (BAC) and Board Governance and Risk Management Committee (BGRMC), where these functions have been assumed by the BGRMC, except for the review of reported cases which is now under the purview of BAC.</p> <p>The Code is accessible on CelcomDigi’s website at: https://corporate.celcomdigi.com/company/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>CelcomDigi (as a merged entity) adopted its Whistleblowing Policy on 1 December 2022. The objective of the Whistleblowing Policy is to provide an avenue for employees, business partners, customers and the general public to raise concerns on any improper conduct or violation of the Company’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 integrity.hotline@celcomdigi.com; and</p> <p>(b) Reports directly to CelcomDigi Management/leaders, Compliance Officer, or Internal Audit Department (IA).</p> <p>Pursuant to the Code and Whistleblowing Policy, where applicable, any failure by a CelcomDigi employee to report a breach of the Code will warrant an immediate inquiry and appropriate disciplinary action, including and up to dismissal based on the gravity of the breach.</p> <p>The Board Audit Committee (BAC) is responsible to oversee the reports raised by whistleblowers, with a view to ensure that objective and independent investigations are carried out. The Whistleblowing Channel is independently managed by our IA team who also assumes primary responsibility for the investigation and reporting of disclosures received. All disclosures received from employees or external parties via the Whistleblowing Channel are investigated, and findings including recommendations are reported to the BAC quarterly, or more frequently if necessary.</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

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>Sustainability governance remains a priority in CelcomDigi or Digi (pre-merger). The Board has full oversight and approves the company's sustainability strategies, priorities and targets, which includes 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.</p> <p>The Board has outlined the following sustainability practices for implementation in CelcomDigi:</p> <ol style="list-style-type: none"> i. Planning and integration of Sustainability related priorities into company-wide strategies and decision making. ii. Setting and tracking measurable ESG performances. iii. Improvements to disclosures of material matters that are highly prevalent for the telecommunications sector, guided by Bursa Malaysia's latest Sustainability Reporting Guide (3rd Edition). <p>A new Sustainability Governance structure for CelcomDigi is in the midst of finalisation and shall be communicated in due course.</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	:		
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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>Sustainability priorities and performances are disclosed annually in our Integrated Annual Report (IAR) and supplementary Sustainability Performance Report. The IAR includes strategic direction outcomes arising from mega trends and emerging opportunities as well as CelcomDigi’s environmental, social and governance (ESG) performances, in support of United Nations Sustainable Development Goals (SDGs).</p> <p>CelcomDigi’s sustainability strategies, materiality and ESG performances and disclosures are guided by globally recognised reporting frameworks, e.g. Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB). In addition, we participate in annual ESG rating assessments by various rating houses such as Sustainalytics, MSCI, Bursa FTSE4Good and S&P Global, which reflects our aspirations to be at the forefront of ESG performance in Malaysia.</p>	
Explanation for departure	:		
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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>The Board Governance and Risk Management Committee (BGRMC) is the highest governing committee for sustainability-related matters for CelcomDigi. It oversees the group’s sustainability priorities, processes, standards and performances. The Governance and Risk Committee (GRC) assists the BGRMC in strengthening the effectiveness of implementing CelcomDigi’s sustainability policies and procedures at the management level.</p> <p>Under the new Sustainability Governance structure, a Climate Steering Committee (CSC) has been formed, and tasked to oversee climate-related risks and opportunities for CelcomDigi. The CSC also deliberates and recommends environmental actions and initiatives to the GRC for further escalation to the BGRMC.</p> <p>Both CSC and GRC are chaired by the Chief Corporate Affairs Office and the Chief Executive Officer respectively. Both committees encompass of CelcomDigi’s Senior Management team. Under the GRC, the Head of Compliance and Head of Enterprise Risk Management jointly acts as the Secretariat, and with representation by leaders from the Governance and Sustainability-related functions, including but not limited to:</p> <ul style="list-style-type: none"> • Regulatory • Sustainability • Supply Chain Management • Privacy • Human Rights • Cybersecurity • Climate • Health and Safety <p>The GRC will convene on matters pertaining to governance, risk, compliance, and other non-financial performances for escalation to the Board via the BGRMC, on a quarterly basis.</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 4.4

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 2022. The assessment also includes the evaluation of the performance of the Board in addressing the Company’s material sustainability risks and opportunities.</p> <p>The Board Nomination and Remuneration Committee has assessed the Board members on environmental, social and governance (ESG) related matters. As CelcomDigi was only operated as a merged entity and group on 30 November 2022, hence, there was no ESG matter brought to the attention of the Board as at 31 December 2022. Having said that, the Board members are knowledgeable and have the depth of understanding on the sustainability issues that are relevant to CelcomDigi.</p> <p>Prior to merger, the Senior Management also addressed the ESG risks in its risk reporting to the Board and monitored sustainability Key Performance Indicators and targets. The process will be carried out under CelcomDigi as well.</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

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.

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.

Application	:	Adopted
Explanation on adoption of the practice	:	The Chief Corporate Affairs Officer has been appointed as the designated senior leadership member to oversee sustainability related priorities for CelcomDigi.

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 Board Nomination and Remuneration Committee (BNRC) reviews the size, tenure, skills, experience, balance and composition of the Board annually to ensure that the composition of the Board is refreshed periodically for it to operate in an effective manner.</p> <p>The tenure of each Director and annual re-election of Directors are reviewed by the BNRC. The recommendation on the re-election of Directors has taken into consideration the evaluation of the Director's performance including fitness and propriety and contribution to the Board for the financial year under review.</p> <p>The BNRC has reviewed and based on the results of the board effectiveness evaluation exercise conducted by the Company Secretaries, the BNRC is satisfied that the Directors standing for re-election will continue to bear their knowledge, experience and skills and contribution effectively to the Board discussions, deliberations and decision making. The retiring Independent Directors have also complied with the Independence criteria as required by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.</p> <p>The Board has recommended the re-election of the following retiring Directors for the shareholders' approval at the forthcoming 26th Annual General Meeting (AGM):</p> <ol style="list-style-type: none">1. Tengku Dato' Sri Azmil Zahrudin Raja Abdul Aziz2. Mr Jørgen Christian Arentz Rostrup3. Dr Shridhir Sariputta Hansa Wijayasuriya4. Mr Vivek Sood5. Ms Rita Skjaervik6. Tan Sri Abdul Farid Alias7. Puan Khatijah Shah Mohamed8. Ms Vimala V.R. Menon <p>Details of the evaluation are set out in the Corporate Governance Overview Statements on page 98 of the Integrated Annual Report 2022 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>None of the key senior management sits on the Board or Board Committees. The Board currently has ten (10) Directors, comprising six (6) Non-Independent Non-Executive Directors (60%) and four (4) Independent Directors Non-Executive Directors (40%). 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 are Independent Directors.</p> <p>In view of the need to ensure independent and objective judgement in Board deliberations, all Independent Directors of CelcomDigi 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 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 CEO, Deputy CEO 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.</p>

	<p>During the year 2022, the Company has held a total of eighteen (18) Board meetings, with fifteen (15) meetings during pre-merger and three (3) meetings after merger, focused dealing in finance, operational, risks, strategies, merger and 5G related matters.</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>Please provide an alternative practice and explain how the alternative practice meets the intended outcome.</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>CelcomDigi acknowledges the intention of this practice of having a majority of independent directors to ensure objective board decisions. Although currently less than half of the CelcomDigi’s Board is independent, nonetheless, our robust framework, policies, and procedures ensure decisions made by the Board are not influenced by any internal or external factors. Meanwhile, the Board Nomination and Remuneration Committee will continue to review the composition of the Board.</p>
<p>Timeframe</p>	<p>:</p>	<p>Within 3 years</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 Board Nomination and Remuneration 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 but not exceeding twelve (12) years as Independent Director of the Company.</p> <p>During the financial year ended 31 December 2022, the tenure of Puan Yasmin Aladad Khan (Puan Yasmin) as an Independent Director of the Company reached cumulative terms of 9 years on 23 July 2022. The Board upon assessment and satisfaction of Puan Yasmin's performance as Independent Director, agreed to retain her as Independent Director and sought the shareholders' approval at the forthcoming AGM in 2023. However, Puan Yasmin voluntarily resigned upon completion of the Merger Exercise on 30 November 2022.</p> <p>As at the date of this report, none of the Independent Non-Executive Directors has served the Board for more than 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	:		
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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 the Company's ambitions to be an inclusive and diverse organisation by paying attention to attributes such as gender, age, ethnicity and background. For financial year 2022, the Board members' skills and background are diverse ranging from telecommunications, information technology, 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 48 to 73.</p> <p>The Nomination Committee (pre-merger) 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> <p>(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;</p> <p>(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>

	<p>(c) To implement and monitor the progress of the Diversity Policy towards the achievement of such objectives.</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>The Diversity Composition Disclosure of the Board as at 31 December 2022 are as follows:</p> <table border="1" data-bbox="552 584 1401 790"> <thead> <tr> <th colspan="4">Race/Ethnicity</th> <th colspan="2">Age Group</th> <th colspan="2">Gender</th> </tr> <tr> <th colspan="3">Malaysian</th> <th>Non-Malaysian</th> <th rowspan="2">Below 60</th> <th rowspan="2">Above 60</th> <th rowspan="2">Male</th> <th rowspan="2">Female</th> </tr> <tr> <th>Malay</th> <th>Chinese</th> <th>Indian</th> <th>Others</th> </tr> </thead> <tbody> <tr> <td>3</td> <td>1</td> <td>1</td> <td>5</td> <td>7</td> <td>3</td> <td>7</td> <td>3</td> </tr> </tbody> </table> <p>The Diversity Composition Disclosure of the Management (including CEO) as at 31 December 2022 are as follows:</p> <table border="1" data-bbox="552 931 1401 1104"> <thead> <tr> <th colspan="4">Race/Ethnicity</th> <th colspan="2">Age Group</th> <th colspan="2">Gender</th> </tr> <tr> <th colspan="3">Malaysian</th> <th>Non-Malaysian</th> <th rowspan="2">35-50</th> <th rowspan="2">51-65</th> <th rowspan="2">Male</th> <th rowspan="2">Female</th> </tr> <tr> <th>Malay</th> <th>Chinese</th> <th>Indian</th> <th>Other</th> </tr> </thead> <tbody> <tr> <td>4</td> <td>3</td> <td>4</td> <td>1</td> <td>4</td> <td>8</td> <td>10</td> <td>2</td> </tr> </tbody> </table> <p>The profiles of the Board and Key Management indicating their diverse qualifications/experience are presented on pages 76 to 85 of the Integrated Annual Report 2022.</p>	Race/Ethnicity				Age Group		Gender		Malaysian			Non-Malaysian	Below 60	Above 60	Male	Female	Malay	Chinese	Indian	Others	3	1	1	5	7	3	7	3	Race/Ethnicity				Age Group		Gender		Malaysian			Non-Malaysian	35-50	51-65	Male	Female	Malay	Chinese	Indian	Other	4	3	4	1	4	8	10	2
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<p>Measure</p>	<p>:</p>																																																								
<p>Timeframe</p>	<p>:</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 delegates to the Board Nomination and Remuneration Committee (BNRC) the responsibility to establish a formal and transparent procedure for the nomination and appointment of new Directors to the Board. Such responsibilities include screening, conducting initial selection of candidates, performing requisite evaluation and assessment on the candidate's ability to discharge their duties effectively and efficiently, prior to making recommendations to the Board for its approval. The BNRC also ensures candidates possess the appropriate skills, core competencies, experience and integrity to effectively discharge his/her role as a director. The BNRC has the authority to obtain the services of professional recruitment firms to source for candidates for directorship or seek independent professional advice whenever necessary.</p> <p>Telenor Asia Pte Ltd and Axiata Group Berhad, which are the major shareholders, nominates their representatives as Non-Independent Non-Executive Directors (NINED) of the Company.</p> <p>The Nomination Committee (pre-merger) is guided by its Terms of Reference and Fit & Proper Policy in carrying out its responsibilities in respect of the nomination, selection, and appointment process in the Company.</p> <p>During the year under review, the Company has engaged an independent professional recruiting firm, Spencer Stuart to assess and evaluate the proposed new directors and considering the mix of skills, competencies, experience, integrity, personal attributes, and time commitment. The external legal firm, Messrs. Christopher & Lee Ong was also appointed to conduct background search on the proposed new directors.</p> <p>The following directors were appointed on 30 November 2022:</p> <ol style="list-style-type: none">1. Tan Sri Dr Halim Shafie, Chair and NINED2. Mr Jørgen Christian Arentz Rostrup, Deputy Chair and NINED3. Dr Shridhir Sariputta Hansa Wijayasuriya, NINED

	<ol style="list-style-type: none"> 4. Mr Thayaparan S Sangarapillai, NINED 5. Ms Rita Skjaervik, NINED 6. Tan Sri Abdul Farid Alias, Independent Non-Executive Director (INED) 7. Puan Khatijah Shah Mohamed, INED
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 profiles of all the Directors with regards to age, gender, nationality, date of appointment, attendance at Board meetings, length of service as Independent Director, qualifications, directorships in other companies, skills and experience and any conflicts of interest are set out in the Integrated Annual Report 2022.</p> <p>In order for the shareholders to make an informed decision on the re-election of the retiring Directors at the forthcoming 26th AGM of the Company scheduled to be held on 23 May 2023, the Company has included statements to support the re-election of Directors together with the justifications under the Explanatory Notes of the Notice of the AGM.</p> <p>The re-election of each Director is put for voting under separate resolutions during the 25th AGM of the Company and the following retiring Directors have been re-elected as Directors pursuant to Constitution of the Company:</p> <ol style="list-style-type: none">(1) Mr Haakon Bruaset Kjoel;(2) Mr Lars Erik Tellmann; and(3) Datuk Iain John Lo. <p>Based on the schedule of rotation, the following Directors are subject to retirement by rotation pursuant to the Company's Constitution at the forthcoming 26th AGM:</p> <ol style="list-style-type: none">(1) Tengku Dato' Sri Azmil Zahrudin Raja Abdul Aziz(2) Mr Jørgen Christian Arentz Rostrup(3) Dr Shridhir Sariputta Hansa Wijayasuriya(4) Mr Vivek Sood(5) Ms Rita Skjaervik(6) Tan Sri Abdul Farid Alias(7) Puan Khatijah Shah Mohamed(8) Ms Vimala V.R. Menon

	The Board through the Board Nomination and Remuneration Committee has assessed and is satisfied with the performance and contributions of the Directors who are standing for re-election and the justifications are available under the Explanatory Notes of the Notice of the AGM.	
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 Board Nomination and Remuneration Committee (BNRC) can be effectively carried out by an Independent Non-Executive Director in ensuring objectivity and independence in the deliberations of the BNRC including the evaluation of the Board, Board Committees, and individual Directors as well as the selection and appointment process.</p> <p>For the period from 1 January 2022 till 30 November 2022, Puan Yasmin Aladad Khan, an Independent Non-Executive Director was the Chair of Nomination Committee. Upon completion of the Merger Exercise on 30 November 2022, the Board appointed Datuk Iain John Lo (Datuk Iain), an Independent Non-Executive Director as Chair of the BNRC.</p> <p>The profile of Datuk Iain is set out on page 81 of the Integrated Annual Report 2022.</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.</p> <p>Currently there are three (3) women serving as members of CelcomDigi Board reflecting a 30% female representation among Non-Executive Directors. The three female Directors are Ms Rita Skjaervik, Ms Vimala V.R. Menon and Puan Khatijah Shah Mohamed and their profile are set out on pages 79 to 81 of the Integrated Annual Report 2022.</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	:	The Board has a formal policy on diversity terms embedded in the People Policy in 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.	
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, through the Board Nomination and Remuneration Committee (BNRC), has undertaken a formal and objective Board Effectiveness Assessment (BEA) exercise to ensure that the Board has the appropriate mix of skills and experiences and effectively discharges its duties. The BEA is designed to improve the Board’s effectiveness as well as to bring to the Board’s attention on key areas that need to be addressed in order to maintain Board cohesion.</p> <p>During the financial year ended 31 December 2022 (FY2022), the BEA was conducted internally through self-assessment methodologies and facilitated by the Company Secretaries. Each Director was also requested to carry out a self-assessment of his/her skills and experiences against the Company’s requirements through a Board Skills Matrix. This is to enable the BNRC to evaluate if the Board, through its Directors, collectively possesses the necessary skills and experiences to effectively discharge its role.</p> <p>The criteria used in the assessment for the Board and Board Committees encompassed their roles and responsibilities, mix of characteristics, experiences, skills, conduct of meetings, participation and contribution of members during the meetings, their overall performance and Board diversity (including gender diversity). The effectiveness of the Board Committees was assessed in terms of composition, meetings, information, skills & competencies and outcomes of the meetings.</p> <p>The results of the BEA were presented to the BNRC and the Board, and the findings and areas that would necessitate further improvements were acknowledged. The Management thereafter presented the action plans to be taken based on the comments and suggestions made by the Directors.</p>

	<p>Based on the 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. The Board as a whole and its Board Committees have been effective in their overall discharge of functions and duties. The Board is clear in the strategic direction, ethics oversight as well as legal and regulatory compliance of the Company.</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 eighteen (18) Board meetings held during the FY2022 where fifteen (15) for pre-merger and three (3) for post-merger. Similarly for Board Committees meetings, a total of nineteen (19) meetings held in FY2022. Detailed of meetings can be found in Integrated Annual Report 2022.</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 Board Nomination and Remuneration Committee (BNRC) 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 CelcomDigi Group to attract and retain high-performing Directors and/or Senior Management.</p> <p>The level of remuneration of the Non-Executive Directors, CEO, Deputy CEO 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>The Non-Executive Directors' (NED) remuneration comprises an annual fee for service on the Board and Board Committees, which are deemed as benefits. The remuneration level for NEDs reflects their responsibilities and positions on the Board and Board Committees, attendance and any special skills or expertise that they bring to the Board. The Company also reimburses reasonable expenses incurred by the NEDs in the course of their duties. No meeting attendance allowance shall be payable to the Directors.</p> <p>For NEDs representing Telenor Group and Axiata Group, the major shareholders of the Company, they are not entitled to meeting allowance, Board Retainer Fee and Board Committee Retainer Fee.</p> <p>CelcomDigi Group's Remuneration Policy for NED and Terms of Reference of BNRC are in place and published at https://celcomdigi.listedcompany.com/corporate_governance.html.</p> <p>The Company engages independent/external Human Resource firm periodically to benchmark the remuneration of Senior Management</p>

	against the market. At present, CelcomDigi's Board, CEO, Deputy CEO and Senior Management remuneration remain competitive and is benchmarked against industry standards to attract and retain the right talent 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 Board Nomination and Remuneration Committee (BNRC) of CelcomDigi has implemented policies and procedures on remuneration of Non-Executive Directors and Senior Management. Both policies and procedures are published on CelcomDigi's website at https://celcomdigi.listedcompany.com/corporate_governance.html.</p> <p>The BNRC reviews and recommends the remuneration of Non-Executive Directors for the Board's approval and subsequently for shareholders' approval pursuant to the Terms of Reference of the BNRC and Remuneration Policy of Non-Executive Directors. CelcomDigi does not have any Executive Directors on Board. The BNRC has delegated to the CEO to determine the remuneration package for Senior Management under CelcomDigi Authority Matrix approved by the Board.</p> <p>The respective Non-Executive Directors abstained from deliberating and voting on their own remuneration. The Non-Executive Directors who are the employees of Telenor Group and Axiata Group do not receive any form of remuneration from CelcomDigi or its subsidiaries, instead they receive their remuneration from their employing companies. 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, CelcomDigi's Board and Senior Management remuneration remains competitive and is benchmarked against industry standards to attract, retain and motivate the Directors and Senior Management, who will create sustainable value and returns for the Company's members and stakeholders as well as to drive the Group's long-term objectives.</p>

	CelcomDigi engages an independent Human Resource firm to benchmark the remuneration of Senior Management to the market periodically.	
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>CelcomDigi aims to set remuneration at levels which are sufficient to attract, retain and motivate executives and Directors who will create sustainable value and returns for the Company's members and other stakeholders as well as to drive the Group's long-term objectives. There is a clear distinction between the remuneration structure of the Non-Executive Directors and Senior Management.</p> <p>The Board collectively determined the remuneration for the Non-Executive Directors based on the recommendation of the Remuneration Committee. Each of the Non-Executive 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 2022 is disclosed on named basis and based on pre-merger (Digi) and post-merger (CelcomDigi) in our Integrated Annual Report 2022 while the below table discloses the Directors' remuneration as a whole.</p> <p>The Non-Executive Directors who are the employees of Telenor Group or Axiata Group do not receive any form of remuneration from CelcomDigi or its subsidiaries, instead they receive their remuneration from their employing companies.</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 V.R. Menon	Independent Director	285.032	0	0	0	1.300	0	286.332	314.358	0	0	0	1.300	0	315.658
2	Datuk Iain John Lo	Independent Director	285.113	0	0	0	1.300	0	286.413	285.113	0	0	0	1.300	0	286.413
3	Tan Sri Abdul Farid Alias (Appointed on 30 November 2022)	Independent Director	39.525	0	0	0	1.000	0	40.525	39.525	0	0	0	1.000	0	40.525
4	Khatijah Shah Mohamed (Appointed on 30 November 2022)	Independent Director	34.342	0	0	0	1.000	0	35.342	34.342	0	0	0	1.000	0	35.342
5	Tan Sri Halim Shafie (Appointed on 30 November 2022 and resigned on 19 January 2023)	Non-Executive Non-Independent Director	45.833	0	0	0	1.000	0	46.833	45.833	0	0	0	1.000	0	46.833
6	Thayaparan S Sangarapillai (Appointed on 30 November 2022 and resigned on 19 January 2023)	Non-Executive Non-Independent Director	34.325	0	0	0	1.000	0	35.325	34.325	0	0	0	1.000	0	35.325
7	Yasmin Aladad Khan (Resigned on 30 November 2022)	Independent Director	293.333	0	0	0	5.300	0	298.633	293.333	0	0	0	5.300	0	298.633
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

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	:	<p>Currently, Senior Management's remuneration is not disclosed in the Integrated Annual Report, as the Board believes that such disclosure will not be in the Company's best interests given the highly competitive industry the Company operates in. The Board is also mindful of the internal sensitivities such disclosure can cause.</p> <p>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.</p> <p>Please provide an alternative practice and explain how the alternative practice meets the intended outcome.</p>
<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 3 years

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 Board Audit Committee (BAC) comprises three (3) Independent Non-Executive Directors.</p> <p>During the period from 1 January 2022 till 30 November 2022, Ms Vimala V.R. Menon (Vimala) was the Chair of Audit and Risk Committee. Upon the completion of the Merger Exercise on 30 November 2022, the Board appointed Tan Sri Abdul Farid Alias (Tan Sri Farid) as Chair of the BAC and Ms Vimala was redesignated as member of the BAC. Tan Sri Farid is equipped with vast financial knowledge and experience, particularly in banking and capital market industries and is a Fellow Chartered Banker with the Asian Institute of Chartered Bankers.</p> <p>The Chair of the BAC is not the Chair of the Board, so as not to impair the objectivity of the Board's view of the BAC'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 Board Audit Committee (BAC) members are former key audit partners of the External Auditors of CelcomDigi.</p> <p>The Terms of Reference of the BAC requires a former key audit partner to observe a cooling-off period of three (3) years before being appointed as BAC 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 BAC is accessible on CelcomDigi's website at https://celcomdigi.listedcompany.com/corporate_governance.html.</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 recognise the value of an effective Board Audit Committee (BAC) in ensuring the integrity of 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 approval.</p> <p>The BAC considered 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 BAC has assessed the external auditors for the year 2022. 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 2022 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 BAC 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 26th AGM.</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 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	:	Adopted
Explanation on adoption of the practice	:	The Board Audit Committee comprises three (3) Independent Non-Executive Directors, namely Tan Sri Abdul Farid Alias, Ms Vimala V.R. Menon and Puan Khatijah Shah Mohamed.

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 Board Audit Committee (BAC) and each of its members are conducted on an annual basis concurrently with annual Board assessment by the Board Nomination and Remuneration 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 BAC evaluation, the Board was satisfied with the BAC's performance as the Chair and its members possess the necessary knowledge, experience, expertise and skills which contributed to the overall effectiveness of the BAC.</p> <p>All BAC members are financially literate and have sufficient understanding of the Group's business and commercial expertise skills required to discharge their roles and responsibilities effectively. The composition of the BAC is set out in the BAC Report while the profile of each member is disclosed in the Directors' profiles of the Integrated Annual Report 2022.</p> <p>The Chair, Tan Sri Abdul Farid Alias has extensive financial experience particularly in banking and capital market industries. He is assisted by his fellow BAC members, namely Ms Vimala V.R. Menon who is a Fellow of the Institute of Chartered Accountants in England and Wales, United Kingdom and a member of the Malaysian Institute of Accountants, and Puan Khatijah Shah Mohamed who has built a good track record in business development. The BAC meets the requirement of Paragraph 15.09(1)(c)(i) of the MMLR, which stipulates that at least one (1) member of the BAC is a qualified accountant.</p> <p>The BAC ensures that the financial reports of the Company comply with applicable financial reporting standards.</p>

	<p>All BAC members keep abreast of relevant industry developments including accounting and auditing standards, business practices and rules, and enhance their skills through appropriate continuing education programmes and constantly update themselves on new statutory and regulatory requirements.</p> <p>The detailed report of BAC's activities for the financial year ended 31 December 2022 is set out in the BAC Report and details of training programmes attended by the Directors during the year under review are set out in the Integrated Annual Report 2022.</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 the Company's system of internal control and risk management framework and ensuring the adequacy and effectiveness of the system.</p> <p>The Company has restructured the previous Audit and Risk Committee (ARC) into 2 different Board Committees: Board Audit Committee (BAC) and Board Governance and Risk Management Committee (BGRMC). This structural change is for better governance within the Board Committees and more focused deliberations by the respective Board Committees.</p> <p>CelcomDigi 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 ARC pre-merger and the BGRMC post-merger, 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 reviewed the process to ensure that the internal control and risk management framework are adequate and effective. This process was jointly carried through post-merger by the BAC and BGRMC.</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, 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 2022.</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 10.2

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. Prior to merger, 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>Features of the risk management framework and practices are disclosed in the Statement on Risk Management and Internal Control as part of the Integrated Annual Report 2022, 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. Post-merger, this process will be carried through to the Board Governance and Risk Management Committee.</p> <p>The Internal Audit function assists the Board Audit Committee 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 CEO and Chief Financial Officer (CFO) that the Group'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	:		
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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	:	Adopted
Explanation on adoption of the practice	:	<p>The Company has restructured the previous Audit and Risk Committee into 2 different Board Committees: Board Audit Committee and Board Governance and Risk Management Committee (BGRMC) on 30 November 2022. This structural change is for better governance within the Board Committees.</p> <p>The BGRMC aims to oversee the risk management, compliance and monitoring governance framework as well as integrate sustainability risks and opportunities considerations to assist the Board in the Group's long term strategy plans. The BGRMC comprises of two (2) Independent Non-Executive Directors and two (2) Non-Independent Non-Executive Directors.</p>

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, and the Head of Internal Audit reports directly to the Board Audit Committee (BAC). The internal audit function provides independent assurance over the areas reviewed on the effectiveness of the Company’s internal control system, based on the annual Internal Audit Plan approved by the Board. The purpose, authority and responsibility of the Internal Audit department are reflected in the Internal Audit Charter, which is reviewed and approved by the BAC annually.</p> <p>During the year under review, the then Audit and Risk Management Committee (ARC) reviewed the performance of the Head of Internal Audit and held 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 corrective actions, with corresponding deadlines. The reports are tabled, and the summary of key findings are presented to the then ARC for deliberation to ensure that Management undertakes the agreed corrective actions. Management will be invited to present at the BAC meetings where major control weaknesses are highlighted by Internal Auditor.</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>Prior to merger, the Internal Audit department comprised eleven (11) members. The IA department expanded to thirty-two (32) personnel post- merger led by Serena Chin Hui Ling, who has more than 16 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 Board Audit Committee (BAC), and administratively to the CEO. The performance of the Head of Internal Audit is appraised by the BAC.</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 BAC.</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>We utilise multiple communication channels to proactively engage with the investment community on the development of Digi (pre-merger) and CelcomDigi (post-merger). 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, the Company 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 general meetings in the past three (3) years. 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 general meeting 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 latest developments, quarterly financial results, corporate presentations, annual reports, announcements to Bursa Malaysia Securities Berhad (Bursa Malaysia) as well as information on 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 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 engage 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 the Company'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 the Company'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@celcomdigi.com 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 fourth year for the Company in its adoption of Integrated Reporting (IR) Framework set out by the International Integrated Reporting Council (IIRC). The past three (3) publications have been a great learning curve to the Company 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 cognisant 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 AGM. 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	:		
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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 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 25th AGM of the Company was held on 13 May 2022 and the Notice of the 25th AGM was issued to shareholders on 13 April 2022, which is more than 28 days prior to meeting date. In addition to sending notice, the Company also published the Notice of the AGM on the newspaper and on its website.</p> <p>The notes to the Notice of the AGM had provided detailed explanations for each resolution proposed to enable shareholders to make informed decisions in exercising their voting rights. Whereas the Administrative Details which furnished useful information regarding the conduct of the AGM together with the explanatory guide on remote participation and voting were circulated to the shareholders together with the Notice of the AGM.</p> <p>In line with the Securities Commission Malaysia Guidance and FAQs on the Conduct of General Meetings for Listed Issuers, the Company will conduct its 26th AGM on a fully virtual basis via Remote Participation and Electronic Voting (RPEV) facilities on 23 May 2023.</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>The Company held two (2) general meetings in 2022, i.e. 25th AGM on 13 May 2022 and Extraordinary General Meeting (EGM) on 18 November 2022. Other than Ms Wenche Marie Agerup who was absent from the AGM, all Directors including the Chair of the respective Board Committees attended the 25th AGM while the EGM were attended by all Directors. At the AGM, the CEO and CFO provided shareholders with a presentation on the Group's financial performance and operations. The Chair of the Meeting also shared with shareholders at the meeting and responded to questions submitted in advance by the Minority Shareholders' Watch Group. Similarly at EGM, the advisers of the Company were also invited to provide meaningful presentations to the shareholders.</p> <p>During the AGM and EGM, 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> <p>The Chairs of the Board Committees respond to any queries and clarifications addressed to them (if any).</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>The Company has successfully convened its 25th Annual General Meeting (AGM) and Extraordinary General Meeting (EGM) on 13 May 2022 and 18 November 2022 respectively as a fully virtual meeting conducted via live streaming. All members participated in the AGM/EGM online and voted electronically using the Remote Participation and Electronic Voting (RPEV) facilities. Meanwhile, shareholders and proxies of the Company were also able to submit their questions electronically via the virtual event platform before and during the AGM/EGM.</p> <p>The results of all votes casted in respect of each resolution were displayed on-screen at the virtual AGM/EGM. Subsequently, the poll results were announced via Bursa LINK and posted on the Company's website on the same day.</p> <p>At the forthcoming 26th 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</p>

	encrypted, with all keys managed directly by Lumi. There is also audit trail on respective LUMI system.	
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, our virtual AGM and EGM have 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 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 the publication of the Notice of the AGM/EGM prior to the scheduled general meeting.</p> <p>As such, the quality of virtual AGM/EGM has been further strengthened as we continue to emphasise on openness and transparency.</p> <p>At the 25th AGM, the CEO and CFO provided shareholders with a presentation on the Group's financial and non-financial performance, 2021 operational highlights, 2022 priorities and outlook as well as value created for stakeholders. While at the EGM in relation to the Merger Exercise, the relevant advisers were invited to present the merger between Digi.Com Berhad (now known as CelcomDigi Berhad) and Celcom Axiata Berhad (now known as Celcom Berhad).</p> <p>The Chair of the Meetings also shared with shareholders at the meetings and responded to questions submitted in advance by the Minority Shareholders' Watch Group.</p> <p>Following the conclusion of the AGM/EGM, 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 correspondence.</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 :	<p>The Company has successfully organised the virtual AGM for a consecutive three (3) years as well as an online EGM in 2022. These setups are 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 events to prevent any potential technical glitches, while ensuring sufficient capacity to manage large audience size.</p> <p>A presentation on the Company’s performance and major activities during the year under review was presented by the CEO and CFO. In addition to our AGM, the Company also invited advisers to present pertaining to Merger Exercise during EGM.</p> <p>Shareholders are allowed to pose questions and comment on the Company’s performance and operations as well as merger-related questions during the AGM and EGM respectively.</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 13.6

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	: Applied
Explanation on application of the practice	: Minutes of the 25th AGM and EGM together with presentation slides and responses to Minority Shareholders' Watch Group and shareholders were published onto the Company's website within 30 business days after the general meetings upon confirmation by the Board.
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	:

**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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