

INDICATIVE VALUATION LETTER FROM KPMG ON THE VALUATION OF 100% EQUITY INTEREST IN CELCOM



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25 October 2022

Dear Sirs

THIS INDICATIVE VALUATION LETTER IS PREPARED FOR INCLUSION IN THE CIRCULAR TO SHAREHOLDERS OF DIGI.COM BERHAD (“DIGI” OR “COMPANY”)

INDICATIVE VALUATION OF A 100% EQUITY INTEREST IN CELCOM AXIATA BERHAD (“CELCOM”) IN RELATION TO THE PROPOSED MERGER OF CELCOM AND DIGI

(The above valuation is hereinafter to be referred to as the “Indicative Valuation”)

1.0 INTRODUCTION

- 1.1 In accordance with the terms of reference set out in our engagement letter dated 19 May 2021 (“**Engagement Letter**”), the Board of Directors of Digi.Com Berhad (“**Digi**” or “**Company**”) has appointed KPMG Corporate Advisory Sdn Bhd (“**KPMG Corporate Finance**”) to perform an indicative valuation of a 100% equity interest in Celcom Axiata Berhad (“**Celcom**”) in relation to the proposed merger of Celcom and Digi (“**Proposed Merger**”).
- 1.2 This Indicative Valuation letter (“**this Valuation Letter**”) has been prepared at your request for inclusion in the circular to the shareholders of Digi in connection with the Proposed Merger (“**Circular**”). Save and except for this purpose, this Valuation Letter is not to be reproduced, quoted or referred to, in whole, or in part, in any public documents, submissions to any regulatory bodies or announcement without the prior written consent of KPMG Corporate Finance in each specific instance. We are not responsible or liable for any form of losses however occasioned to any third party as a result of the circulation, publication, reproduction or use of, or reliance on this Valuation Letter, in whole or in part.
- 1.3 This Valuation Letter must be read in conjunction with the key bases and assumptions set out in Section 5.0 herein.

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2.0 TRANSACTION BACKGROUND

- 2.1 Digi had on 8 April 2021 announced that Telenor ASA ("**Telenor**"), the parent company of Digi's largest shareholder, Telenor Asia Pte Ltd ("**Telenor Asia**"), and Axiata Group Berhad ("**Axiata**") were in discussion for the proposed merger of the telecommunication ("**telco**") operations of Celcom and Digi.
- 2.2 Subsequently on 21 June 2021, CIMB Investment Bank Berhad, on behalf of the Board of Directors of Digi, announced that Digi had on 21 June 2021 entered into a conditional share purchase agreement with Axiata for the Proposed Merger ("**SPA**").
- 2.3 Pursuant to the SPA, the Proposed Merger involves Digi acquiring 1,237,534,681 ordinary shares in Celcom representing 100% of the equity of Celcom from Axiata for an aggregate consideration of RM17,756,156,250 which shall be satisfied by:
- (i) Digi issuing concurrently:
- (a) 73,378,844 fully paid-up new ordinary shares of Digi ("**Digi Shares**") or such other number of fully paid-up new Digi Shares representing 0.63% of the enlarged share capital of Digi on completion of the Proposed Merger, to Telenor Asia as nominee of Axiata subject to, amongst others, the payment by Telenor Asia to Axiata of a cash consideration of RM297,918,107; and
- (b) 3,883,129,144 fully paid-up new Digi Shares or such other number of fully paid-up new Digi Shares representing 33.10% of the enlarged share capital of Digi on completion of the Proposed Merger, valued at RM15,765,504,325 to Axiata,
- (ii) Digi making a cash payment of an amount equal to RM1,692,733,818 ("**Cash Consideration**") to Axiata, which is subject to adjustment under the terms of the SPA.
- 2.4 Upon completion of the Proposed Merger, Telenor Asia and Axiata will each hold an equal shareholding of 33.1% in Digi after the Proposed Merger ("**MergeCo**").

3.0 OVERVIEW OF CELCOM

- 3.1 Celcom and its subsidiaries, associate company and joint venture company ("**Celcom Group**") are principally involved in the provision of mobile communications services and network transmission-related services. Celcom Group's principal market for its services is Malaysia. The principal activities of the companies within the Celcom Group that are included in the Proposed Merger, are set out below.

Name	Principal activities
Celcom Axiata Berhad (" Celcom ")	Telecommunications network capacity, infrastructure and services, and provision of management services to its subsidiaries.

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3.0 OVERVIEW OF CELCOM (Cont.)

Name	Principal activities	Equity Interest Held (%)
Subsidiaries held through Celcom		
Celcom Mobile Sdn. Bhd. ("Celcom Mobile")	Mobile communications, network and application services and content	100.00
Celcom Networks Sdn. Bhd.	Network telecommunications, capacity and services	100.00
Celcom Properties Sdn. Bhd.	Property investment	100.00
Escape Axiata Sdn. Bhd.	Over-The-Top and other on demand content services (<i>Inactive</i>)	100.00
Celcom Retail Holding Sdn. Bhd.	Strategic and business development, management, administrative, support services and investment holding	100.00
Celcom Intelligence Sdn. Bhd.	Investment holding (<i>Inactive</i>)	100.00
Celcom Timur (Sabah) Sdn. Bhd.	Fibre optic transmission network	80.00
Celcom eCommerce Sdn. Bhd.	Electronic wallet services (<i>Inactive</i>)	100.00
Celcom Resources Berhad	Investment holding	100.00
Bridgenet Solutions Sdn Bhd ¹	Provision of cybersecurity solutions, networking solutions and other ICT solutions as well as managed services provider	51.00
Infront Consulting Group (M) Sdn Bhd ²	Provision of shared services or outsourcing services in relation to business management and integration system and provision of related services for implementation, technical services and maintenance	60.00
Subsidiary held through Celcom Retail Holding Sdn. Bhd.		
Celcom Retail Sdn. Bhd.	Trading and distribution of communication devices and related products and managing retail stores	100.00
Subsidiary held through Celcom Resources Berhad		
Celcom Trading Sdn. Bhd.	Dealings in marketable securities	100.00
Subsidiary held through Infront Consulting Group (M) Sdn Bhd ²		
Infront Consulting Group (S) Pte Ltd	Software consultancy	69.00
Associate Company		
Sacofa Sdn. Bhd.	Telecommunications infrastructure and services including all its related businesses	15.12
Joint Venture		
Tune Talk Sdn. Bhd.	Mobile communications services	35.00

¹ Celcom had completed the acquisition and subscription of a total of 51% equity interest in Bridgenet Solutions Sdn Bhd on 8 January 2022.

² Celcom had completed the acquisition and subscription of a total of 60% equity interest in Infront Consulting Group (M) Sdn Bhd on 20 January 2022.

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4.0 BASIS OF THE INDICATIVE VALUATION

4.1 Subject of the Indicative Valuation

This Indicative Valuation seeks to estimate a range of indicative values for a 100% equity interest in Celcom, inclusive of its subsidiaries, investment in associate company and joint venture company, on a standalone 'as is' pre-merger basis.

The valuation excludes Celcom's entire 20% equity interest in a joint venture, namely Merchantrade Asia Sdn Bhd which shall be transferred out of Celcom before the completion of the Proposed Merger. (Note: Merchantrade Asia Sdn Bhd has been transferred to a wholly owned subsidiary of Axiata on 2 November 2021).

4.2 Date of the Indicative Valuation

The date of this Indicative Valuation is 7 April 2021, being the last trading day prior to the announcement of the Proposed Merger ("**Valuation Date**") and is based on the audited financial statements of Celcom as at 31 December 2020.

In addition, this Indicative Valuation has taken into consideration key events of Celcom after the Valuation Date up to 25 October 2022 including the financial statements of Celcom Group for the financial year ended 31 December 2021 and the six (6) month's period ended 30 June 2022, for purpose of reasonableness check if any subsequent material events would impair our opinion of value of the shares of Celcom as at the Valuation Date.

4.3 Basis of Valuation

- i) The standard of value that applies to this Indicative Valuation is the market value, defined as the estimated amount for which an asset should exchange on the valuation date between a willing buyer and a willing seller at an arm's length transaction, after proper marketing, and where the parties had each acted knowledgeably, prudently, and without compulsion.
- ii) We understand that the Proposed Merger will not result in any particular shareholder gaining control over the merged entity. In addition, we approach the valuation of Celcom for the purpose of the Proposed Merger based on the merger of equals principle where we consider the valuation of Celcom's shares relative to the market pricing parameters of Digi's shares, on a standalone pre-merger basis excluding potential synergies arising from the Proposed Merger. Accordingly, no control premium is considered in this Indicative Valuation.
- iii) The premise of valuation is for a going concern use.
- iv) It must be emphasised that the range of values estimated by us involves a high degree of subjectivity and element of judgment. The final price of the business will reflect the specific circumstances of the buyer and seller, and their perceptions of business and market factors at the point of execution.

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5.0 KEY BASES AND ASSUMPTIONS

This Indicative Valuation is prepared based on the key bases and assumptions as set out below. We wish to highlight that the Indicative Valuation may be materially or adversely affected should the actual results or events differ from any of the bases and assumptions upon which the Indicative Valuation were based.

- (i) We have relied on the financial and non-financial information obtained from the virtual data room provided by the management of Celcom on or before 20 May 2021 in the form of audited financial statements for financial years ended 31 December (“FY”) 2018 to 2020, management reports for FY2018 to FY2020, schedules, data and supporting documents. Subsequently, we have been provided with the audited financial statements for FY2020 of the associate company of Celcom, namely Sacofa Sdn Bhd (“**Sacofa**”), the audited financial statements for FY2021 of Celcom Group, and the Unaudited Condensed Consolidated Financial Information for the 6 months’ ended 30 June 2022 of Celcom Group. (These information are collectively referred to as “**Information**”).

Our scope of work does not include performing procedures to verify the Information. We assume the Information provided by management of Celcom in the data room, are to the best of their knowledge, true and fair. Additionally, the scope of our work is different from that required for an audit which is based on generally accepted auditing standards and for that reason, it does not provide the same level of assurance as an audit of financial statements. We assume all such Information provided to us is accurate, complete and reliable.

- (ii) We have not been given access to the business plan and financial projections of Celcom Group. Our indicative valuation of Celcom is performed in a limiting condition based on historical Information available in the data room and those available in the public domain, including investor relations presentations by Axiata that contained management’s discussion and analysis of the Celcom Group. We have also not been given direct access to any discussions and meetings with the Management of Celcom. Alternatively, we have sought clarification on the Information available in the data room from Celcom and / or Axiata through Digi and Digi’s principal advisor.
- (iii) Change in the net debt and net working capital position of Celcom Group between 31 December 2020 and the closing date of the Proposed Merger will be adjusted from the Cash Consideration pursuant to Clause 7 (Adjustments to the Cash Consideration) of the SPA.
- (iv) The contingent liabilities pertaining to two counterclaim suits against Celcom Group involving a potential claim sum of c.RM7.2 billion plus interest for each suit have not been adjusted in this Indicative Valuation. Pursuant to Clause 9.5 (TSDTR Indemnity) of the SPA, Axiata shall separately indemnify each Digi Group or Celcom Group, as the case may be, for losses arising from the said legal suits, if any.

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- (v) The contingent liabilities arising from the ongoing tax audits by Inland Revenue Board of Malaysia on Celcom and its subsidiaries have not been adjusted in this Indicative Valuation, where any additional tax assessment shall be paid by Axiata to Digi pursuant to Clause 12 (Axiata Tax Covenant) of the SPA.
- (vi) The Indicative Valuation is performed under the assumption that there are no other undisclosed actual or contingent assets or liabilities, including but not limited to, any contract and/or off-balance sheet financial instruments, no unusual obligations or commitments other than in the ordinary course of business, nor any pending litigation which would have a material effect on the financial position or business of Celcom.

6.0 SUBSEQUENT KEY EVENTS AFTER VALUATION DATE

Considering the time interval between the Valuation Date and the date of this Valuation Letter, we have performed the following review procedures in relation to the information and events of Celcom subsequent to the Valuation Date.

- (i) Latest financials of Celcom Group

We have reviewed the latest financial results of Celcom Group for FY2021 and the 6 months' period ended 30 June 2022, and have assessed that the maintainable earnings of Celcom Group based on PATAMI and FCF adopted in the Market Approach valuation analysis set out in Section 7.1 herein remain appropriate and reasonable.

Similarly, we have reviewed the latest audited financial statement for FY2021 of Sacofa, an associate company of Celcom, and have assessed that the maintainable earnings based on EBITDA adopted in the Market Approach valuation analysis set out in Section 7.2 herein remains appropriate and reasonable.

The movement in net working capital and net debt from 31 December 2020 to the closing date of the Proposed Merger will be dealt with as discussed in Section 5.0(iii) of this Valuation Letter.

- (ii) Latest benchmark of comparable companies' market price multiples

We have analysed the price multiples of comparable companies as at the latest practicable date of 30 September 2022, and have assessed that the price multiples applied in the Market Approach valuation analysis set out in Sections 7.1 and 7.2 herein remain appropriate and reasonable.

- (iii) Two acquisitions by Celcom

We have noted the following two acquisition transactions entered into by Celcom, which has been notified by Axiata to Digi vide letters dated 9 September 2021 and 13 December 2021.

- a) On 15 November 2021, Celcom entered into a conditional share sale agreement and a conditional share subscription agreement for the proposed acquisition and subscription of the ordinary shares in Bridgenet Solutions Sdn Bhd ("Bridgenet"), representing 51% of the enlarged issued and paid-up share capital of Bridgenet for a total cash consideration of RM36.1 million. The proposed acquisition of Bridgenet was completed on 8 January 2022.

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Bridgenet's principal business activity is the provision of cybersecurity solutions, networking solutions and other ICT solutions as well as managed services.

- b) On 26 August 2021, Celcom entered into a conditional share purchase agreement and a conditional share subscription agreement for the proposed acquisition and subscription of the ordinary shares in Infront Consulting Group (M) Sdn Bhd ("Infront Malaysia"), representing 60% of the enlarged issued and paid-up share capital of Infront Malaysia for a total cash consideration of RM5.49 million. The proposed acquisition of Infront Malaysia was completed on 20 January 2022.

Infront Malaysia's principal business activity is the provision of shared services or outsourcing services in relation to business management and integration system and provision of related services for implementation, technical services and maintenance.

The acquisitions of Bridgenet and Infront Malaysia appear to fall under the Celcom Permitted Interim Period Acquisitions pursuant to Clause 5.2 (Axiata Pre-Closing Obligations), Schedule 6, Part 1 (Ordinary Course Covenants) of the SPA. The proposed acquisitions of Bridgenet and Infront Malaysia are below the materiality threshold for the Celcom Permitted Interim Period Acquisitions of not more than RM170 million in aggregate.

We wish to inform that as at the Valuation Date of 7 April 2021, Bridgenet and Infront Malaysia were not part of the Celcom Group. We noted that no contingent liabilities were disclosed in the latest available FY2021 audited financial statements of Bridgenet and Infront Malaysia.

- (iv) Undertaking to MCMC

On 28 June 2022, Digi announced to Bursa Malaysia that the Malaysian Communications and Multimedia Commission ("MCMC") has issued to Digi and Celcom ("the Parties") a Notice of No Objection for the Proposed Merger. The Notice also states that MCMC has reviewed the undertakings offered by the Parties in connection with the Parties' application with MCMC for the Proposed Merger ("Undertaking"). The Undertaking was offered by the Parties in addressing issues identified by MCMC to ensure that consumers in Malaysia will continue to benefit from effective competition in the telecommunication sector. The Undertaking as disclosed in the said Digi's announcement includes:

- (a) Divestment of 70 MHz of the MergeCo's spectrum across 1800 MHz, 2100 MHz, and 2600 MHz, the first band to be returned to the MCMC within 24 months after completion of the merger, and the second and third bands to be returned within 36 months after completion of the merger;
- (b) Establishing a separate independent business unit for MVNO wholesale business under MergeCo within six months after completion of the merger and ensuring continuity of access to wholesale services for MVNOs at terms no worse off than existing agreements;
- (c) Divestment of Celcom's "Yoodo" brand within the stipulated time after completion of the merger as committed to MCMC, which currently offers fully digital and customisable retail mobile plans to subscribers;

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- (d) Enabling non-exclusive distributors in the Sabah, Sarawak, Kelantan, Pahang and Terengganu regions by the end of Year 3 after completion of the merger; and
- (e) Positioning the existing Digi and Celcom brands as products under a single MergeCo corporate brand by the end of Year 2 after completion of the merger.

The Undertaking by Digi and Celcom to MCMC (including the cost to fulfill the Undertaking) will only be effective after the completion of the Proposed Merger. Hence, the Undertaking (including the cost to fulfill the Undertaking) does not impact our valuation of Celcom, which for the purpose of a merger, this Indicative Valuation was performed premised on a standalone 'as is' pre-merger basis excluding potential synergies arising from the Proposed Merger.

(v) Tune Talk Litigation

Celcom, through its subsidiary, Celcom Mobile holds a 35% equity interest in Tune Talk Sdn Bhd ("**Tune Talk**"). Certain shareholders of Tune Talk ("Plaintiffs") had on 28 September 2021 filed an originating summons ("OS") to the High Court of Malaya ("High Court") in Kuala Lumpur on Axiata, Celcom, Celcom Mobile, Tune Talk and the other shareholders of Tune Talk as defendants ("Tune Talk Litigation") pertaining to the allegations by the Plaintiffs that the Proposed Merger would purportedly result in a change in control of a shareholder in Tune Talk which allegedly amounts to a material breach under the shareholders' agreement of Tune Talk dated 23 December 2008 ("Alleged Breach"). The Plaintiffs had sought for amongst others, the relief that Axiata be restrained from including Celcom Mobile's shareholding in Tune Talk from being included in the Proposed Merger. On 29 March 2022, the High Court granted an order in favour of the Plaintiffs where Axiata is prohibited by an injunction from including the 5,250,000 ordinary shares in Tune Talk held by Celcom Mobile ("Tune Talk Shares"), as part of the proposed sale of Axiata's shareholding in Celcom to Digi ("the Tune Talk Injunction"). Following the said decision, Celcom, Celcom Mobile and Axiata had filed a Notice of Appeal dated 30 March 2022 at the Court of Appeal to appeal against the High Court's decision. The Court of Appeal proceeded to fix a hearing date on 7 December 2022.

A Notice of Arbitration dated 8 November 2021 was also issued/notified to Axiata, Celcom and Celcom Mobile in respect of (i) a purported notice of material breach; and (ii) the subsequent compulsory transfer notice where the Plaintiffs demanded for the Tune Talk Shares to be compulsorily transferred to the other shareholders of Tune Talk as a result of the Alleged Breach ("Arbitration"). The oral hearing of the Arbitration has been fixed on 14 November 2022 and 15 November 2022.

Given that the Arbitration is still pending, in the event Celcom, Celcom Mobile and Axiata are unable to overturn the High Court Decision at the Court of Appeal before the completion of the Proposed Merger, Axiata will be restrained by the Tune Talk Injunction from including the Tune Talk Shares as part of the proposed sale of Axiata's shareholding in Celcom to Digi.

Following the above matters, Digi and Axiata each has intention to exclude the Tune Talk Shares from the MergeCo Group, notwithstanding that the Tune Talk Shares are part of the subject matter of Digi's acquisition under the SPA ("Tune Talk Carve-Out").

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To expedite the resolution on this matter and on the Tune Talk Injunction, Celcom had initiated discussions with the Plaintiffs to resolve the Tune Talk Litigation with the objective of procuring the Plaintiffs to withdraw the OS and the Arbitration (including agreeing to lift the Tune Talk Injunction) and in return, Celcom shall offer the Tune Talk Shares to the entitled shareholders of Tune Talk in accordance with the terms of the Tune Talk Shareholders Agreement (“Settlement”).

In the event the Settlement cannot be reached by the parties, Celcom Mobile intends to consent to the Compulsory Transfer Notice issued by the Plaintiffs whereby all the Tune Talk Shares will be offered by Celcom Mobile to the entitled shareholders of Tune Talk at RM1.10 per Tune Talk Share in accordance with the terms of the Tune Talk Shareholders Agreement (“Compulsory Transfer Notice”).

Axiata and Digi have intended that any proceeds to be received by Celcom Mobile upon completion of the Settlement or Compulsory Transfer Notice will be retained by Celcom Mobile.

In this Indicative Valuation, for prudence, we have assessed a nil value for Celcom’s 35% interest in Tune Talk considering that Tune Talk has negative shareholders’ funds of RM72.2 million as contained in the audited financial statements of 31 December 2020, and that based on disclosure of Celcom Group’s FY2020 and FY2021 audited financial statements, Celcom Group’s investment cost in Tune Talk has been fully impaired and Celcom Group has no obligations for losses in Tune Talk beyond its investment cost. Accordingly, the outcome of the Tune Talk Litigation, the Arbitration, the Tune Talk Carve-Out, the Settlement or the Compulsory Transfer Notice, would not have negative impact on our valuation of Celcom. Please refer to Section 7.2 (ii) of this Valuation Letter for the valuation analysis of Celcom’s 35% shareholding in Tune Talk.

(vi) Subscription of shares in Digital Nasional Berhad (“DNB”)

We understand that on 7 October 2022, four (4) telecommunication service providers, namely Digi Telecommunications Sdn Bhd (a wholly-owned subsidiary of Digi), Celcom Mobile (a wholly-owned subsidiary of Celcom), Telekom Malaysia Berhad, and YTL Communications Sdn Bhd had each entered into a conditional share subscription agreement with DNB for the proposed subscription of shares in DNB.

In particular, Celcom Mobile has entered into a conditional share subscription agreement with DNB for the subscription by Celcom Mobile of (i) 100,000 new ordinary shares in DNB for the sum of RM100,000, and (ii) 178,471,429 Rights to Allotment for the sum of RM178,471,429, collectively representing a 12.5% stake in DNB. In the event the merger of Celcom and Digi is not completed by 30 June 2023, and provided there is no termination of the other share subscription agreements, Celcom Mobile’s rights to allotment in DNB shall be increased from 178,471,429 to 291,566,667, which will result in Celcom Mobile holding 17.5% stake in DNB (“Transaction”). Accordingly, if the Proposed Merger is completed by 30 June 2023, the total subscription price payable by Celcom Mobile will be RM178,571,429. In the event the Proposed Merger is not completed by 30 June 2023, the total subscription price payable by Celcom will be RM291,666,667. The Transaction will be funded through internally generated funds.

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In Celcom's announcement on Bursa Malaysia, Celcom states that the subscription price is at par value of RM1.00 per ordinary share of DNB and is the same for all the investors of DNB. Celcom also states that the Transaction is not expected to have any adverse impact on Celcom Mobile's future prospects, notwithstanding there is no assurance that anticipated benefits of the Transaction will be realised. DNB is a special purpose vehicle established by the Government as the sole owner and operator of 5G network in Malaysia under the Single Wholesale Network model. DNB's principal activity is to own, build and operate a 5G network and infrastructure exclusively and to provide access to its network to licensed telecommunication service providers in Malaysia. Premised on the said Celcom's disclosures and our understanding of the principal business of DNB, we evaluate that the Transaction would not have negative impact on our valuation of Celcom.

7.0 VALUATION METHOD AND ANALYSIS

7.1 Valuation of the Shares of Celcom

(1) Market Approach

In our valuation assessment of Celcom, **we adopt the Market Approach method of valuation.**

The Market Approach is a relative valuation method which assumes that businesses operating in the same industry will share similar characteristics and the subject business' value will correlate to those characteristics. Therefore, a comparison of the subject business to similar businesses whose financial information and market value or transaction value are publicly available would provide a reasonable basis to estimate the subject business / share value.

Under the Market Approach, reference is made to price multiple benchmarks of comparable businesses / assets. In this Indicative Valuation, we are guided by the principle of a merger of equals where our valuation of Celcom is referenced to the range of market pricing parameters (price multiples) of Digi whilst we also consider the telco industry market pricing parameters for reasonableness check.

In this Indicative Valuation, we apply the following pricing multiple methods:

- (i) **Enterprise Value-to-Free Cash Flow multiple ("EV/FCF") method** where free cash flows ("FCF") are based on earnings before interest, taxation, depreciation and amortisation ("EBITDA") less capital expenditure.

In the application of the EV/FCF method, we estimate a level of future maintainable FCF of Celcom Group to be equivalent to Celcom Group's FCF in FY2020, and apply EV/FCF multiple in the range of 14.1x to 15.5x, capitalising them into a value to derive the business value (Enterprise Value) of Celcom. The business value is thereafter adjusted for cash and debt position to derive the share value (Equity Value) of Celcom. FY2020 FCF is adopted after taking into consideration the historical financial performance of Celcom in FY2019 and FY2020, and the telco industry's outlook in general. The said range of EV/FCF multiple is selected after considering the reference EV/FCF of Digi shares analysed at an average EV/FCF of 15.5x (high of 16.2x and low of 14.8x) whilst the other telco peers were in the range of 14.1x to 15.7x, during the period from January 2019 to 7 April 2021 (Refer to Appendix 2(i)(b) herein for analysis of EV/FCF multiples of comparable companies).

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We set out below the EV/FCF method valuation analysis of a 100% interest of Celcom:

Valuation Analysis Market Approach – EV/FCF Method	Lower range value RM'mil	Higher range value RM'mil
EV/FCF multiple	14.1 x	15.5 x
FY2020 FCF ¹	1,596	1,596
Enterprise Value	22,504	24,738
Less: Net debt as at 31.12.2020 ²	(6,476)	(6,476)
Less: Non-controlling interest	(77)	(77)
Add: Investment in associate company and joint venture ³	288	288
Equity value of 100% interest in Celcom	16,239	18,473

¹ Please refer to Appendix 1 of this Valuation Letter for Celcom's historical financial analysis

² Comprises borrowings (which includes RM2.4 billion mudharabah facility extended by Axiata to Celcom Networks Sdn Bhd), lease liabilities, deposits, cash and bank balance, and non-trade amount due from Axiata.

³ Please refer to valuation analysis set out in Section 7.2 of this Valuation Letter.

- (ii) **Price-to-Earnings ratio ("PER") method** where the earnings are based on profit after tax and minority interest ("PATAMI").

In the application of the PER method, we estimate a level of future maintainable PATAMI of Celcom Group to be equivalent to Celcom Group's PATAMI in FY2020, and apply PER in the range of 24.0x to 26.5x, capitalising them into a value to derive the share value (Equity Value) of Celcom. FY2020 PER is adopted after taking into consideration the historical financial performance of Celcom in FY2019 and FY2020, and the telco industry's outlook in general. The said range of PER is selected after taking into consideration the reference PER of listed telco companies in Malaysia, in particular we analyse Digi's PER multiples were in the range of 23.9x to 26.5x from January 2019 to 7 April 2021 (Refer to Appendix 2(i)(a) herein for analysis of PER of comparable companies).

We set out below the PER method valuation analysis of a 100% interest of Celcom:

Valuation Analysis Market Approach – PER Method	Lower range value RM'mil	Higher range value RM'mil
PER multiple	24.0 x	26.5 x
FY2020 PATAMI (exclude share of profit in associate company and joint venture) ¹	656	656
	15,744	17,384
Add: Fair value of investment in associate company and joint venture ²	288	288
Equity Value of 100% interest in Celcom	16,032	17,672

¹ Please refer to Appendix 1 of this Valuation Letter for analysis of PATAMI

² Please refer to valuation analysis set out in Section 7.2 of this Valuation Letter

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(2) Income Approach – Discounted Cash Flow Method

We have not applied the Income Approach – Discounted Cash Flow method in our valuation assessment of Celcom premised on the following factors:

- a) The business plan and financial projections of Celcom Group were not provided to us by management of Celcom.
- b) The mobile communication industry is expected to experience uncertainties in the next few years with impending industry structural changes following the national vision to develop and manage 5G infrastructure under a single 5G network infrastructure owner and operator, namely Digital Nasional Berhad (DNB), who will deploy access to 5G network on the strategy of Single Wholesale Network model.
- c) Under the 5G Single Wholesale Network model, the profitability and cashflows of mobile network operators may change considerably depending on the business model and objectives to be adopted by DNB and the respective mobile network operators in the future. In view of this, no meaningful financial projections can be simulated for the purpose of the Income Approach (i.e., DCF method) as the actual result may vary considerably due to the uncertainties.

7.2 Fair Value Analysis of Celcom’s Investment in Associate Company and Joint Venture

Celcom has investments in an associate company comprising a 15.12% equity interest in Sacofa Sdn Bhd (“Sacofa”), and a joint venture company comprising a 35% equity interest in Tune Talk Sdn Bhd (“Tune Talk”). The fair value of these investments in associate company and joint venture are separately assessed and thereafter added to our valuation assessment of shares in Celcom as analysed in Section 7.1 above.

i) Investment in Associate Company

The fair value of Celcom’s investment in associate company, Sacofa is assessed based on the Market Approach using the Enterprise Value-to-Earnings Before Interest, Tax, Depreciation and Amortisation (EV/EBITDA) method. The EV/EBITDA method is adopted on the basis that there are limited telco tower companies in Malaysia whose financial and pricing data are publicly available, hence, the comparable companies across Asian countries were selected for benchmarking purpose, and accordingly the application of EBITDA earnings base is deemed more appropriate as the comparable companies across different countries have different tax regimes and capital structures.

In the application of the EV/EBITDA method, we estimate a level of future maintainable EBITDA of Sacofa to be equivalent to Sacofa’s EBITDA in FY2020, and apply EV/EBITDA multiple of 10.0x, capitalising them into a value to derive the business value (Enterprise Value) of Sacofa. The business value is thereafter adjusted for cash and debt position to derive the share value (Equity Value) of Sacofa. The FY2020 EBITDA is adopted after taking into consideration the financial performance of Sacofa in FY2019 and FY2020. The said range of EV/EBITDA multiple is selected after considering the reference EV/EBITDA of listed telco tower companies in Asia in the small market capitalisation group which averaged 10.4x. Please refer to Appendix 2(ii) herein for analysis of EV/EBITDA multiples of comparable companies.

INDICATIVE VALUATION LETTER FROM KPMG ON THE VALUATION OF 100% EQUITY INTEREST IN CELCOM (Cont'd)



We set out below our valuation analysis of the fair value of Celcom's investment in associate company, Sacofa:

Analysis of fair value of Celcom's investment of 15.12% in associate company, Sacofa	RM'mil
Market Approach – EV/EBITDA Method	
EV/EBITDA multiple	10.0 x
FY2020 EBITDA	171
Enterprise Value	1,710
Add: Net cash as at 31.12.2020 *	193
Equity value of 100% interest in Sacofa	1,903
Fair value of Celcom's investment of 15.12% interest in Sacofa	288

* Comprises cash and bank balance and lease liabilities.

We wish to highlight that save for the statutory financial statements of Sacofa, we have not been provided with information on detailed financial and operational performance of Sacofa. Accordingly, our assessment of the fair value of Celcom's investment of 15.12% interest in Sacofa at RM288 million, is high level in nature under the limiting condition of availability of information on Sacofa. It is to note that the said fair value of Celcom's investment in Sacofa represents less than 2% of our valuation of the shares of Celcom for the purpose of this Indicative Valuation.

ii) Investment in Joint Venture

The fair value of Celcom's 35% interest in joint venture, Tune Talk, for prudence, is assessed at nil value for the purpose of this Indicative Valuation as Tune Talk has negative shareholders' funds of RM72.2 million as at 31 December 2020. Further, based on disclosure in Celcom Group's FY2020 and FY2021 audited financial statements, Celcom Group's investment cost in Tune Talk has been written down to nil value and Celcom Group has no obligations for losses in Tune Talk beyond its investment cost.

We wish to highlight that save for the statutory financial statements of Tune Talk for FY2020, we have not had access to information on detailed financial and operational performance of Tune Talk. Accordingly, our assessment of the fair value of Celcom's investment of 35% interest in Tune Talk is high level in nature.

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INDICATIVE VALUATION LETTER FROM KPMG ON THE VALUATION OF 100% EQUITY INTEREST IN CELCOM (Cont'd)



8.0 CONCLUSION OF VALUE

Premised on the key bases and assumptions underlying the Indicative Valuation as set out in Section 5.0, and the basis of valuation and valuation approach explained in Sections 4.0 and 7.0 respectively above, **we arrive at an indicative value of a 100% equity interest in Celcom as at the Valuation Date of 7 April 2021 in the range of RM16,032 million to RM18,473 million**, after taking into consideration:

- (i) the Market Approach - EV/FCF method valuation analysis which indicates equity valuation range of RM16,239 million to RM18,473 million, as shown in Section 7.1(1)(i) above;
- (ii) the Market Approach - PER method valuation analysis which indicates equity valuation range of RM16,032 million to RM17,672 million, as shown in Section 7.1(1)(ii) above; and
- (iii) the upper range value based on the PER method of RM17,672 million is considerably lower than the upper range value based on the EV/FCF method of RM18,473 million, mainly because the PER multiple benchmarks are influenced by the differing level of capital assets depreciation of the various comparable companies whilst the EV/FCF price multiple does not consider the element of depreciation which is a non-cash item. Hence, in our view, the upper range value based on EV/FCF method of RM18,473 million is justified.

9.0 RESTRICTION

This Valuation Letter has been prepared strictly for the exclusive use of Digi for inclusion in its circular to shareholders to be issued in relation to the Proposed Merger and is not intended for general circulation or publication and is not to be reproduced, quoted or referred to, in whole or in part, in any public documents, submissions to any regulatory bodies or announcement without the prior written consent of KPMG Corporate Finance in each specific instance. We are not responsible or liable for any form of losses however occasioned to any third party as a result of the circulation, publication, reproduction or use of, or reliance on this Valuation Letter, in whole or in part.

Neither KPMG Corporate Finance nor any of its members of employees undertakes responsibility arising in any way whatsoever to any person in respect of this Valuation Letter, including any error or omission therein, however caused.

Yours faithfully,

For and on behalf of
KPMG Corporate Advisory Sdn Bhd

Choo Soke Yee (Emily)
 Executive Director, Advisory
 Corporate Finance

INDICATIVE VALUATION LETTER FROM KPMG ON THE VALUATION OF 100% EQUITY INTEREST IN CELCOM (Cont'd)



APPENDIX 1 – HISTORICAL FINANCIAL ANALYSIS OF CELCOM GROUP

Set out below is the analysis of PATAMI and FCF based on the Statement of Comprehensive Income of Celcom Group for FY2018 to FY2021 and the 6-months' period ended 30 June 2022.

a) PATAMI computation

Celcom Group - Statement of Comprehensive Income		12 months		12 months		12 months		6 months	
		31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21	30-Jun-22	30-Jun-22	30-Jun-22	30-Jun-22
RM'mil		Audited	Audited	Audited	Audited	Audited	Unaudited	Unaudited	Unaudited
Revenue		7,339	6,706	6,219	6,623	6,623	3,338	3,338	38
Other income		89	90	98	301	301			
Operating expenses									
- Depreciation of property, plant and equipment		(1,052)	(839)	(1,053)	(1,201)	(1,201)	(381)	(381)	
- Depreciation of right-of-use assets		-	(408)	(395)	(422)	(422)	(220)	(220)	
- Cost of inventories		(1,124)	(720)	(789)	(891)	(891)	(474)	(474)	
- Billing charges from other telco companies		(850)	(681)	(458)	(428)	(428)	(186)	(186)	
- Marketing, advertising and promotion expenses		(447)	(419)	(365)	(354)	(354)	(150)	(150)	
- Staff costs		(662)	(551)	(626)	(552)	(552)	(294)	(294)	
- Universal Service Provision contribution		(266)	(268)	(173)	(253)	(253)	(133)	(133)	
- Other operating expenses		(2,469)	(1,526)	(1,304)	(1,345)	(1,345)	(627)	(627)	
Profit from operations		558	1,384	1,154	1,478	1,478	911	911	
Finance income		114	88	60	67	67	28	28	
Finance costs		(222)	(416)	(380)	(342)	(342)	(157)	(157)	
Share of result of associate company and joint ventures (net of tax)		14	(4)	22	9	9	8	8	
Profit before taxation		464	1,052	856	1,212	1,212	790	790	
Taxation and zakat		(154)	(263)	(165)	(255)	(255)	(241)	(241)	
Profit after taxation		310	789	691	957	957	549	549	
Attributable to									
- Owner of the Company (PATAMI)		301	789	678	943	943	542	542	
- Non-controlling interest		9	¹ -	13	14	14	7	7	

¹ Denotes less than RM1 million

INDICATIVE VALUATION LETTER FROM KPMG ON THE VALUATION OF 100% EQUITY INTEREST IN CELCOM (Cont'd)



APPENDIX 1 – HISTORICAL FINANCIAL ANALYSIS OF CELCOM GROUP (Cont.)

a) PATAMI computation (Cont.)

Computation of PATAMI excluding share of result of associate company and joint ventures						
RM'mil	12 months 31-Dec-18 Audited	12 months 31-Dec-19 Audited	12 months 31-Dec-20 Audited	12 months 31-Dec-21 Audited	6 months 30-Jun-22 Unaudited	
PATAMI	301	789	678	943	542	
Less: Share of result of associate company and joint ventures (net of tax)	(14)	4	(22)	(9)	(8)	(8)
PATAMI excluding share of result of associate company and joint ventures	287	793	² 656	934	534	

² Adopted for Market Approach valuation analysis

b) Computation of FCF

Computation of EBITDA and FCF						
RM'mil	12 months 31-Dec-18 Audited	12 months 31-Dec-19 Audited	12 months 31-Dec-20 Audited	12 months 31-Dec-21 Audited	6 months 30-Jun-22 Unaudited	
Profit before tax	464	1,052	856	1,212	790	
Depreciation	1,052	1,247	1,448	1,623	601	
Finance costs	222	416	380	342	157	
Finance income	(114)	(88)	(60)	(67)	(28)	
Amortisation of intangibles	60	62	62	62	31	
Share of results of associate company and joint ventures	(14)	4	(22)	(9)	(8)	
Other non-operating (income)/expenses	234	(74)	(84)	(327)	(36)	
EBITDA	1,904	¹ 2,619	¹ 2,580	2,836	1,507	
Less: Capital expenditure	(1,058)	(1,019)	(984)	(1,032)	³ (373)	
Free Cash Flow (FCF)	846	1,600	² 1,596	1,804	1,134	

¹ EBITDA for FY2019, FY2020, FY2021 and 6 months' period ended 30-Jun-22 are on post-MFRS 16 basis

² Adopted for Market Approach valuation analysis

³ As disclosed in Axiata Q2 2022 Results Presentation

INDICATIVE VALUATION LETTER FROM KPMG ON THE VALUATION OF 100% EQUITY INTEREST IN CELCOM (Cont'd)



APPENDIX 2 – PRICE MULTIPLES OF COMPARABLE COMPANIES

i) Telco companies in Malaysia

Set out below are the price multiple references of public listed telco companies in Malaysia.

a. Price to Earnings Ratio (PER)

	PER based on closing price as at period end		
	31.12.19	31.12.20	07.04.21
Digi.Com Berhad	24.2x	26.5x	23.9x
Maxis Berhad	27.5x	28.6x	26.0x
Average of Digi & Maxis ^	25.9x	27.6x	25.0x
Telekom Malaysia Berhad	22.7x	20.1x	22.7x
Axiata Group Berhad	26.0x	*93.9x	*95.5x
TIME dotCom Berhad	17.2x	24.4x	26.5x
Average all telco excluding outlier *	23.5x	24.9x	24.8x
Average all telco			21.5x

* Outlier which is excluded from analysis

^ Digi.Com Berhad and Maxis Berhad, which are principally engaged in the mobile telecommunication segment in Malaysia, are direct comparable companies of Celcom.

b. Enterprise Value-to-Free Cash Flow multiple (EV/FCF)

	EV/FCF multiples based on closing price as at period end		
	31.12.19	31.12.20	07.04.21
Digi.Com Berhad	# 15.7x	# 16.2x	# 14.8x
Maxis Berhad	20.2x	20.5x	19.0x
Average of Digi & Maxis ^	18.0x	18.4x	17.0x
Telekom Malaysia Berhad	7.7x	10.4x	11.5x
Axiata Group Berhad	19.3x	11.1x	11.2x
TIME dotCom Berhad	*26.6x	*24.3x	*26.5x
Average all telco excluding outlier *	15.7x	14.6x	14.1x
Average all telco			16.5x

Average 3-year Digi EV/FCF is 15.5x

* Outlier which is excluded from analysis

^ Digi.Com Berhad and Maxis Berhad, which are principally engaged in the mobile telecommunication segment in Malaysia, are direct comparable companies of Celcom.

INDICATIVE VALUATION LETTER FROM KPMG ON THE VALUATION OF 100% EQUITY INTEREST IN CELCOM (Cont'd)



APPENDIX 2 – PRICE MULTIPLES OF COMPARABLE COMPANIES (CONT.)

ii) Telecommunication tower companies in Asia

Set out below are the EV/EBITDA price multiple references of public listed telecommunication tower companies in Asia.

	Country	Market Capitalisation 31.12.21 RM'mil	EV/EBITDA based on closing period as at period end		
			31.12.19	31.12.20	07.04.21 30.09.22
Large Market Capitalisation					
China Tower Corporation Limited	Hong Kong	80,879	6.8x	4.6x	4.6x 3.4x
Indus Towers Limited	India	37,413	10.1x	17.2x	11.9x 5.2x
PT Tower Bersama Infrastructure Tbk	Indonesia	18,662	12.8x	13.4x	15.7x 16.6x
PT Sarana Menara Nusantara Tbk	Indonesia	16,384	10.3x	11.1x	12.2x 12.5x
PT Solusi Tunas Pratama Tbk	Indonesia	5,148	7.2x	7.4x	8.3x *27.3x
Average (Large Market Capitalisation)					
			9.4x	10.7x	10.5x 9.4x
Small Market Capitalisation					
PT Inti Bangun Sejahtera Tbk	Indonesia	2,301	15.9x	17.1x	16.8x 15.3x
PT Centratama Telekomunikasi Indonesia Tbk	Indonesia	2,116	5.8x	9.0x	14.2x 16.0x
PT Bali Towerindo Sentra Tbk	Indonesia	1,007	14.8x	9.7x	9.2x 8.4x
OCK Group Berhad	Malaysia	485	8.1x	6.8x	7.4x 7.1x
PT Gihon Telekomunikasi Indonesia Tbk	Indonesia	384	10.4x	8.8x	9.6x 7.8x
Suyog Telematics Limited	India	238	9.0x	8.3x	7.3x 5.4x
PT Visi Telekomunikasi Infrastruktur Tbk	Indonesia	149	11.9x	8.5x	11.4x 10.6x
Average (Small Market Capitalisation)					
			# 10.8x	# 9.7x	# 10.8x 10.1x

Average EV/EBITDA for period ended 31.12.19, 31.12.20 and 07.04.21 is 10.4x

* Outlier which is excluded from analysis

SALIENT TERMS OF THE SPA, MTA AND SHA

A. THE SPA

Certain salient terms of the SPA can be found in Sections 1 and 2 of Part A of this Circular as well as the following provisions in this Section A of Appendix XI. Unless already previously defined in this Circular, all capitalised terms found in this Section A of Appendix XI shall have the meanings as defined in this Section A of Appendix XI.

1. Consideration

- 1.1. The Consideration Shares to be issued by Digi shall be issued free from all encumbrances and together with all rights attaching to them from Closing (as defined in paragraph 6 below). Axiata undertakes that prior to the termination of the SPA, not to nominate any person other than Telenor Asia to be the recipient of the 0.63% Digi Shares or withdraw or cause to be withdrawn such nomination, other than as contemplated by the SPA or the MTA.
- 1.2. For the purpose of paragraph 1.1 above, Digi has on the date of the SPA issued the Telenor-Digi Confirmation Letter to Telenor Asia whereby Digi confirms and undertakes that against payment of the 0.63% Digi Shares Cash Consideration by Telenor Asia to Axiata pursuant to the MTA, Digi shall issue the 0.63% Digi Shares to Telenor Asia free from all encumbrances and together with all rights attaching to them from Closing.

2. Adjustments to the Cash Consideration

- 2.1. The Cash Consideration may be adjusted following the determination of the adjustment for changes in net debt and net working capital amounts of Celcom Group as compared to Digi Group between 31 December 2020 and the last day of the calendar month in which all of the relevant conditions are satisfied or waived (or as the parties may otherwise mutually agree in writing) ("**Interim Closing**"). The differences up to Interim Closing ("**Interim Adjustment Amount**") shall be adjusted against the Cash Consideration payable to Axiata on Closing as follows:
 - (i) if the Interim Adjustment Amount is positive, the Cash Consideration shall be increased by the amount of the Interim Adjustment Amount; and
 - (ii) if the Interim Adjustment Amount is negative, the Cash Consideration shall be reduced by the Interim Adjustment Amount.
- 2.2. After the Closing, the Interim Adjustment Amount shall be substituted by the Final Adjustment Amount, being the changes in net debt and net working capital amounts of Celcom Group as compared to Digi Group between 31 December 2020 and the date of Closing ("**Closing Date**"). Where the substitution of the Final Adjustment Amount for the Interim Adjustment Amount:
 - (i) would lead to an increase in the Cash Consideration paid on Closing owing to the difference between the two amounts, Digi shall make a payment to Axiata of a sum equal to that increase; and
 - (ii) would lead to a reduction in the Cash Consideration paid on Closing owing to the difference between the two amounts, Axiata shall make a payment to Digi of a sum equal to that reduction.

SALIENT TERMS OF THE SPA, MTA AND SHA (Cont'd)

- 2.3. For the avoidance of doubt, the determination of the Interim Adjustment Amount or the Final Adjustment Amount, as the case may be, is set out below:
- (i) the changes in net debt and net working capital amounts of the Celcom Group ("**Celcom Adjustment Amount**") shall be the amount that results from the sum of the Celcom Group's:
 - (a) initial net debt minus net debt on the Cut-off Date; and
 - (b) Cut-off Date net working capital minus initial net working capital;
 - (ii) the changes in net debt and net working capital amounts of the Digi Group ("**Digi Adjustment Amount**") shall be the amount that results from the sum of the Digi Group's:
 - (a) initial net debt minus net debt on the Cut-off Date; and
 - (b) Cut-off Date net working capital minus initial net working capital;
 - (iii) the adjustment amount for the Interim Adjustment Amount or the Final Adjustment Amount, shall be the amount that results from the sum of:
 - (a) Celcom Adjustment Amount; minus
 - (b) $0.495 \times$ Digi Adjustment Amount.

Note:

The Cut-off Date refers to the date as at the Interim Closing or Closing Date, as the case may be, in determining the Interim Adjustment Amount or the Final Adjustment Amount respectively.

- 2.4 The calculation of the net debt on the Cut-Off Date for Digi and Celcom respectively shall be reduced by the amount of any cash that has been paid by any Digi Group member and Celcom Group member for any shared costs and expenses incurred by the parties for the purpose of integration planning activities for day-1 readiness as set out in the costs sharing agreement entered into between Axiata, Celcom and Digi dated 25 July 2022 ("**Shared Costs**"), as of or prior to Closing.
- 2.5 The calculation of the Digi and Celcom Cut-Off Date net working capital respectively for shall be increased by the amount of any account payable incurred by any Digi Group member and Celcom Group member for any Shared Costs that remains unpaid as of Closing.

Note:

The basis for adjustments was agreed commercially between Digi and Axiata, whereby:

- (a) *Digi shall compensate Axiata for cash inflow into the Celcom Group or be compensated by Axiata for cash outflow from the Celcom Group between 31 December 2020 and Closing, represented by changes in the net debt and net working capital amounts of the Celcom Group for this period; and*
- (b) *Axiata shall compensate Digi for cash inflow into the Digi Group or be compensated by Digi for cash outflow from the Digi Group between 31 December 2020 and Closing, represented by changes in the net debt and net working capital amounts of the Digi Group for this period, multiplied by 0.495 ("**Digi Adjustment Factor**");*

SALIENT TERMS OF THE SPA, MTA AND SHA (Cont'd)

Item (a) shall be compared to item (b), in which case the net amount (i.e. the Final Adjustment Amount) shall be adjusted against the RM1,693 million Cash Consideration in determining the final Cash Consideration and the Total Consideration for the Proposed Merger.

As the Final Adjustment Amount can only be determined after Closing, for a more reflective cash amount payable on Closing, the Cash Consideration shall be adjusted against the Interim Adjustment Amount which is to be determined based on changes in net debt and net working capital between 31 December 2020 and Interim Closing. For the avoidance of doubt, the Interim Adjustment Amount shall be further adjusted by the Final Adjustment Amount in determining the final Cash Consideration and the Total Consideration for the Proposed Merger.

Digi Adjustment Factor was derived based on the formula of $33.1\% / (1 - 33.1\%)$, such that the adjustment takes into account Axiata's equity ownership of 33.1% in the enlarged Digi Group after the Proposed Merger.

3. Conditions Precedent

3.1. Conditions

Closing must not take place unless and until each of the following conditions precedent ("**Conditions**") has been satisfied or waived in writing:

- (a) the non-interested shareholders of Digi approving the transactions contemplated by the SPA and the allotment and issuance of the 33.10% Digi Shares to Axiata and 0.63% Digi Shares to Telenor Asia upon the terms that no pre-emptive rights, if any, for the benefit of Digi shareholders shall apply to the issuance of the Consideration Shares.
- (b) the non-interested shareholders of Digi approving to waive their rights to receive a mandatory offer from Axiata and persons acting in concert with it in accordance with subparagraph 4.08(2)(b) of the Rules.
- (c) Axiata's shareholders approve the transactions contemplated by the SPA, to the extent such approval is required.
- (d) Where an obligation to undertake a mandatory take-over offer arises,
 - (i) from the issuance of 33.10% Digi Shares to Axiata as contemplated by the SPA resulting in Axiata and Axiata PACs holding more than 33.00% of Digi Shares, the SC grants:
 - (A) an exemption(s) to Axiata, and Axiata PACs, from having to undertake a mandatory take-over offer for all remaining shares in Digi not already owned by Axiata and Axiata PACs pursuant to the Rules; and
 - (B) a ruling to Axiata, and Axiata PACs that the issuance of the 0.63% Digi Shares by Digi to Telenor Asia shall not constitute a disqualifying transaction under subparagraph 4.08(2)(a) of the Rules; and
 - (ii) through the formation of a new group of PACs between Axiata and Telenor Asia as contemplated by the SPA and the SHA, the SC grants an exemption(s) to Axiata, Telenor Asia and their PACs, from having to undertake a mandatory take-over offer for all remaining shares in Digi not already owned by Axiata, Telenor Asia and their PACs pursuant to the Rules.

SALIENT TERMS OF THE SPA, MTA AND SHA (Cont'd)

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- (e) Where the transactions contemplated by the SPA amount to a significant change in business direction or policy of Digi, the SC grants its approval to Digi pursuant to subsection 212(2)(d) of the CMSA.
 - (f) Bursa Securities grants its approval for the listing of and quotation for Consideration Shares on Bursa Securities.
 - (g) The MCMC, pursuant to the CMA, issues the following in connection with the relevant transactions contemplated by the SPA:
 - (i) a notice of no objection under paragraph 6.4 of the Guidelines on Mergers and Acquisitions; or
 - (ii) authorisation of conduct under section 140 of the CMA and Guidelines on Authorisation of Conduct.
 - (h) The Minister of Communications and Multimedia confirms that its approval is not required, or if such approval is required it has been obtained, for any modifications, deviations or variations required to be made to the licences or terms attached to the licenses issued pursuant to the CMA held by the members of the Digi Group and the members of the Celcom Group in connection with the relevant transactions contemplated by the SPA.
 - (i) The Minister of Communications and Multimedia or the MCMC (as the case may be) either confirms there is no change in the shareholding, major or substantial shareholding of each of the following for the purposes of their respective approvals, licences and spectrum assignments issued under the CMA or the Minister of Communications and Multimedia or the MCMC (as the case may be) grants its approval or concurrence to a change of shareholding, major or substantial shareholding of each of the following for the purposes of their respective approvals, licences and spectrum assignments issued under the CMA, in respect of the relevant transactions contemplated by the SPA:
 - (i) the members of the Celcom Group; and
 - (ii) the members of the Digi Group.
 - (j) Since the date hereof, no event that has a material adverse effect on, amongst others (i) the business, assets and liabilities, results of operations or financial condition of the Digi Group, taken as a whole or (ii) the ability of Digi to perform its obligations under the SPA ("**Digi Material Adverse Effect**") has occurred which is continuing.
 - (k) Since the date hereof, no event that has a material adverse effect on, amongst others, (i) the business, assets and liabilities, results of operations or financial condition of the Celcom Group, taken as a whole or (ii) the ability of Axiata to perform its obligations under the SPA ("**Celcom Material Adverse Effect**") has occurred which is continuing.
 - (l) The warranties given by Digi in accordance with the terms of the SPA ("**Digi Warranties**") shall be true, accurate and not misleading as at the Closing Date as though made on the Closing Date (except with respect to Digi Warranties which speak as to an earlier date or dates, in which case such Digi Warranties shall be true, accurate and not misleading as of such earlier date or dates), except where the failure of any Digi Warranty (individually or in the aggregate) to be true, accurate and not misleading as at the Closing Date has not had and would not reasonably be expected to have a Digi Material Adverse Effect.

SALIENT TERMS OF THE SPA, MTA AND SHA (Cont'd)

- (m) The warranties given by Axiata in accordance with the terms of the SPA ("**Axiata Warranties**") shall be true, accurate and not misleading as at the Closing Date as though made on the Closing Date (except with respect to Axiata Warranties which speak as to an earlier date or dates, in which case such Axiata Warranties shall be true, accurate and not misleading as of such earlier date or dates), except where the failure of any Axiata Warranty (individually or in the aggregate) to be true, accurate and not misleading as at the Closing Date has not had and would not reasonably be expected to have a Celcom Material Adverse Effect.
- (n) In respect of the USD1,000,000,000 3.064 per cent Guaranteed Notes due 19 August 2050 (the "**Axiata 2050 Notes**") issued by Axiata SPV5 (Labuan) Limited, the noteholders pass an extraordinary resolution in accordance with the terms of the Axiata 2050 Notes Trust Deed amending and/or waiving certain provisions of the Axiata 2050 Notes Trust Deed in relation to the Proposed Merger.
- (o) In respect of the USD500,000,000 4.357 per cent Sukuk due 24 March 2026 (the "**Axiata 2026 Sukuk**") issued by Axiata SPV2 Berhad, the sukukholders pass an extraordinary resolution in accordance with the terms of the Axiata 2026 Sukuk Declaration of Trust amending and/or waiving certain provisions in the Axiata 2026 Sukuk Declaration of Trust and other related documents in relation to the Proposed Merger.
- (p) In respect of USD500,000,000 2.163 per cent Sukuk due 19 August 2030 (the "**Axiata 2030 Sukuk**") issued by Axiata SPV2 Berhad, the sukukholders pass an extraordinary resolution in accordance with the terms of the Axiata 2030 Sukuk Declaration of Trust amending and/or waiving certain provisions in the Axiata 2030 Sukuk Declaration of Trust and other related documents in relation to the Proposed Merger.
- (q) the written consent, waiver and/or amendment from International Finance Corporation ("**IFC**") and Robi Axiata Limited in relation to the Proposed Merger under the Deed of Guarantee and Subordination dated 14 December 2015 in favour of IFC and under the Deed of Guarantee and Subordination dated 8 December 2020 in favour of IFC.
- (r) In respect of the USD600,000,000 and RM867,000,000 Syndicated Multi Currency Shariah-Compliant Sustainability-Linked Financing Facilities between Axiata, as customer and Oversea Chinese Banking Corporation Limited, Labuan Branch, MUFG Bank (Malaysia Berhad); and Maybank Islamic Berhad as original financiers, the written consent, waiver and/or amendment from the financier(s) whose commitments aggregate more than 66 2/3% of the total commitments in relation to the Proposed Merger under the facility agreement dated 5 May 2020.
- (s) In respect of the RM50,000,000 bank facilities (bank guarantee and letter of credit) granted by Malayan Banking Berhad ("**MBB**") to Celcom under the letter of offer dated 1 March 2013, the written consent, waiver and/or amendment from MBB in relation to the Proposed Merger.
- (t) Bank Negara Malaysia grants its written approval (or where applicable, a letter of no objection) pursuant to section 32 of the Money Services Business Act, 2011 (the "**MSB BNM Approval**") for (i) the transfer by the relevant member of the Celcom Group of the Merchantrade Shares (as defined in paragraph 4.1(a) below) to either (a) Axiata or its affiliate(s) or nominee(s); or (b) only if the approval in sub-paragraph (i)(a) is denied, any one or more of the other shareholders of Merchantrade; or (ii) only if the approvals in sub-paragraph (i) are denied, any change in substantial interest in Merchantrade Shares as a result of the transfer of the Celcom Shares at Closing, in each case, to the extent such approval is required.

SALIENT TERMS OF THE SPA, MTA AND SHA (Cont'd)

Note:

As at 27 October 2022, all Conditions have been fulfilled, save for the Conditions as set out in paragraph 3.1(a), (b), (c), (d)(i)(A), (d)(ii), (j), (k), (l) and (m) above. For further details on the Conditions relating to application to the authorities, please refer to Section 1 of Appendix XII of this Circular.

The Condition as set out in paragraph 3.1(i) above is deemed fulfilled based on the approval, confirmations and acknowledgements received from the MCMC and the Minister as set out in Section 1(iii) of Appendix XII of this Circular. Kindly refer to Section 1 (iii) of Appendix XII of this Circular for more details.

In addition, the Condition as set out in paragraph 3.1(h) above is deemed fulfilled as there are no modifications, deviations or variations required to be made to the licences or terms attached to the licenses issued pursuant to the CMA held by the members of the Digi Group and the members of the Celcom Group based on the approval, confirmations and acknowledgements received from the MCMC and the Minister as set out in Section 1(iii) of Appendix XII of this Circular.

For information, the fulfilment of the Conditions as set out in paragraphs 3.1(j), (k), (l) and (m) above, can only be determined upon all other Conditions being met.

3.2. Termination

If the Conditions have not been satisfied or waived by 31 December 2022 or such other date as mutually agreed in writing between Digi and Axiata or if any government agency has taken action that results in any Condition becoming incapable of satisfaction, either party may terminate the SPA by giving written notice to the other parties in accordance with and subject to the terms of the SPA.

4. Celcom Group Reorganisation**4.1. Prior to Closing:**

- (a) Axiata shall prior to Closing procure Celcom and/or the relevant member of the Celcom Group to sell, assign and transfer its entire equity interest in Merchantrade (representing approximately 20.00% of the issued shares of Merchantrade) (the "Merchantrade Shares") to Axiata or any of its affiliates or nominees or if required, any other shareholder of Merchantrade for cash consideration of RM1.00 (or such other consideration that Axiata reasonably considers appropriate), free of all encumbrances and with all rights attaching on and from the date of such sale, assignment and transfer, provided that:
- (i) in the event that Celcom or any relevant member of the Celcom Group receives any funds or other consideration (x) in connection with the sale, assignment or transfer of the Merchantrade Shares; or (y) that arise as a result of any member of the Celcom Group having been a shareholder of Merchantrade, Celcom shall, and shall procure that the relevant member of the Celcom Group shall as soon as reasonably practicable within the specified period in the SPA, pay an amount equal to the funds or other consideration received to Axiata (such obligation, the "**Merchantrade Proceeds Repayment Obligation**"); and
 - (ii) prior to Closing, at Axiata's option, the transfer of the Merchantrade Shares may be effected by way of a dividend in specie to Axiata.

SALIENT TERMS OF THE SPA, MTA AND SHA (Cont'd)

- (b) Axiata shall procure that Celcom and/or the relevant member of the Celcom Group ceases to be a member of the Axiata Foundation for no consideration, provided that in the event that Celcom or any relevant member of the Celcom Group receives any funds or other consideration (i) in connection with the cessation of its membership of the Axiata Foundation; or (ii) that arise as a result of any member of the Celcom Group having been a member of the Axiata Foundation, Celcom shall, and shall procure that the relevant member of the Celcom Group shall as soon as reasonably practicable within the specified period in the SPA, pay an amount equal to the funds or other consideration received to Axiata.

(Sub-paragraphs (a) and (b), together, being the “**Celcom Group Reorganisation**”).

- (c) Following Closing, Axiata shall in accordance with the terms of the SPA, indemnify each member of the Digi Group (which shall include any member of the Celcom Group) against all losses directly incurred or suffered by each of them arising out of, or as a result of:

- (i) (x) the implementation and execution of the Celcom Group Reorganisation; and/or (y) to the extent applicable under paragraph 4.1(d) below, the Merchantrade Post-Closing Sale Process and the related sale and transfer of the Merchantrade Shares; and/or (z) the Celcom Group having been a shareholder of Merchantrade or a member of the Axiata Foundation prior to Closing; and/or

- (ii) any out-of-pocket costs or expenses incurred by any member of the Celcom Group directly arising out of, amongst others, (x) the steps involved in the Celcom Group Reorganisation; and/or (y) to the extent applicable under paragraph 4.1(d) below, the Merchantrade Post-Closing Sale Process and the related sale and transfer of the Merchantrade Shares,

subject to the terms of the SPA.

- (d) If Axiata has been unable to effect the transfer of the Merchantrade Shares to Axiata, any of its affiliates or nominees, or any other shareholder of Merchantrade (as applicable) before Closing due to an outstanding MSB BNM Approval, Axiata may complete the transfer of the Merchantrade Shares as soon as reasonably practicable following MSB BNM Approval for such transfer to Axiata, or any of its affiliates or nominees, or any other shareholder of Merchantrade (as applicable) being obtained after Closing on the same basis as if it had been obtained prior to Closing, and otherwise in accordance with the terms of the SPA; provided that in the event that on or before Closing:

- (i) MSB BNM Approval for such transfer of Merchantrade Shares to Axiata or any of its affiliates or nominees, or any other shareholder of Merchantrade (as applicable) is denied; and

- (ii) MSB BNM Approval under sub-paragraph (ii) of paragraph 3.1(t) is obtained,

then following Closing:

- (A) the relevant member of the Celcom Group shall as soon as reasonably practicable following Closing commence a sales process to sell and transfer the Merchantrade Shares to a third-party (which may be another existing shareholder of Merchantrade) (the “**Merchantrade Post-Closing Sale Process**”);

SALIENT TERMS OF THE SPA, MTA AND SHA (Cont'd)

- (B) Axiata shall, and shall be exclusively entitled to, manage, conduct and pursue the Merchantrade Post-Closing Sale Process (at its own cost, pursuant to the terms of the SPA), and the sale and transfer of the Merchantrade Shares pursuant thereto and the proceeds of such sale and transfer of the Merchantrade Shares shall be included in and subject to the Merchantrade Proceeds Repayment Obligation.

5. Intra-Group Arrangements

- 5.1 Axiata shall procure that, prior to or on Closing, unless otherwise agreed by the parties in writing or contemplated in the transaction documents, essentially, all Axiata intra-group contracts (other than in relation to certain Axiata continuing arrangements or pursuant to any related party transactions that Axiata is permitted to enter into between the date of the SPA and the Closing in compliance with the SPA) are terminated and of no further force and effect such that each Celcom Group member and each Axiata Group member are released and fully discharged and have no further rights, liabilities or obligations in respect thereof.
- 5.2 Digi shall procure that, prior to or on Closing, unless otherwise agreed by the parties in writing or contemplated in the transaction documents, all Telenor intra-group contracts (other than in relation to certain Telenor continuing arrangements or pursuant to any related party transactions that Telenor is permitted to enter into between the date of the SPA and the Closing in compliance with the SPA) are terminated and of no further force and effect such that each Digi Group member and each Telenor Group member are released and fully discharged and have no further rights, liabilities or obligations in respect thereof.

6. Closing

Completion of the transfer of the Celcom Shares to Digi, the issuance of Consideration Shares by Digi to Axiata and Telenor Asia, the payment of the Cash Consideration by Digi to Axiata in accordance with the terms of the SPA and the payment of the 0.63% Digi Shares Cash Consideration by Telenor Asia to Axiata pursuant to the MTA ("**Closing**") shall take place at 9:00 am on the last day of the earliest calendar month in which both (i) the Conditions at paragraphs 3.1(a) to (i), and (n) to (t) ("**Relevant Conditions**") have been satisfied or waived (in accordance with the terms of the SPA); and (ii) the Interim Adjustment Amount has been agreed by the parties or finally determined by the independent expert appointed by the parties (in each case in accordance with the terms of the SPA), or at such other place at such other time and/or on such other date as the parties may mutually agree in writing.

7. TSDTR Litigation

7.1 TSDTR Indemnity

Axiata shall indemnify and keep indemnified each member of the Digi Group or Celcom Group member, and pay to them on demand, any losses incurred (but excluding certain non-direct losses) or any money or other consideration which may have to be provided by any member of the Digi Group or member of the Celcom Group resulting out of or arising from the TSDTR Litigation (the "**TSDTR Indemnity**").

Other than as specified in the SPA, no provision of the SPA shall qualify or limit the liability of the parties in relation to any claim under the TSDTR Indemnity, provided that the parties shall comply with paragraph 7.2 in relation to the Main Suit 1 and Main Suit 2 (collectively "**TSDTR Litigation**") and the TSDTR Indemnity and any breach or non-compliance of Digi of paragraph 7.2 shall to that extent, reduce the liability of Axiata and the amount Axiata would be required to pay under the TSDTR Indemnity.

SALIENT TERMS OF THE SPA, MTA AND SHA (Cont'd)

7.2 Post-closing conduct in respect of the TSDTR Litigation

- (a) Following the Closing, until such time as any final compromise, settlement, expert determination or final, non-appealable decision, order or award of a court or tribunal is made in respect of the TSDTR Litigation (or the TSDTR Litigation is otherwise finally disposed of):
 - (i) Digi will grant to Axiata an exclusive right to conduct the TSDTR Litigation including the assessing, contesting, disputing, defending, pursuing, compromising, settling or appealing any claim in connection with the TSDTR Litigation at Axiata's expense and by Axiata's own counsel and, Digi shall cooperate in good faith in connection therewith; and
 - (ii) Axiata shall have the right to take such action as it deems necessary or advisable to settle, compromise, defend, pursue or avoid such dispute and to conduct, pursue and/or agree any defence, settlement, compromise or appeal (or defend counterclaims) relating to the TSDTR Litigation in the name and on behalf of Celcom (and/or any member of the Celcom Group).
- (b) Each party shall (i) to the extent reasonably practicable, consult with the other party in relation to the conduct of any dispute, defence, counterclaim, compromise, settlement or appeal of the TSDTR Litigation; and (ii) from time to time, upon reasonable request of the other party, provide such other party with such information that it or any other member of its Group (including in the case of Digi, Celcom Group) may possess as to the progress of the TSDTR Litigation.
- (c) Following the Closing, in the event that Digi, Celcom or any member of the Digi Group or the Celcom Group receives any money or other consideration in respect of the TSDTR Litigation and TSDTR Counterclaim (whether provided as a result of a settlement, insurance or any judgment or order) (collectively "**Claim Proceeds**"), Digi shall as soon as reasonably practicable and in any case within the specified period under the SPA pay an amount equal to such Claim Proceeds to Axiata and such Claim Proceeds shall be treated by Axiata and Digi, to the extent possible, as an adjustment to the Cash Consideration.

8. Governing Law

The SPA and any non-contractual obligations arising out of or in connection with it shall be governed by English law.

9. Arbitration

Any dispute shall be referred to and finally settled by arbitration by the Singapore International Arbitration Centre (SIAC) in accordance with the Arbitration Rules of the Singapore International Arbitration Centre (SIAC Rules).

SALIENT TERMS OF THE SPA, MTA AND SHA (Cont'd)

B. THE MTA

The salient terms of the MTA are as follows:

1. Celcom-Digi Combination

Axiata and Digi have entered into the SPA pursuant to which (i) the Celcom Shares held by Axiata shall be transferred to Digi, (ii) the 33.10% Digi Shares will be issued to Axiata and 0.63% Digi Shares will be issued to Telenor Asia (being Axiata's nominee) against payment by Telenor Asia to Axiata of the 0.63% Digi Shares Cash Consideration and (iii) the Cash Consideration shall be paid to Axiata on Closing (as defined in paragraph 6 of Section A of Appendix XI of this Circular) ("**Proposed Celcom-Digi Combination**"). Please refer to Section A of Appendix XI of this Circular for the salient terms of the SPA.

The MTA is entered into between Telenor Asia, Telenor and Axiata for the purposes of, amongst others, facilitating the Proposed Celcom-Digi Combination and the Proposed Equalisation Sale (as defined in paragraph 5 below).

2. Telenor Support

Telenor shall, and shall procure that Digi, Telenor Asia and each of Telenor Asia's affiliates (each to the extent applicable) shall, cooperate with Axiata and its affiliates (including Celcom and the other members of the Celcom Group except for Merchantrade and Axiata Foundation) for the purposes of achieving the Closing in accordance with the SPA (including cooperating in connection with the satisfaction by Digi of its obligations in connection with the Conditions set out in paragraphs 3.1(a) and 3.1(b) of Section A of Appendix XI of this Circular.

3. Axiata Support

Axiata shall, and shall procure Celcom and each of Axiata's affiliates (each to the extent applicable) to, cooperate with Telenor and its affiliates (including Telenor Asia and Digi and each other member of the Digi Group) for the purposes of achieving the Closing in accordance with the SPA.

4. Digi Name Change

Each of Telenor Asia and Axiata shall, to the extent that it is within their respective powers to do so, (a) use their respective reasonable efforts to procure, as promptly as practicable after Closing but in any event within three months of the Closing Date, that Digi establish a record date for, duly call, give notice of, convene and hold a shareholders meeting (including any adjournment or postponement thereof) ("**Name Change EGM**") and if necessary establish a record date for, duly call, give notice of, convene and hold another shareholders meeting (including any adjournment or postponement thereof) ("**Second Name Change EGM**") for the purposes of passing a special resolution to change the name of Digi from "Digi.Com Berhad" to "Celcom Digi Berhad" promptly following such meeting ("**Name Change**") and (b) take all other actions necessary or advisable following such shareholders' approval to effect the Name Change. Each of Telenor Asia and Axiata hereby agree and undertake to vote in favour of such Name Change at the Name Change EGM or any Second Name Change EGM.

5. Equalisation Sale

In consideration of Axiata nominating Telenor Asia to receive the 0.63% Digi Shares to be issued by Digi directly to Telenor Asia subject to, and on the terms and conditions of the SPA, Telenor Asia shall (a) subscribe for the 0.63% Digi Shares; and (b) pay Axiata the 0.63% Digi Shares Cash Consideration in accordance with the terms of the MTA ("**Proposed Equalisation Sale**").

SALIENT TERMS OF THE SPA, MTA AND SHA (Cont'd)

6. Equalisation Closing

The closing of the Proposed Equalisation Sale pursuant to the MTA ("**Equalisation Closing**") shall occur on the Closing Date (as defined in paragraph 2.2 of Section A of Appendix XI of this Circular) at the same venue as, and concurrently with the Closing under the SPA.

7. Performance guarantee

Telenor as primary obligor (and not as surety only) absolutely, unconditionally and irrevocably, for the benefit of Axiata (a) guarantees to Axiata the payment when due of all amounts payable by Telenor Asia under the MTA; (b) undertakes to cause Telenor Asia to be bound by and comply with each of the provisions of the MTA; (c) undertakes to ensure the due, punctual and full performance by Telenor Asia, and if applicable, by each of Telenor's affiliates, of all their respective obligations under or pursuant to the MTA; and (d) agrees to indemnify Axiata against all losses, costs, claims and damages sustained by it flowing from any non-payment or default of any kind by Telenor Asia under or pursuant to the MTA.

8. Termination

The MTA may be terminated at any time prior to the Equalisation Closing:

- (a) automatically and immediately if the SPA is terminated in accordance with its terms; or
- (b) upon the mutual written consent of the parties.

9. Governing Law

The MTA and any non-contractual obligations arising out of or in connection with it shall be governed by English law.

C. THE SHA

The salient terms of the SHA are as follows:

1. Parties to the SHA

The SHA is to be entered into on the completion of the Closing (as defined in paragraph 6 of Section A of Appendix XI of this Circular and the Equalisation Closing (as defined in paragraph 6 of Section B of Appendix XI of this Circular) between, Axiata and Telenor Asia (each a "**Shareholder Party**", and together the "**Shareholder Parties**") and Telenor ("**Telenor Asia Guarantor**" together with the Axiata Guarantor solely in the case of a Permitted Transfer (as defined in paragraph 5.2 below) by Axiata) and the Shareholder Parties each a "**Party**", and collectively the "**Parties**").

For reference, "**Axiata Guarantor**" means, in case of a Permitted Transfer by Axiata pursuant to the terms of the SHA, Axiata.

The Parties agree to enter into the SHA to establish their respective rights and obligations with respect to the activities and governance of MergeCo (which is to be renamed "Celcom Digi Berhad") and its subsidiaries and ownership and disposition of the MergeCo's securities.

SALIENT TERMS OF THE SPA, MTA AND SHA (Cont'd)

2. Governance Matters

- 2.1.** Board composition. Each Shareholder Party shall, before nominating a director of the MergeCo (“**Director**”), consult with, provide relevant information about the proposed Director and give the other Shareholder Party a reasonable opportunity to express any concern as to such proposed Director’s suitability. Each Shareholder Party shall procure that the board of directors of the MergeCo (“**Board**”) shall consist of ten (10) Directors to be nominated by a Shareholder Party or jointly nominated by the Shareholder Parties, as the case may be.
- 2.2.** Independent Directors. The Board shall at all times comprise at least one-third independent non-executive Directors or such other higher fraction of independent non-executive Directors as may be prescribed by applicable laws. The Shareholder Parties agree to act in good faith in considering suitably qualified Malaysian citizens to serve on the Board as independent non-executive Directors; provided that there shall be no mandatory requirement for such independent non-executive Directors to be Malaysian citizens and the Shareholder Parties will seek to appoint directors who they believe in good faith are suitably qualified candidates.
- 2.3.** CEO and Deputy CEO (“DCEO”). The initial CEO of the MergeCo shall be selected by Axiata (after consultation with Telenor Asia) and the initial DCEO of the MergeCo shall be selected by Telenor Asia (after consultation with Axiata).
- 2.4.** Reserved Matters. The SHA contains provisions relating to reserved matters (such as, increase in authorised share capital, creation of new class of share capital or equity securities, variation of rights attaching to the share capital or equity securities, changes to the size of the board or any board committee or creation or dissolution of any board committee, declaration or payment of any dividend or other distribution, changes to dividend policy, any acquisition, sale, disposition or transfer of any assets, shares or business or merger, consolidation, scheme of arrangement, amalgamation, combination or similar transaction or any transaction involving a change of Control, or entry into, amendment or termination by any group company of any joint venture, partnership, strategic alliance or other strategic relationship, if significant to the company group and outside the ordinary course of business) that no consideration, action or decision relating to any of these matters shall be taken with respect to any group company (whether by any Director (or his alternate), any director, officer, any employee or any other representative of any group company or by any Shareholder Party or any of its affiliates or any of their respective representatives), without, (a) the approval of the Board; (b) the prior written approval of Axiata for as long as Axiata and its affiliates holds at least the prescribed minimum percentage of Outstanding Shares in the MergeCo; and (c) the prior written approval of Telenor Asia for as long as Telenor Asia and its affiliates holds at least the prescribed minimum percentage of Outstanding Shares in the MergeCo.

For reference: (a) “**Outstanding Shares**” means, as of the date of determination, the Shares that are then issued and outstanding (excluding any Shares issued and allotted pursuant to any MergeCo employee share option scheme or other equity incentive plan); and (b) “**Shares**” means ordinary shares of the MergeCo and any other classes or series of shares in the capital of the MergeCo into which such shares are reclassified or converted (including by merger or otherwise) from time to time, together with all rights, differential rights, obligations, titles, interests and claims in such shares and all bonus shares issued in respect of such shares and shares issued pursuant to a stock split, combination or other reclassification in respect of such shares and (c) “**Control**” (including, with its correlative meanings, the terms “**controlling**”, “**controlled by**” and “**under common control with**”) means (i) a holding of a direct or indirect interest in the majority of the equity, voting, beneficial or financial interests of the relevant entity through ownership, contract, credit arrangement or otherwise; (ii) a holding of the direct or indirect right to appoint or remove a majority of the board of directors or members of an equivalent management body of the relevant entity or directors or members of an equivalent management body which hold the majority of the votes of the board or equivalent management body of the relevant entity; or (iii) the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of the relevant entity.

SALIENT TERMS OF THE SPA, MTA AND SHA (Cont'd)

- 2.5. Deadlock. If the Shareholder Parties or the Board is unable to make a decision regarding a proposed action or a proposal to take an action in relation to any reserved matter (such failure to resolve or meet, a “**Deadlock**”), then Axiata or Telenor Asia may refer the matter to the designated senior officers of the contracting parties. The designated senior officers shall discuss the Deadlock and attempt to agree on a resolution with respect to the Deadlock within the prescribed timeframe. If the Shareholder Parties or the designated senior officers cannot resolve the Deadlock, the proposal shall not proceed.
- 2.6. Governance Policies. The Shareholder Parties shall use their reasonable endeavours to procure that the MergeCo adopts and maintains governance policies and practices (“**Governance Policies**”) that reflect the highest standards of the respective governance policies adopted and maintained by each Shareholder Party as of the date of the SHA. Subject to the foregoing, the MergeCo’s Governance Policies shall initially be based on Digi’s existing governance policies as of the date of the MTA, which shall be amended and adapted as necessary to reflect the highest standards of the respective governance policies applicable to such Shareholder Party and adopted and maintained by such Shareholder Party’s Ultimate Holding Person for such Shareholder Party as of the date of the SHA; provided that, if there is no existing Digi policy for a Governance Policy, then (if applicable) the relevant Governance Policy of the MergeCo shall initially be based on the existing Celcom governance policy as of the date of the MTA (if available), which shall be amended and adapted as necessary to reflect the highest standards of the respective governance policies adopted and maintained by each Shareholder Party as of the date of the SHA.

For reference, “**Ultimate Holding Person**” means (a) in the case of Axiata or its affiliates, Axiata or (b) in the case of Telenor Asia or its affiliates, the Telenor Asia Guarantor.

3. Strategic Alignment

- 3.1. Merger Integration Plan. The MergeCo shall:
- (a) Implement the merger integration plan as prescribed under the SHA (“**Merger Integration Plan**”), and maintain a merger integration committee (“**Merger Integration Committee**”) consisting of certain members of management of the MergeCo identified jointly by the Shareholder Parties (with equal representation among members nominated by Axiata and members nominated by Telenor Asia) to act as the principal advisory body to the CEO and DCEO and to supervise and oversee the implementation of the Merger Integration Plan. In addition, each of Axiata and Telenor shall have the right to appoint two (2) of its (or affiliates’) employees as participants of the Merger Integration Committee.
 - (b) Ensure that its senior management meet with the group chief financial officers of each of Axiata and Telenor every month to review the financial and performance of the group companies and establish a joint technology committee (“**Joint Technology Committee**”) which shall meet at least once every quarter, consisting of certain members of the management of the MergeCo, to guide the MergeCo on the appropriate and best technology and systems to be adopted. In addition, each of Axiata and Telenor shall have the right to appoint one (1) of its (or its affiliates’) employee as participant of the Joint Technology Committee.
- 3.2. Malaysia National Innovation Center. It shall be an objective of the MergeCo and its subsidiaries to accelerate technology transformation and digitalisation in Malaysia by establishing a “National Innovation Center” within the prescribed period under the SHA to foster technology transformation and digitalisation in Malaysia.

SALIENT TERMS OF THE SPA, MTA AND SHA (Cont'd)

4. Standstill Restrictions

- 4.1.** The SHA contains provisions relating to standstill restrictions whereby each Shareholder Party agrees that for a period of three (3) years on and from the date of the SHA (the “**Standstill and Lock-up Period**”), such Shareholder Party shall not, and shall cause each of its affiliates and its representatives not to, except with the prior written consent of the other Shareholder Party and subject to the exceptions as set out in the SHA, amongst others, acquire or subscribe for, or agree or offer to acquire or subscribe for any Equity Securities (or the securities of any successor to or person in control of the MergeCo), any direct or indirect rights or options to acquire any Equity Securities or any forward contract, swap or other position with a value derived from the Equity Securities or a material portion of the assets of the MergeCo or of its divisions or of any such successor or controlling persons.

For reference, “**Equity Securities**” means: (a) any Shares of the MergeCo, other classes of shares or other equity securities; or (b) any security, right, option, warrant, appreciation right or instrument (including debt instrument) that is exercisable for, convertible into, exchangeable for, or entitles the holder to acquire or receive, with or without consideration, any Shares, other classes of shares or other equity securities (including any option to purchase or rights to subscribe for such a convertible or exchangeable security) of the MergeCo.

5. Transfer of Shares

- 5.1.** Restriction on Transfers. No Party shall make or attempt to effect any transfer of all or any portion of any Equity Securities owned or otherwise held by such Party, except in accordance with the provisions of the SHA.
- 5.2.** Permitted Transfer. Subject to the provisions of the SHA, each of the Parties agrees, amongst others, that if it or any of its affiliates transfers any Equity Securities pursuant to a Permitted Transfer, the guarantor for that Party’s group guarantees the performance of the SHA by such Permitted Transferee under the provisions of the SHA. Notwithstanding paragraph 5.1 (*Restriction on Transfers*), the provisions set forth in, amongst others, paragraph 5.6 (*Lock-up; Right of First Offer*) shall not apply to transfers of shares that constitute Permitted Transfers. For reference: (a) “**Permitted Transfer**” means a transfer of Shares to a Permitted Transferee; and (b) “**Permitted Transferee**” means any entity that is or is a wholly-owned subsidiary of, the applicable Ultimate Holding Person of the Shareholder Party.
- 5.3** Major Transfer. Each of the Parties agrees that it shall not, and shall cause its affiliates not to, transfer any Equity Securities to any third-party if such third-party (a “Major Transfer Buyer” and such Transferring Party, a “Major Transfer Seller”) and its affiliates would, following such transfer, beneficially own 23.20% or more of the Outstanding Shares (a “Major Transfer”) unless (a) the Major Transfer Seller has complied with its obligations under paragraph 5.4 (Major Transfer Buyer and Remaining Party Discussions) and paragraph 5.6(b) (Right of First Offer); (b) the Major Transfer Buyer has executed a deed of adherence and agreed to be bound by the obligations and restrictions under the SHA as a Party; (c) the Major Transfer Buyer has agreed with the Remaining Party (as defined below) to a lock-up restriction (in substantially the same form as paragraph 5.6(a) (Lock-up)) for at least two (2) years following the date of the deed of adherence; and (d) the Major Transfer Seller has agreed to cease, or by operation of the terms of the SHA would cease, to be a Party to the SHA on and from the completion of the Major Transfer.

SALIENT TERMS OF THE SPA, MTA AND SHA (Cont'd)

- 5.4. Major Transfer Buyer and Remaining Party Discussions. No less than thirty (30) Business Days before entering into a binding definitive agreement for a Major Transfer, the Major Transfer Seller shall deliver to the other Party (the “**Remaining Party**”) a written notice of its intended Major Transfer. The Major Transfer Seller shall use its reasonable endeavours to facilitate discussions between the Remaining Party and the Major Transfer Buyer on, amongst others, the following topics: (a) the Major Transfer Buyer’s views on the Remaining Party’s strategy for the MergeCo; (b) whether the Major Transfer Buyer is of comparable financial standing to the Major Transfer Seller and its guarantor and, if not, whether the Major Transfer Buyer can provide a suitable guarantor to establish a sufficient level of financial standing to support its obligations under the SHA; and (c) whether there would be any material adverse impact on the Remaining Party or the group companies as a result of the Major Transfer and whether any such adverse impact may be removed.
- 5.5. Transfers to Prohibited Persons. Each of the Parties agrees that it shall not and shall cause its affiliates not to knowingly transfer any Equity Securities to any person who is or whose affiliate is a competitor or a sanctioned person, provided that the restriction in this paragraph shall not apply to on-market sales by a Party on Bursa Securities in which a Party is unaware of the identity of the buyer at the time of such sale.
- 5.6. Lock-up; Right of First Offer
- (a) Lock-up. During the Standstill and Lock-Up Period, no Shareholder Party shall directly or indirectly transfer any Shares, except for Permitted Transfers. After the expiry of the Standstill and Lock-up Period, no Shareholder Party shall transfer any Shares, other than (x) with the prior written consent of the other Parties, or (y) in compliance with the provisions relating to transfer of shares under the SHA and to the extent applicable, provisions relating to right of first offer (as set out in paragraph 5.6(b) below), pledging of shares (as set out in paragraph 5.6(c) below) and provisions relating to transfer-related matters under the SHA.
- (b) Right of First Offer. Subject to the provisions on transfer of shares in the SHA and the other provisions of paragraph 5.6, a Shareholder Party wishing to transfer its Shares (a “**Transferring Shareholder**”) may transfer any Shares to a third-party only if it first provides a notice in writing (a “**Transfer Notice**”) indicating its interest to transfer such Shares (the “**Offered Shares**”) to the other Shareholder Party (a “**Non-Transferring Shareholder**”). A Transfer Notice must specify, amongst others, the number of Shares proposed to be so sold, the number of Shares held by the Transferring Shareholder and its affiliates; and the price per Share (which shall be for cash consideration) and other material terms upon which the Transferring Shareholder proposes to transfer the Offered Shares (the “**ROFO Offered Terms**”). The Transfer Notice shall constitute a binding offer (“**ROFO Offer**”) by the Transferring Shareholder to sell all of the Offered Shares to the Non-Transferring Shareholder. If the Non-Transferring Shareholder does not deliver the relevant acceptance notice within the prescribed acceptance period, the request in the Transfer Notice will be deemed to have been declined. Upon the ROFO Offer being declined or deemed to have been declined, the Transferring Shareholder may sell all and not some only of the Offered Shares to a third-party at the same or higher price and on other terms and conditions no less favourable as a whole to the third-party than those contained in the ROFO Offer, subject to the terms of the SHA.

SALIENT TERMS OF THE SPA, MTA AND SHA (Cont'd)

- (c) Pledging of Shares. Each Shareholder Party may pledge, charge, mortgage or otherwise specifically create a lien over any of its Shares in favour of a permitted financing bank (a "**Finance Party**") as security for any indebtedness or other obligation of such Shareholder Party, provided that such Finance Party shall have agreed in writing with the other Shareholder Party on behalf of it and on behalf of any other finance parties entitled to the benefit of such lien that:
- (i) the Finance Party shall notify such Shareholder Party before or as soon as reasonably practicable after taking steps to enforce any such lien;
 - (ii) if the Finance Party expects to appoint an administrator, receiver, or similar office holder, it shall notify the other Shareholder Party promptly; and
 - (iii) in the event that the Finance Party takes possession or otherwise causes a sale of the Shares, or if an administrator, receiver or similar office holder is appointed, the Finance Party shall comply, or shall cause any such transfer to comply, or (if applicable) shall ensure that such administrator, receiver or similar office holder agrees in writing that it shall comply, with the provisions of paragraph 5.6(b) (*Right of First Offer*) (as if it were the Transferring Shareholder) and paragraph 5.3 (*Major Transfer*) (in the event of a transfer that would result in any person (and its affiliates) beneficially owning 26.00% or more of the Outstanding Shares following such transfer), in each case in favour of the other Party.

5.7. Termination

The SHA shall terminate upon the occurrence of any of the following events:

- (a) on the date which the SHA is terminated by the written agreement of all Parties;
- (b) on the date which the MergeCo is wound up, liquidated, or dissolved (other than as a result of a solvent reorganisation or merger, consolidation, scheme, amalgamation in which case it shall continue to apply to the successor or surviving entity);
- (c) solely with respect to a Shareholder Party (and its applicable guarantor) if such Shareholder Party and its affiliates cease to own at least 10.00% of the Outstanding Shares, but without prejudice to the continuation of the SHA with respect to any other Shareholder Parties (including transferees which become Parties in accordance with the terms of the SHA).

6. Governing Law

The SHA including any non-contractual obligations arising out of or in connection with the SHA is governed by and shall be construed in accordance with English law.

APPROVALS AND CONDITIONS

1. APPROVALS AND CONDITIONS

As at the LPD, the following approvals in relation to the Proposals have been obtained:

- (i) SC had in its letter dated 15 September 2022 approved the Proposed Merger under section 214(1) of the CMSA, subject to the compliance of the following condition:

Condition imposed by the SC	Status of compliance
CIMB and Digi to fully comply with the requirements of the SC's Equity Guidelines pertaining to the implementation of the Proposed Merger	To be complied

SC had also, vide the same letter, approved the Proposed Merger under the Bumiputera equity requirement for public listed companies in relation to the resultant equity structure of Digi pursuant to the Proposed Merger. The effects of the Proposed Merger on the equity structure of Digi are as follows:

Category of shareholders	As at 31 December 2021		After the Proposed Merger	
	No. of Digi Shares	% of issued shares	No. of Digi Shares	% of enlarged issued shares
Bumiputera	1,464,244,785	18.8	1,464,244,785	12.5
Total Bumiputera	1,464,244,785	18.8	1,464,244,785	12.5
Non-Bumiputera	1,678,266,130	21.6	⁽¹⁾ 5,561,395,274	47.4
Total Malaysian	3,142,510,915	40.4	7,025,640,059	59.9
Foreigners	4,632,489,085	59.6	⁽²⁾ 4,705,867,929	40.1
TOTAL	7,775,000,000	100.0	11,731,507,988	100.0

Notes:

- (1) *Axiata, the holding company of Celcom, is a non-Bumiputera body corporate. The non-Bumiputera direct interest in Digi after the completion of the Proposed Merger is calculated by the summation of the number of shares held by the non-Bumiputera in Digi as at the latest practicable date of 31 December 2021 and the 3,883,129,144 fully paid-up new Digi Shares to be issued to Axiata upon completion of the Proposed Merger.*
- (2) *Telenor Asia, the holding company of Digi is a 100% foreign owned body corporate. The foreign direct interest in Digi after the completion of the Proposed Merger is calculated by the summation of the number of shares held by the foreigners in Digi as at the latest practicable date of 31 December 2021 and the 73,378,844 fully paid-up new Digi Shares to be issued to Telenor Asia upon completion of the Proposed Merger.*

APPROVALS AND CONDITIONS (Cont'd)

Departures from the SC Equity Guidelines

The SC has, via its letters dated 14 September 2021, 3 June 2022 and 27 July 2022, approved the reliefs sought from having to comply with certain requirements under the Equity Guidelines. The details of the reliefs sought and the relevant conditions imposed by the SC are as follows:

Paragraph under the Equity Guidelines for which relief was sought	Details of the relief granted	Conditions imposed (if any)	Status of compliance
Paragraphs 9.03, 14.01 and 14.03 and other consequential paragraphs of Appendix 2A	<u>Relief Granted</u> Relief from having to disclose the audited interim financial statements of Celcom in the Circular and the Accountants' Report.	Digi to incorporate the latest unaudited interim financial information of Celcom Group in the Circular.	Complied
Paragraphs 4.09, 4.10 and 4.11 of Appendix 2A	<u>Relief Granted</u> Relief from having to disclose in the Circular, information on remuneration and material benefits in kind of each director and member of the key senior management of Digi, Celcom and/or MergeCo on individual basis, where applicable: (i) for past services to Digi and/or Celcom in the FYE 31 December 2021; and (ii) for services to Digi and/or Celcom as well as estimated for services to the MergeCo Group in FYE 31 December 2022.	-	-
Paragraphs 8.02(a), 8.02(b) and 8.03 of Appendix 2A	<u>Relief Granted</u> EPF and ASB Relief from having to disclose in the Circular, the details of equity interest held by EPF and/or ASB in any entity which is carrying on similar trade as the MergeCo Group or is a customer or supplier of the MergeCo Group as well as any factors to demonstrate that there is no conflict of interest.	-	-

APPROVALS AND CONDITIONS (Cont'd)

Paragraph under the Equity Guidelines for which relief was sought	Details of the relief granted	Conditions imposed (if any)	Status of compliance
Paragraph 8.02(a) of Appendix 2A	<p><u>Relief Granted</u></p> <p>Khazanah</p> <p>Relief to limit the disclosure in the Circular to:</p> <p>(i) Details of direct interest held by Khazanah in other businesses and corporations carrying on similar trade as the MergeCo Group; and</p> <p>(ii) Details of indirect interest held by Khazanah in other businesses as MergeCo where Khazanah controls majority board of directors which comprise of employees of Khazanah.</p>	-	-
Paragraph 8.02(b) of Appendix 2A	<p><u>Relief Granted</u></p> <p>Khazanah</p> <p>Relief to limit assessment and disclosure in the Circular, details of direct and indirect interest held by Khazanah in other businesses and corporations which are customers or suppliers of Digi Group and/or Celcom Group to the list of top 10 customers and top 10 suppliers of Digi Group and Celcom Group respectively, by transaction value for the latest financial year. ("Selected Customers or Suppliers").</p>	-	-
Paragraph 7.02 of Appendix 2A	<p><u>Relief Granted</u></p> <p>Relief from having to disclose on an aggregate basis related party transactions between Celcom Group and the investee companies of Khazanah which are immaterial individually but material if aggregated, other than those which are part of the Selected Customers or Suppliers (namely edotco Group Sdn Bhd, Telekom and its subsidiaries, as well as TNB and its subsidiaries, which are the investee companies of Khazanah).</p>	-	-

APPROVALS AND CONDITIONS (Cont'd)

Paragraph under the Equity Guidelines for which relief was sought	Details of the relief granted	Conditions imposed (if any)	Status of compliance
Paragraph 16.01(b)(ii) of Appendix 2A	Relief to allow redaction of clauses pertaining to information on salary and remuneration benefits of Digi's key senior management, containing in the existing service contracts which provide for benefits upon termination of employment, and making the redacted service contracts available for public inspection.	-	-
Paragraph 9.17(a)	Relief to proceed with the application for the Proposed Merger for an additional three (3) months up to 27 October 2022, without having to submit a new application to the SC for the Proposed Merger after the application lapses on 28 July 2022.	-	-

SC had in its letter dated 17 December 2021 granted Axiata and Axiata PACs its ruling that the issuance of the 0.63% Digi Shares by Digi to Telenor Asia pursuant to the Shares Equalisation Arrangement is not a disqualifying transaction under subparagraph 4.08(2) of the Rules.

- (ii) **MCMC** had in its letter dated 28 June 2022 issued a notice of no objection to, and via Authorisation No.1 of 2022, granted its authorisation for, the Proposed Merger on the basis of the Undertaking. By the terms of Authorisation No.1 of 2022, MCMC's authorisation to Celcom and Digi to proceed with the Proposed Merger is valid only for a period of 1 year from 28 June 2022.

This letter and authorisation followed the Merging Parties' submission on 21 July 2021 to MCMC of Form 1 on Application for Assessment of Mergers and Acquisitions ("**Merger Assessment Application**") under MCMC's Guidelines on Mergers and Acquisitions dated 17 May 2019 ("**M&A Guidelines**") and pursuant to section 133 of the CMA (which prohibits conduct which will lead to a substantial lessening of competition) and section 139 of the CMA which empowers MCMC to direct a licensee in a dominant position to cease a conduct (which includes mergers and acquisitions) in a relevant communications market which has or may have the effect of substantially lessening competition in any communications market. The MCMC commenced its Phase 1 assessment on 23 September 2021 and Phase 2 assessment on 23 November 2021.

Upon completing MCMC's merger assessment, MCMC issued a SOI on 1 April 2022 seeking possible remedies from the Merging Parties to address competition concerns arising from the Proposed Merger. The Merging Parties submitted the Authorisation of Conduct Application on 16 June 2022 together with proposed undertakings after MCMC notified the Merging Parties that the commitments would only be accepted via an undertaking under section 140 of the CMA and such application was required. On 28 June 2022, MCMC issued Authorisation No.1 of 2022 stating that the competition concerns had been significantly mitigated by the commitments, that the benefits arising from the Proposed Merger outweigh the costs and with the Undertaking in place, that MCMC is satisfied that the Proposed Merger is in the national interest.

APPROVALS AND CONDITIONS (Cont'd)

The Undertaking are summarised below:

- (a) Divestment of 70 MHz of the MergeCo Group's spectrum across 1800 MHz, 2100 MHz and 2600 MHz, the first band to be returned to the MCMC within 2 years from Closing and the second and third bands to be returned 3 years from Closing;
- (b) Establishing a separate independent business unit for MVNO wholesale business under the MergeCo Group within 6 months after Closing and ensuring continuity of access to wholesale services for MVNOs at terms no worse off than existing agreements for a duration of 3 years from Closing;
- (c) Divestment of Yoodo Business within the Divestiture Period as committed to MCMC, which currently offers fully digital and customisable retail mobile plans to subscribers, failing which Merging Parties commit to cease Yoodo's operations within 3 months of the expiry of the Divestiture Period;
- (d) Removal of exclusivity arrangements with its exclusive distributors in Sabah, Labuan, Sarawak, Terengganu, Pahang and Kelantan, and not entering into new exclusivity arrangements with exclusive distributors or other distributors in these regions within 3 years from Closing, unless otherwise approved by MCMC; and
- (e) Positioning the existing Digi and Celcom's prepaid and postpaid products as products under a single MergeCo Group corporate brand within 2 years from Closing.

Further details of the Undertaking are disclosed in Section 1.3 of Part A of this Circular, and the full text of the Undertaking has been reproduced in Annexure F of this Circular.

- (iii) the approval from the **MCMC** on the major or substantial changes in shareholding equity of Digi Tel and certain members of the Celcom Group as the assignment holders in respect of the conditions of the spectrum assignments issued under the CMA are as set out below.
 - (a) A letter issued by the MCMC to Digi Tel dated 30 August 2022 where the MCMC understood that there will be no real changes to Digi Tel's shareholding equity following the Proposed Merger and as such, no further action is required from Digi Tel to ensure compliance with the conditions of the spectrum assignments for the 900MHz, 1800MHz and 2100 MHz frequency bands.
 - (b) A letter issued by the MCMC to Celcom dated 30 August 2022 where the MCMC had approved the proposed changes in Celcom's shareholdings with respect to the conditions of the spectrum assignments for the 900MHz and 2100 MHz frequency bands. The condition imposed by MCMC and the status of compliance is set out below.

Condition imposed by MCMC

Celcom to submit the necessary supporting documents i.e., certified true copy of the return of allotment of shares and register of members, to MCMC once the change in shareholding exercise is duly completed

Status of compliance

To be complied upon the completion of the Proposed Merger

APPROVALS AND CONDITIONS (Cont'd)

- (c) A letter issued by the MCMC to Celcom Mobile dated 1 September 2022 where the MCMC understood that there will be no real changes to Celcom Mobile's shareholding equity following the Proposed Merger and as such, no further action is required from Celcom Mobile to ensure compliance with the conditions of the spectrum assignments for the 1800MHz frequency band.

In addition, the Minister had also acknowledged the letters dated 15 July 2022 sent by Digi Tel and Celcom respectively on the changes in the substantial shareholdings of Digi Tel and certain members of the Celcom Group as the NFP and NSP licence holders.

Following the above approval, confirmations and acknowledgements received from the MCMC and the Minister, the Condition as set out in paragraph 3.1(i) of Section A of Appendix XI of this Circular is deemed fulfilled.

- (iv) the approval/consent of the lenders/sukukholders of Axiata or Celcom for the Proposed Merger as referred to in paragraph 3.1 of Section A of Appendix XI of this Circular. There are no conditions imposed by the lenders/sukukholders of Axiata or Celcom.
- (v) the approval of **BNM** granted on 6 October 2021 for the change of shareholders and/or shareholding in Merchantrade as referred to in paragraph 3.1 of Section A of Appendix XI of this Circular. The condition imposed by BNM and the status of compliance is as follows:

<u>Condition imposed by BNM</u>	<u>Status of compliance</u>
Merchantrade to submit the statutory form reflecting the new shareholding structure to BNM before 5 December 2021	Complied

- (vi) Bursa Securities had in its letter dated 27 October 2022 approved the listing of and quotation for 3,956,507,988 new Digi Shares, i.e. the Consideration Shares, to be issued pursuant to the Proposed Merger on the Main Market of Bursa Securities. The condition imposed by Bursa Securities and the status of compliance are as follows:

<u>Condition imposed by Bursa Securities</u>	<u>Status of compliance</u>
Digi and CIMB must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Merger;	To be complied
CIMB to furnish Bursa Securities with a certified true copy of the resolutions passed by shareholders at the forthcoming general meeting for the Proposed Merger and the Proposed Exemption;	To be complied
CIMB to furnish Bursa Securities with a confirmation that all approvals of the relevant authorities have been obtained together with a copy each of all the remaining letters of approval from the relevant authorities;	To be complied

APPROVALS AND CONDITIONS (Cont'd)

Condition imposed by Bursa Securities	Status of compliance
Digi must comply with the public shareholdings spread requirements pursuant to paragraph 8.02 of Listing Requirements upon the listing of and quotation for the new Digi Shares to be issued pursuant to the Proposed Merger. Digi / CIMB to also furnish Bursa Securities with a written confirmation that Digi complies with the public shareholdings spread requirements pursuant to paragraph 8.02(1) of the Listing Requirements and a certificate of distribution of shares in the format contained Part B(1)(d) of Annexure PN21-A of the Listing Requirements;	To be complied
Digi to furnish Bursa Securities with the undertaking and confirmation letters duly signed by the directors to be appointed to the Board of Digi (in the format prescribed in Annexures PN21-C and PN21-D of the Listing Requirements) immediately after their appointments pursuant to the completion of the Proposed Merger, together with a confirmation that the requirements stipulated under paragraphs 15.02, 15.09 and 15.10 of the Listing Requirements have been duly complied together with the relevant document supporting the same;	To be complied
In respect of the imposition of moratorium on the sale of Digi shares pursuant to paragraph 7.19 of the Equity Guidelines issued by the SC, CIMB to submit the following information on the moratorium to the Bursa Malaysia Depository Sdn Bhd before the listing and quotation of the Digi shares:	To be complied
(i) The name of the securities holders;	
(ii) The number of securities; and	
(iii) The date(s) of expiry of the moratorium;	
CIMB to inform Bursa Securities upon completion of the Proposed Merger; and	To be complied
CIMB to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval upon completion of the Proposed Merger.	To be complied

ADDITIONAL INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENTS

The Directors of Digi have seen and approved this Circular. They collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, and to the best of their knowledge and belief, they confirm there is no false or misleading statement or other facts which if omitted, would make any statement in the circular false or misleading.

The directors of Axiata collectively and individually accept full responsibility for the accuracy of the information relating to Axiata and Celcom group. Having made all reasonable enquiries, and to the best of their knowledge and belief, they confirm there is no false or misleading statement or other facts which if omitted, would make any statement relating to Axiata and Celcom group in the Circular false or misleading.

2. CONSENTS**2.1 CIMB**

CIMB, being our Principal Adviser for the Proposals, has given and has not subsequently withdrawn its written consent to include its name and all references thereto in this Circular in the form and context in which they appear.

2.2 AmInvestment

AmInvestment, being our Independent Adviser for the Proposals, has given and has not subsequently withdrawn its written consent to include its name, the IAL and all references thereto in this Circular in the form and context in which they appear.

2.3 Messrs. Christopher & Lee Ong

Messrs. Christopher & Lee Ong, being our Legal Adviser has given and has not subsequently withdrawn its written consent to include its name and all references thereto in this Circular in the form and context in which they appear.

2.4 Ernst & Young PLT

Ernst & Young PLT, being our Reporting Accountants has given and has not subsequently withdrawn its written consent to include its name, the Reporting Accountants' Report on the compilation of pro forma financial information of Digi together and all references thereto in this Circular in the form and context in which they appear.

2.5 KPMG Corporate Advisory Sdn Bhd

KPMG Corporate Advisory Sdn Bhd, being our Independent Valuer has given and has not subsequently withdrawn its written consent to include its name, valuation letter on the valuation of a 100% equity interest in Celcom and all references thereto in this Circular in the form and context in which they appear.

2.6 PricewaterhouseCoopers PLT

PricewaterhouseCoopers PLT, being the Reporting Accountants with respect to the financial information of Celcom Group has given and has not subsequently withdrawn its written consent to include its name, audit opinion on historical consolidated financial statements of Celcom Group for the financial years ended 31 December 2019, 31 December 2020 and 31 December 2021, contained in the Accountants' Report of Celcom Group and all references thereto in this Circular in the form and context in which they appear.

ADDITIONAL INFORMATION (Cont'd)

2.7 Maybank Investment Bank Berhad

Maybank Investment Bank Berhad, being the Principal Adviser to Axiata in respect of the following approvals sought by Axiata:

- (i) Axiata's shareholders' approval for the Proposed Merger; and
- (ii) Approval from the SC for the Proposed Exemption,

has given and has not subsequently withdrawn its written consent to include its name and all references thereto in this Circular in the form and context in which they appear.

2.8 Messrs. Adnan Sundra & Low

Messrs. Adnan Sundra & Low, being the Legal Adviser to Axiata has given and has not subsequently withdrawn its written consent to include its name and all references thereto in this Circular in the form and context in which they appear.

3. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the Registered Office of Digi at 12th Floor, Menara Symphony, No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia during normal business hours from Monday to Friday (except public holidays) from the date of this Circular, up to and including the date of the forthcoming EGM, or any adjournment thereof:

- (i) the constitutions of Digi and Celcom;
- (ii) the SPA;
- (iii) the MTA, which has annexed thereto, the draft SHA to be entered into by the SHA Parties in connection with and upon completion of the Proposed Merger;
- (iv) the Letter Agreement;
- (v) our audited consolidated financial statements for the past two (2) FYE 31 December 2020 and 31 December 2021 and the latest unaudited results since the last audited financial statements;
- (vi) the Reporting Accountants' Report on the compilation of pro forma consolidated financial information of Digi as included in Appendix IX of this Circular;
- (vii) the audited consolidated financial statements of Celcom and its subsidiaries for the past three (3) FYE 31 December 2019, FYE 31 December 2020 and FYE 31 December 2021;
- (viii) the Accountants' Report on Celcom Group as included in Appendix VIII of this Circular;
- (ix) Directors' Report on the Celcom Group as included in Section 3 of Appendix III of this Circular;
- (x) the Indicative Valuation Letter as included in Appendix X of this Circular;
- (xi) the key cause papers in respect of the material litigation as referred to in Section 8 of Appendix I of this Circular;
- (xii) the service contracts as referred to in Section 6 of Appendix VI of this Circular;
- (xiii) the letters of consent as referred to in Section 2 of Appendix XIII of this Circular;

ADDITIONAL INFORMATION *(Cont'd)*

- (xiv) the conditional share subscription agreements with DNB each separately entered into by Digi Tel and Celcom Mobile on 7 October 2022 as referred in Section 6 of Appendix I and Section 1.3 of Appendix V of this Circular; and
- (xv) the unaudited condensed consolidated financial information of Celcom Group for the 6 months ended 30 June 2022 as included in Section 4 of Appendix III of this Circular.

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MAJOR APPROVALS, LICENCES, PERMITS AND REGISTRATION OF THE CELCOM GROUP (Cont'd)

No.	Licensee	Approving authority (Reference no.)	Validity period	Description of licence / approval	Salient conditions	Status of compliance
					(h) The licensee shall take all reasonable steps to ensure that its employees, agents, consultants or other third-party suppliers who are engaged in the licensee's business or who have access to the licensee's customer information do not disclose information about a customer of a licensee which has been acquired in the course of the licensee's business without the prior consent of that customer.	Complied
Special or Additional Licence Conditions						
					(a) The licensed area shall be Malaysia.	Complied
					(b) The licensee shall notify the Minister of Communications and Multimedia, in writing, of any restructuring or rationalisation of the licensee's corporate structure.	Complied ⁽¹⁾
					(c) The licensee shall permit interconnection with the licensee's network facilities under terms and conditions which may be determined and/or approved by the MCMC.	Complied
					(d) The licensee shall comply with any determination made by the MCMC on universal service provision.	Complied
					(e) Foreign shareholding, if any, in the licensee shall not be more than 49.00%.	Complied
					(f) The licensee shall ensure that the Bumiputera equity in the licensee is not less than 30.00% for so long as the licensee remains a private company or a public company as defined under the Companies Act 1965 (now known as the Companies Act 2016) and is not listed on Bursa Securities.	Complied
					(g) The licensee shall have 1 year from the date of this licence to ensure compliance with condition (f).	Complied

MAJOR APPROVALS, LICENCES, PERMITS AND REGISTRATION OF THE CELCOM GROUP (Cont'd)

No.	Licensee	Approving authority (Reference no.)	Validity period	Description of licence / approval	Salient conditions	Status of compliance
2.	Celcom Berhad	Minister of Communications and Multimedia (Reference no. NSP//2000/215)	30 August 2015 to 29 August 2025	Individual licence to provide any network service	<p>Standard Licence Conditions</p> <p>(a) The licensee shall notify the Minister of Communications and Multimedia of any changes in the substantial shareholdings of the company as defined under the Companies Act 1965 (now known as the Companies Act 2016).</p> <p>(b) The licensee shall comply with all relevant laws or rules under any legislation or guidelines issued by the government of government agencies pertaining to the restrictions on foreign shareholdings in the licensee.</p> <p>(c) The licensee shall notify the Minister of Communications and Multimedia of any joint ventures or consortiums, which it enters into with any other licensees after the grant of the licence.</p> <p>(d) The licensee shall comply with the numbering and electronic addressing plan issued under the CMA.</p> <p>(e) The licensee shall comply with the spectrum plan issued under the CMA.</p> <p>(f) The licensee shall comply with any consumer codes registered under the CMA which are relevant to the activities of the licensee.</p> <p>(g) The licensee shall observe and comply with the special rate regulation regime as may be determined by the Minister of Communications and Multimedia under section 200 of the CMA.</p>	Complied ⁽¹⁾
						Complied
						Complied
						Complied
						Complied
						Complied
						Partially complied ⁽²⁾
						Complied

MAJOR APPROVALS, LICENCES, PERMITS AND REGISTRATION OF THE CELCOM GROUP (Cont'd)

No.	Licensee	Approving authority (Reference no.)	Validity period	Description of licence / approval	Salient conditions	Status of compliance
					(h) The licensee shall take all reasonable steps to ensure that its employees, agents, consultants or other third-party suppliers who are engaged in the licensee's business or who have access to the licensee's customer information do not disclose information about a customer of a licensee which has been acquired in the course of the licensee's business without the prior consent of that customer.	Complied
Special or Additional Licence Conditions						
					(a) The licensed area shall be Malaysia.	Complied
					(b) The licensee shall notify the Minister of Communications and Multimedia, in writing, of any restructuring or rationalisation of the licensee's corporate structure.	Complied ⁽¹⁾
					(c) The licensee shall permit interconnection with the licensee's network services under terms and conditions which may be determined and/or approved by the MCMC.	Complied
					(d) The licensee shall comply with any determination made by the MCMC on universal service provision.	Complied
					(e) Foreign shareholding, if any, in the licensee shall not be more than 49.00%.	Complied
					(f) The licensee shall ensure that the Bumiputera equity in the Licensee is not less than 30.00% for so long as the licensee remains a private company or a public company as defined under the Companies Act 1965 (now known as the Companies Act 2016) and is not listed on Bursa Securities.	Complied
					(g) The licensee shall have 1 year from the date of this licence to ensure compliance with condition (f).	Complied

MAJOR APPROVALS, LICENCES, PERMITS AND REGISTRATION OF THE CELCOM GROUP (Cont'd)

No.	Licensee	Approving authority (Reference no.)	Validity period	Description of licence / approval	Salient conditions	Status of compliance
3.	Celcom Mobile Sdn Bhd	Minister of Communications and Multimedia (Reference no. NFP//2000/212)	30 August 2015 to 29 August 2025	Individual licence to own or provide any network facilities	<p>Standard Licence Conditions</p> <p>(a) The licensee shall notify the Minister of Communications and Multimedia of any changes in the substantial shareholdings of the company as defined under the Companies Act 1965 (now known as the Companies Act 2016).</p> <p>(b) The licensee shall comply with all relevant laws or rules under any legislation or guidelines issued by the government of government agencies pertaining to the restrictions on foreign shareholdings in the licensee.</p> <p>(c) The licensee shall notify the Minister of Communications and Multimedia of any joint ventures or consortiums, which it enters into with any other licensees after the grant of the licence.</p> <p>(d) The licensee shall comply with the numbering and electronic addressing plan issued under the CMA.</p> <p>(e) The licensee shall comply with the spectrum plan issued under the CMA.</p> <p>(f) The licensee shall comply with any consumer codes registered under the CMA which are relevant to the activities of the licensee.</p> <p>(g) The licensee shall observe and comply with the special rate regulation regime as may be determined by the Minister of Communications and Multimedia under section 200 of the CMA.</p>	Complied ⁽³⁾
						Complied
						Complied
						Complied
						Complied
						Partially complied ⁽²⁾
						Complied

MAJOR APPROVALS, LICENCES, PERMITS AND REGISTRATION OF THE CELCOM GROUP (Cont'd)

No.	Licensee	Approving authority (Reference no.)	Validity period	Description of licence / approval	Salient conditions	Status of compliance
					(h) The licensee shall take all reasonable steps to ensure that its employees, agents, consultants or other third-party suppliers who are engaged in the licensee's business or who have access to the licensee's customer information do not disclose information about a customer of a licensee which has been acquired in the course of the licensee's business without the prior consent of that customer.	Complied
Special or Additional Licence Conditions						
					(a) The licensed area shall be Malaysia.	Complied
					(b) The licensee shall notify the Minister of Communications and Multimedia, in writing, of any restructuring or rationalisation of the licensee's corporate structure.	Complied ⁽²⁾
					(c) The licensee shall permit interconnection with the licensee's network facilities under terms and conditions which may be determined and/or approved by the MCMC.	Complied
					(d) The licensee shall comply with any determination made by the MCMC on universal service provision.	Complied
					(e) Foreign shareholding, if any, in the licensee shall not be more than 49.00%.	Complied
					(f) The licensee shall ensure that the Bumiputera equity in the licensee is not less than 30.00% for so long as the licensee remains a private company or a public company as defined under the Companies Act 1965 (now known as the Companies Act 2016) and is not listed on Bursa Securities.	Complied
					(g) The licensee shall have 1 year from the date of this licence to ensure compliance with condition (f).	Complied

MAJOR APPROVALS, LICENCES, PERMITS AND REGISTRATION OF THE CELCOM GROUP (Cont'd)

No.	Licensee	Approving authority (Reference no.)	Validity period	Description of licence / approval	Salient conditions	Status of compliance
4.	Celcom Sdn Bhd	Minister of Communications and Multimedia (Reference no. NSP/I/2000/216)	30 August 2015 to 29 August 2025	Individual licence to provide any network service	<p>Standard Licence Conditions</p> <p>(a) The licensee shall notify the Minister of Communications and Multimedia of any changes in the substantial shareholdings of the company as defined under the Companies Act 1965 (now known as the Companies Act 2016).</p> <p>(b) The licensee shall comply with all relevant laws or rules under any legislation or guidelines issued by the government of government agencies pertaining to the restrictions on foreign shareholdings in the licensee.</p> <p>(c) The licensee shall notify the Minister of Communications and Multimedia of any joint ventures or consortiums, which it enters into with any other licensees after the grant of the licence.</p> <p>(d) The licensee shall comply with the numbering and electronic addressing plan issued under the CMA.</p> <p>(e) The licensee shall comply with the spectrum plan issued under the CMA.</p> <p>(f) The licensee shall comply with any consumer codes registered under the CMA which are relevant to the activities of the licensee.</p> <p>(g) The licensee shall observe and comply with the special rate regulation regime as may be determined by the Minister of Communications and Multimedia under section 200 of the CMA.</p>	Complied ⁽³⁾
						Complied
						Complied
						Complied
						Complied
						Partially complied ⁽²⁾
						Complied

MAJOR APPROVALS, LICENCES, PERMITS AND REGISTRATION OF THE CELCOM GROUP (Cont'd)

No.	Licensee	Approving authority (Reference no.)	Validity period	Description of licence / approval	Salient conditions	Status of compliance
					(h) The licensee shall take all reasonable steps to ensure that its employees, agents, consultants or other third-party suppliers who are engaged in the licensee's business or who have access to the licensee's customer information do not disclose information about a customer of a licensee which has been acquired in the course of the licensee's business without the prior consent of that customer.	Complied
Special or Additional Licence Conditions						
					(a) The licensed area shall be Malaysia.	Complied
					(b) The licensee shall notify the Minister of Communications and Multimedia, in writing, of any restructuring or rationalisation of the licensee's corporate structure.	Complied ⁽³⁾
					(c) The licensee shall permit interconnection with the licensee's network services under terms and conditions which may be determined and/or approved by the MCMC.	Complied
					(d) The licensee shall comply with any determination made by the MCMC on universal service provision.	Complied
					(e) Foreign shareholding, if any, in the licensee shall not be more than 49.00%.	Complied
					(f) The licensee shall ensure that the Bumiputera equity in the licensee is not less than 30.00% for so long as the licensee remains a private company or a public company as defined under the Companies Act 1965 (now known as the Companies Act 2016) and is not listed on Bursa Securities.	Complied
					(g) The licensee shall have 1 year from the date of this licence to ensure compliance with condition (f).	Complied

MAJOR APPROVALS, LICENCES, PERMITS AND REGISTRATION OF THE CELCOM GROUP (Cont'd)

No.	Licensee	Approving authority (Reference no.)	Validity period	Description of licence / approval	Salient conditions	Status of compliance
5.	Celcom Networks Bhd	Minister of Communications and Multimedia (Reference no. NFP//2000/213)	30 August 2015 to 29 August 2025	Individual licence to own or provide any network facilities	<p>Standard Licence Conditions</p> <p>(a) The licensee shall notify the Minister of Communications and Multimedia of any changes in the substantial shareholdings of the company as defined under the Companies Act 1965 (now known as the Companies Act 2016).</p> <p>(b) The licensee shall comply with all relevant laws or rules under any legislation or guidelines issued by the government of government agencies pertaining to the restrictions on foreign shareholdings in the licensee.</p> <p>(c) The licensee shall notify the Minister of Communications and Multimedia of any joint ventures or consortiums, which it enters into with any other licensees after the grant of the licence.</p> <p>(d) The licensee shall comply with the numbering and electronic addressing plan issued under the CMA.</p> <p>(e) The licensee shall comply with the spectrum plan issued under the CMA.</p> <p>(f) The licensee shall comply with any consumer codes registered under the CMA which are relevant to the activities of the licensee.</p> <p>(g) The licensee shall observe and comply with the special rate regulation regime as may be determined by the Minister of Communications and Multimedia under section 200 of the CMA.</p>	Complied ⁽³⁾
						Complied
						Complied
						Complied
						Complied
						Partially complied ⁽²⁾
						Complied

MAJOR APPROVALS, LICENCES, PERMITS AND REGISTRATION OF THE CELCOM GROUP (Cont'd)

No.	Licensee	Approving authority (Reference no.)	Validity period	Description of licence / approval	Salient conditions	Status of compliance
					(h) The licensee shall take all reasonable steps to ensure that its employees, agents, consultants or other third-party suppliers who are engaged in the licensee's business or who have access to the Licensee's customer information do not disclose information about a customer of a licensee which has been acquired in the course of the licensee's business without the prior consent of that customer.	Complied
Special or Additional Licence Conditions						
					(a) The licensed area shall be Malaysia.	Complied
					(b) The licensee shall notify the Minister of Communications and Multimedia, in writing, of any restructuring or rationalisation of the licensee's corporate structure.	Complied ⁽³⁾
					(c) The licensee shall permit interconnection with the licensee's network facilities under terms and conditions which may be determined and/or approved by the MCMC.	Complied
					(d) The licensee shall comply with any determination made by the MCMC on universal service provision.	Complied
					(e) Foreign shareholding, if any, in the licensee shall not be more than 49.00%.	Complied
					(f) The licensee shall ensure that the Bumiputera equity in the licensee is not less than 30.00% for so long as the licensee remains a private company or a public company as defined under the Companies Act 1965 (now known as the Companies Act 2016) and is not listed on Bursa Securities.	Complied
					(g) The licensee shall have 1 year from the date of this licence to ensure compliance with condition (f).	Complied

MAJOR APPROVALS, LICENCES, PERMITS AND REGISTRATION OF THE CELCOM GROUP (Cont'd)

No.	Licensee	Approving authority (Reference no.)	Validity period	Description of licence / approval	Salient conditions	Status of compliance
6.	Celcom Networks Bhd	Minister of Communications and Multimedia (Reference no. NSP//2000/217)	30 August 2015 to 29 August 2025	Individual licence to provide any network service	<p>Standard Licence Conditions</p> <p>(a) The licensee shall notify the Minister of Communications and Multimedia of any changes in the substantial shareholdings of the company as defined under the Companies Act 1965 (now known as the Companies Act 2016).</p> <p>(b) The licensee shall comply with all relevant laws or rules under any legislation or guidelines issued by the government of government agencies pertaining to the restrictions on foreign shareholdings in the licensee.</p> <p>(c) The licensee shall notify the Minister of Communications and Multimedia of any joint ventures or consortiums, which it enters into with any other licensees after the grant of the licence.</p> <p>(d) The licensee shall comply with the numbering and electronic addressing plan issued under the CMA.</p> <p>(e) The licensee shall comply with the spectrum plan issued under the CMA.</p> <p>(f) The licensee shall comply with any consumer codes registered under the CMA which are relevant to the activities of the licensee.</p> <p>(g) The licensee shall observe and comply with the special rate regulation regime as may be determined by the Minister of Communications and Multimedia under section 200 of the CMA.</p>	Complied ⁽³⁾
						Complied
						Complied
						Complied
						Complied
						Partially complied ⁽²⁾
						Complied

MAJOR APPROVALS, LICENCES, PERMITS AND REGISTRATION OF THE CELCOM GROUP (Cont'd)

No.	Licensee	Approving authority (Reference no.)	Validity period	Description of licence / approval	Salient conditions	Status of compliance
					(h) The licensee shall take all reasonable steps to ensure that its employees, agents, consultants or other third-party suppliers who are engaged in the licensee's business or who have access to the licensee's customer information do not disclose information about a customer of a licensee which has been acquired in the course of the licensee's business without the prior consent of that customer.	Complied
Special or Additional Licence Conditions						
					(a) The licensed area shall be Malaysia.	Complied
					(b) The licensee shall notify the Minister of Communications and Multimedia, in writing, of any restructuring or rationalisation of the licensee's corporate structure.	Complied ⁽³⁾
					(c) The licensee shall permit interconnection with the licensee's network services under terms and conditions which may be determined and/or approved by the MCMC.	Complied
					(d) The licensee shall comply with any determination made by the MCMC on universal service provision.	Complied
					(e) Foreign shareholding, if any, in the licensee shall not be more than 49.00%.	Complied
					(f) The licensee shall ensure that the Bumiputera equity in the licensee is not less than 30.00% for so long as the licensee remains a private company or a public company as defined under the Companies Act 1965 (now known as the Companies Act 2016) and is not listed on Bursa Securities.	Complied
					(g) The Licensee shall have 1 year from the date of this licence to ensure compliance with condition (f).	Complied

MAJOR APPROVALS, LICENCES, PERMITS AND REGISTRATION OF THE CELCOM GROUP (Cont'd)

No.	Licensee	Approving authority (Reference no.)	Validity period	Description of licence / approval	Salient conditions	Status of compliance
7.	Celcom (Sabah) Bhd	Minister of Communications and Multimedia (Reference no. NFP//2000/239)	28 December 2015 to 27 December 2025	Individual licence to own or provide any network facilities	<p>Standard Licence Conditions</p> <p>(a) The licensee shall notify the Minister of Communications and Multimedia of any changes in the substantial shareholdings of the company as defined under the Companies Act 1965 (now known as the Companies Act 2016).</p> <p>(b) The licensee shall comply with all relevant laws or rules under any legislation or guidelines issued by the government of government agencies pertaining to the restrictions on foreign shareholdings in the licensee.</p> <p>(c) The licensee shall notify the Minister of Communications and Multimedia of any joint ventures or consortiums, which it enters into with any other licensees after the grant of the licence.</p> <p>(d) The licensee shall comply with the numbering and electronic addressing plan issued under the CMA.</p> <p>(e) The licensee shall comply with the spectrum plan issued under the CMA.</p> <p>(f) The licensee shall comply with any consumer codes registered under the CMA which are relevant to the activities of the licensee.</p> <p>(g) The licensee shall observe and comply with the special rate regulation regime as may be determined by the Minister of Communications and Multimedia under section 200 of the CMA.</p>	Complied ⁽³⁾
						Complied
						Complied
						Complied
						Complied
						Partially complied ⁽²⁾
						Complied

MAJOR APPROVALS, LICENCES, PERMITS AND REGISTRATION OF THE CELCOM GROUP (Cont'd)

No.	Licensee	Approving authority (Reference no.)	Validity period	Description of licence / approval	Salient conditions	Status of compliance
					(h) The licensee shall take all reasonable steps to ensure that its employees, agents, consultants or other third-party suppliers who are engaged in the licensee's business or who have access to the licensee's customer information do not disclose information about a customer of a licensee which has been acquired in the course of the licensee's business without the prior consent of that customer.	Complied
Special or Additional Licence Conditions						
					(a) The licensed area shall be limited to the state of Sabah and Wilayah Persekutuan Labuan.	Complied
					(b) The licensee shall notify the Minister of Communications and Multimedia, in writing, of any restructuring or rationalisation of the licensee's corporate structure.	Complied ⁽³⁾
					(c) The licensee shall permit interconnection with the licensee's network facilities under terms and conditions which may be determined and/or approved by the MCMC.	Complied
					(d) The licensee shall comply with any determination made by the MCMC on universal service provision.	Complied
					(e) Foreign shareholding, if any, in the licensee shall not be more than 49.00%.	Complied
					(f) The licensee shall ensure that the Bumiputera equity in the licensee is not less than 30.00% for so long as the licensee remains a private company or a public company as defined under the Companies Act 1965 (now known as the Companies Act 2016) and is not listed on Bursa Securities.	Complied
					(g) The licensee shall have 1 year from the date of this licence to ensure compliance with condition (f).	Complied

MAJOR APPROVALS, LICENCES, PERMITS AND REGISTRATION OF THE CELCOM GROUP (Cont'd)

No.	Licensee	Approving authority (Reference no.)	Validity period	Description of licence / approval	Salient conditions	Status of compliance
8.	Celcom (Sabah) Bhd	Minister of Communications and Multimedia (Reference no. NSP/II/2000/234)	28 December 2015 to 27 December 2025	Individual licence to provide any network service	<p>Standard Licence Conditions</p> <p>(a) The licensee shall notify the Minister of Communications and Multimedia of any changes in the substantial shareholdings of the company as defined under the Companies Act 1965 (now known as the Companies Act 2016).</p> <p>(b) The licensee shall comply with all relevant laws or rules under any legislation or guidelines issued by the government of government agencies pertaining to the restrictions on foreign shareholdings in the licensee.</p> <p>(c) The licensee shall notify the Minister of Communications and Multimedia of any joint ventures or consortiums, which it enters into with any other licensees after the grant of the licence.</p> <p>(d) The licensee shall comply with the numbering and electronic addressing plan issued under the CMA.</p> <p>(e) The licensee shall comply with the spectrum plan issued under the CMA.</p> <p>(f) The licensee shall comply with any consumer codes registered under the CMA which are relevant to the activities of the licensee.</p> <p>(g) The licensee shall observe and comply with the special rate regulation regime as may be determined by the Minister of Communications and Multimedia under section 200 of the CMA.</p>	Complied ⁽³⁾
						Complied
						Complied
						Complied
						Complied
						Partially complied ⁽²⁾
						Complied

MAJOR APPROVALS, LICENCES, PERMITS AND REGISTRATION OF THE CELCOM GROUP (Cont'd)

No.	Licensee	Approving authority (Reference no.)	Validity period	Description of licence / approval	Salient conditions	Status of compliance
					(h) The licensee shall take all reasonable steps to ensure that its employees, agents, consultants or other third-party suppliers who are engaged in the licensee's business or who have access to the licensee's customer information do not disclose information about a customer of a licensee which has been acquired in the course of the licensee's business without the prior consent of that customer.	Complied
Special or Additional Licence Conditions						
					(a) The licensed area shall be limited to the state of Sabah and Wilayah Persekutuan Labuan.	Complied
					(b) The licensee shall notify the Minister of Communications and Multimedia, in writing, of any restructuring or rationalisation of the licensee's corporate structure.	Complied ⁽³⁾
					(c) The licensee shall permit interconnection with the licensee's network services under terms and conditions which may be determined and/or approved by the MCMC.	Complied
					(d) The licensee shall comply with any determination MCMC on universal service provision.	Complied
					(e) Foreign shareholding, if any, in the licensee shall not be more than 49.00%.	Complied
					(f) The licensee shall ensure that the Bumiputera equity in the licensee is not less than 30.00% for so long as the licensee remains a private company or a public company as defined under the Companies Act 1965 (now known as the Companies Act 2016) and is not listed on Bursa Securities.	Complied
					(g) The licensee shall have 1 year from the date of this licence to ensure compliance with condition (f).	Complied

MAJOR APPROVALS, LICENCES, PERMITS AND REGISTRATION OF THE CELCOM GROUP (Cont'd)

No.	Licensee	Approving authority (Reference no.)	Validity period	Description of licence / approval	Salient conditions	Status of compliance
9.	Celcom Berhad Axiata	MCMC (Registration Reference no. 84/2022)	2 April 2022 to 1 April 2023	Registration as a class licence holder to provide application services (ASP(C))	(a) The licensee shall only be permitted to offer services specified in item 3 of the licensee's Class Licence (Form D) Registration Form. In the event the licensee intends to provide any services other than the services as set out in Form D, the licensee is required to furnish information in respect of the said intended changes along with the requisite payments as provided in Schedule 2 of the Communications and Multimedia (Licensing) Regulations 2000 (as amended).	Complied
					(b) Pursuant to section 126 of the CMA, anyone owning or providing any form of network facilities or network service whether or not in connection to the application service provider as set out in the licence or otherwise, is required to have a relevant network facilities provider licence or network service provider licence.	Complied
10.	Celcom Sdn Bhd Mobile	MCMC (Registration Reference no. 85/2022)	5 April 2022 to 4 April 2023	Registration as a class licence holder to provide application services (ASP(C))	(a) The licensee shall only be permitted to offer services specified in item 3 of the licensee's Class Licence (Form D) Registration Form. In the event the licensee intends to provide any services other than the services as set out in Form D, the licensee is required to furnish information in respect of the said intended changes along with the requisite payments as provided in Schedule 2 of the Communications and Multimedia (Licensing) Regulations 2000 (as amended).	Complied
					(b) Pursuant to section 126 of the CMA, anyone owning or providing any form of network facilities or network services whether or not in connection to the application service provider as set out in the licence or otherwise, is required to have a relevant network facilities provider licence or network services provider licence.	Complied

MAJOR APPROVALS, LICENCES, PERMITS AND REGISTRATION OF THE CELCOM GROUP (Cont'd)

No.	Licensee	Approving authority (Reference no.)	Validity period	Description of licence / approval	Salient conditions	Status of compliance
11.	Celcom (Sabah) Bhd Timur Sdn Bhd	MCMC (Registration Reference no. 466/2021)	23 December 2021 to 22 December 2022 ⁽⁴⁾	Registration as a class licence holder to provide application services (ASP(C))	(a) The licensee shall only be permitted to offer services specified in item 3 of the licensee's Class Licence (Form D) Registration Form. In the event the licensee intends to provide any services other than the services as set out in Form D, the licensee is required to furnish information in respect of the said intended changes along with the requisite payments as provided in Schedule 2 of the Communications and Multimedia (Licensing) Regulations 2000 (as amended). (b) Pursuant to section 126 of the CMA, anyone owning or providing any form of network facilities or network services whether or not in connection to the application service provider as set out in the licence or otherwise, is required to have a relevant network facilities provider licence or network service provider licence.	Complied
12.	Celcom Berhad Axiata	MCMC (Assignment Reference no. SA/05/2016)	1 July 2017 to 30 June 2032	Spectrum assignment for the frequency bands 890 MHz to 900 MHz paired with 935 MHz to 945 MHz	(a) The assignment holder shall hold a valid Network Facilities Provider Individual licence that includes radiocommunications transmitters and links and a Network Service Provider Individual licence throughout the validity period of the spectrum assignment. (b) The assignment holder shall not, in any manner whatsoever, assign, trade and/or transfer any or all of its rights under the spectrum assignment either in whole or in part to a third-party. (c) The use of this spectrum assignment shall be subjected to the requirements stipulated in the Standard Radio System Plan 504 or guideline(s) issued by the MCMC including any revision(s) thereafter.	Complied

MAJOR APPROVALS, LICENCES, PERMITS AND REGISTRATION OF THE CELCOM GROUP (Cont'd)

No.	Licensee	Approving authority (Reference no.)	Validity period	Description of licence / approval	Salient conditions	Status of compliance
					(d) The assignment holder shall submit a list of the sites at which it intends to install its apparatus at least one (1) month before the scheduled installation of each apparatus.	Complied
					(e) There shall be no change in the major shareholding of the assignment holder without prior written approval of the MCMC throughout the validity period of the spectrum assignment.	Complied ⁽⁵⁾
					(f) The assignment holder shall observe and comply with the MSQoS and any other relevant instruments issued by the MCMC including any revision(s) thereafter.	Partially complied ⁽²⁾
					(g) The assignment holder shall at all material times enhance coverage and quality of service of mobile broadband in line with the targets set out in the Eleventh Malaysia Plan, and beyond.	Complied
					(h) The assignment holder shall ensure prices of mobile broadband packages to be offered must be lower than the prices of broadband packages being offered prior to the effective date of this spectrum assignment.	Complied
					(i) Termination of services by the assignment holder to consumers shall be construed as an act of default of this spectrum assignment conditions which will automatically result in the revocation of this spectrum assignment. The MCMC reserves the right to take necessary action to reissue the spectrum assignment in such instance(s) without any compensation being given to the assignment holder under any circumstances.	Complied

MAJOR APPROVALS, LICENCES, PERMITS AND REGISTRATION OF THE CELCOM GROUP (Cont'd)

No.	Licensee	Approving authority (Reference no.)	Validity period	Description of licence / approval	Salient conditions	Status of compliance
13.	Celcom Sdn Bhd	MCMC (Assignment Reference no. SA/06/2016)	1 July 2017 to 30 June 2032	Spectrum assignment for the frequency bands 1745 MHz to 1765 MHz paired with 1840 MHz to 1860 MHz	<p>(a) The assignment holder shall hold a valid Network Facilities Provider Individual licence that includes radiocommunications transmitters and links and a Network Service Provider Individual licence throughout the validity period of the spectrum assignment.</p> <p>(b) The assignment holder shall not, in any manner whatsoever, assign, trade and/or transfer any or all of its rights under the spectrum assignment either in whole or in part to a third-party.</p> <p>(c) The use of this spectrum assignment shall be subjected to the requirements stipulated in the Standard Radio System Plan 508 or guideline(s) issued by the MCMC including any revision(s) thereafter.</p> <p>(d) The assignment holder shall submit a list of the sites at which it intends to install its apparatus at least one (1) month before the scheduled installation of each apparatus.</p> <p>(e) There shall be no change in the major shareholding of the assignment holder without prior written approval of the MCMC throughout the validity period of the spectrum assignment.</p> <p>(f) The assignment holder shall observe and comply with the MSQoS and any other relevant instruments issued by the MCMC including any revision(s) thereafter.</p> <p>(g) The assignment holder shall at all material times enhance coverage and quality of service of mobile broadband in line with the targets set out in the Eleventh Malaysia Plan, and beyond.</p>	Complied

MAJOR APPROVALS, LICENCES, PERMITS AND REGISTRATION OF THE CELCOM GROUP (Cont'd)

No.	Licensee	Approving authority (Reference no.)	Validity period	Description of licence / approval	Salient conditions	Status of compliance
					(h) The assignment holder shall ensure prices of mobile broadband packages to be offered must be lower than the prices of broadband packages being offered prior to the effective date of this spectrum assignment.	Complied
					(i) Termination of services by the assignment holder to consumers shall be construed as an act of default of this spectrum assignment conditions which will automatically result in the revocation of this spectrum assignment. The MCMC reserves the right to take necessary action to reissue the spectrum assignment in such instance(s) without any compensation being given to the assignment holder under any circumstances.	Complied
14.	Celcom Berhad	MCMC (Assignment Reference no. SA/01/2018)	2 April 2018 to 1 April 2034	Spectrum assignment for the following frequency bands: <ul style="list-style-type: none"> Frequency Division Duplex (FDD): 1950 MHz to 1965 MHz paired with 2140 MHz to 2155 MHz Time Division Duplex (TDD): 2020 MHz to 2025 MHz 	(a) The assignment holder shall hold a valid Network Facilities Provider Individual licence that includes radiocommunications transmitters and links and a Network Service Provider Individual licence throughout the validity period of the spectrum assignment. (b) The assignment holder shall not, in any manner whatsoever, assign, trade and/or transfer any or all of its rights under the spectrum assignment either in whole or in part to a third-party. (c) The use of this spectrum assignment shall be subject to the requirements stipulated in the Standard Radio System Plan 524M ("SRSP") and/or any guideline(s) issued by the MCMC, including any revision(s) to the SRSP and/or guideline(s) thereafter.	Complied
					(d) The assignment holder shall submit a list of the sites at which it intends to install its apparatus at least one (1) month before the scheduled installation of each apparatus.	Complied

MAJOR APPROVALS, LICENCES, PERMITS AND REGISTRATION OF THE CELCOM GROUP (Cont'd)

No.	Licensee	Approving authority (Reference no.)	Validity period	Description of licence / approval	Salient conditions	Status of compliance
					(e) There shall be no change in the substantial shareholding of the assignment holder without prior written approval of the MCMC throughout the validity period of the spectrum assignment.	Complied ⁽⁶⁾
					(f) The assignment holder shall observe and comply with the MSQoS and other relevant instruments issued by the MCMC including any revision(s) thereafter.	Partially complied ⁽²⁾
					(g) The assignment holder shall at all material times enhance coverage and quality of service of mobile broadband in line with the targets set out in the Eleventh Malaysia Plan, and beyond.	Complied
					(h) Termination of services by the assignment holder to consumers shall be construed as an act of default of this spectrum assignment conditions which will automatically result in the revocation of this spectrum assignment. The MCMC reserves the right to take necessary action to reissue the spectrum assignment in such instance(s) without any compensation being given to the assignment holder under any circumstances.	Complied
15.	Celcom Berhad	MCMC (Assignment Reference no. SA/01/2022)	1 July 2022 to 30 June 2027	Spectrum assignment for the frequency bands 2530 MHz to 2540 MHz paired with 2650 MHz to 2660 MHz	(a) The assignment holder shall hold a valid Network Facilities Provider Individual licence that includes radiocommunications transmitters and links and a Network Service Provider Individual licence throughout the validity period of this spectrum assignment.	Complied
					(b) The assignment holder shall comply with the Rollout Plan ⁽⁷⁾ which has been approved by the MCMC, including any revision(s) made to the same thereafter.	Complied

MAJOR APPROVALS, LICENCES, PERMITS AND REGISTRATION OF THE CELCOM GROUP (Cont'd)

No.	Licensee (Reference no.)	Validity period	Description of licence / approval	Salient conditions	Status of compliance
				(c) The use of this spectrum assignment shall be subject to the requirements stipulated in the Standard Radio System Plan on the requirements for International Mobile Telecommunications Systems operating in the frequency bands of 2500 to 2570 MHz paired with 2620 to 2690 MHz, and 2575 to 2615 MHz, and/or any guideline(s) issued by the MCMC, including any revision(s) to the Standard Radio System Plan and/or guideline(s) issued thereafter.	Complied
				(d) The use of this spectrum assignment shall be limited up to 4G service only.	Complied
				(e) The specified assigned spectrum shall only be used by the assignment holder. Transfer or otherwise dealing of the assigned spectrum will be absolutely prohibited, unless the MCMC decides otherwise.	Complied
				(f) The assignment holder shall submit a list of the sites at which it intends to install its apparatus at least one (1) month before the scheduled installation of each apparatus.	Complied
				(g) The use of this spectrum assignment by the assignment holder shall not cause any interference to services operating in the adjacent frequency band.	Complied
				(h) The assignment holder shall observe and comply with all relevant provisions of any subsidiary legislation made, or other instruments (such as technical standards, mandatory standards and voluntary industry codes), guidelines or regulatory policies, issued under the CMA, including any revision(s) made to the same thereafter.	Complied

MAJOR APPROVALS, LICENCES, PERMITS AND REGISTRATION OF THE CELCOM GROUP (Cont'd)

No.	Licensee	Approving authority (Reference no.)	Validity period	Description of licence / approval	Salient conditions	Status of compliance
16.	Celcom Berhad	Personal Data Protection Commissioner appointed under section 47 of the Personal Data Protection Act 2010 ("PDP Commissioner") (Registration No. AB09122013-0006/4)	18 March 2022 to 17 March 2024	Certificate of registration as a data user Code: 1001 Category: Communication	(i) The assignment holder shall utilise the spectrum wholly. Failure to do so shall result in the cancellation of this spectrum assignment. (j) Termination of services by the assignment holder to consumers shall be construed as a breach of the conditions of this spectrum assignment resulting in the suspension or cancellation of this spectrum assignment. The MCMC reserves the right to take necessary action to reissue this spectrum assignment in such instance(s) without any compensation being given to the assignment holder under any circumstances.	Complied Complied
17.	Celcom Sdn Bhd	PDP Commissioner (Registration No. SB09122013-0004/4)	18 March 2022 to 17 March 2024	Certificate of registration as a data user Code: 1001 Category: Communication	None	Not applicable

MAJOR APPROVALS, LICENCES, PERMITS AND REGISTRATION OF THE CELCOM GROUP (Cont'd)

No.	Licensee	Approving authority (Reference no.)	Validity period	Description of licence / approval	Salient conditions	Status of compliance
18.	Celcom Networks Sdn Bhd	PDP Commissioner (Registration No. SB09122013-0007/4)	18 March 2022 to 17 March 2024	Certificate registration as a data user Code: 1001 Category: Communication	None of a data user	Not applicable
19.	Celcom (Sabah) Sdn Bhd	PDP Commissioner (Registration No. SB20112017-00001/2)	20 January 2022 to 19 January 2024	Certificate registration as a data user Code: 1001 Category: Communication	None of a data user	Not applicable





Notes:

- (1) MCMC had in its letter dated 10 August 2022 acknowledged that Celcom has notified the Minister on the matter and has complied with the relevant licence conditions.
- (2) In the course of operating the businesses of Celcom, there are instances of non-compliances in relation to the consumer code and MSQoS in respect of the spectrum allocations and such non-compliances are not expected to have material adverse impact on the business operations and financial condition of the Celcom Group. Kindly refer to Section 11.2 of Appendix II for more details.
- (3) Celcom had in its letter dated 15 July 2022 notified the Minister on the matter.
- (4) Celcom Timur (Sabah) Sdn Bhd targets to submit the application for the renewal of this licence by 28 October 2022 and expects to receive the renewed licence before 22 December 2022.
- (5) MCMC had in its letter dated 30 August 2022 approved the proposed changes in Celcom's shareholdings with respect to the spectrum assignments for the 900MHz and 2100MHz frequency bands.
- (6) MCMC had in its letter dated 1 September 2022 acknowledged that there will be no real changes in Celcom Mobile's shareholding equity (i.e. Celcom Mobile's shareholding remains status quo following the Proposed Merger) and as such, no further action is required from Celcom Mobile to ensure compliance with the relevant spectrum assignment condition.
- (7) "Rollout Plan" refers to the plan submitted by Celcom to the MCMC as part of their application for the 2600MHz spectrum assignment with the aim to accelerate network rollout and to improve network quality including in rural areas which currently do not have 4G coverage, and such Rollout Plan had been approved by the MCMC and is appended as a condition to the licence.



BRAND NAMES AND TRADEMARKS OF THE CELCOM GROUP

Save as disclosed below, as at the LPD, Celcom does not have any material trademarks, brand names and other intellectual property rights:

Trademarks

No.	Trademark	Registered Owner / Name of Applicant	Registration No. / Place of registration	Status	Validity period	Class / Description of trademark
1.	 	Celcom Mobile	2011016694 / Malaysia	Registered	21 September 2021 to 20 September 2031	Class 9: Telecommunications apparatus; cellular telecommunications apparatus; digital telecommunications apparatus; sim cards; post-paid and prepaid cards; other related post-paid and prepaid products; films; animated films; digital films; films bearing video recordings; pre-recorded video films; films and commercials for television and other motion media; films and commercial films for broadcast over the web or internet; films prepared for advertisement, broadcast or exhibition; media advertisements on film; illuminated advertisements; all included in class 9.
2.	 	Celcom Mobile	2011016695 / Malaysia	Registered	21 September 2021 to 20 September 2031	Class 16: Advertisement materials of paper or cardboard; banners and signboards of paper and cardboards; posters and bunting of paper and cardboards; paper and paper articles; cardboard and cardboard articles; cards, forms; labels; office requisites, except furniture; pens, pencils, stationery-type portfolios, clipboards, desk sets, mounted and unmounted photographs, paper posters, memo pads, binders, paperweights, paper coasters, calendars, notebooks, portfolios, book covers, sticker books; greeting cards; flyers and informational flyers, printed matter and publications; stickers; newsletters, pamphlets, magazines, periodicals; books, instructional manuals, user guides and reference guides, all in the field of telecommunication systems, software and services including computer networks, wireless networks and the internet and access and equipment therefore; all included in class 16.

BRAND NAMES AND TRADEMARKS OF THE CELCOM GROUP (Cont'd)

No.	Trademark	Registered Owner / Name of Applicant	Registration No. / Place of registration	Status	Validity period	Class / Description of trademark
3.	 	Celcom Mobile	2011016696 / Malaysia	Registered	21 September 2021 to 20 September 2031	Class 38: Telecommunication services; cellular telephone communication services; providing multiple-user access via cellular telecommunication networks, instant cellular messaging services; electronic mail services; wireless networks and the internet; web messaging; instant cellular messaging services; providing chat rooms for the transmission of messages among users in the field of general interest; voice chat services; providing remote Internet access; electronic transmission of messages, documents, images, music, games and data providing online interactive bulletin boards for transmission of messages among cellular telephone users on a wide variety of topics of general interest to the public; providing on-line forums and discussion groups for transmission of messages among cellular telephone users concerning on a wide variety of topics of general interest to the public; internet and wireless communications services; voice and video conferencing; transmission of images by live web cam; computer aided transmission of messages and images; communication by fiber optic networks; message sending; radio, television and cable television broadcasting; data broadcasting services; information about telecommunication; news agencies; paging services; satellite transmission; and advisory and consultancy relating to the aforesaid services; all included in class 38.

Domain name

No.	Domain name	Name of Registrant	Registration No.	Status	Validity period
1.	www.celcom.com.my	Celcom	D10010	Registered	29 August 1996 - 29 August 2023

SALIENT TERMS OF THE MATERIAL RPT CONTRACTS AND MATERIALLY DEPENDENT CONTRACTS

A. Related party transactions which is material to Celcom Group

(i) Transactions with edotco Group

Please refer below for certain salient terms of the contracts with edotco Group.

- (a) Master Services Agreement dated 23 May 2018 between CNSB and On Site Services Sdn Bhd ("**On Site Services**")

Parties	CNSB and On Site Services
Nature or Purpose of the Agreement / Services	<p>The Master Services Agreement was entered into between CNSB and On Site Services as the service provider to CNSB for the following services:</p> <p>a. In respect of (i) all equipment owned by CNSB's and CNSB's affiliate (including communication and transmission equipment, passive equipment, fiber optic connections, communications systems or cables) (ii) all sites (including sites owned by CNSB, leased by CNSB from edotco and sites managed by third parties which CNSB's equipment is installed, collectively) and (iii) buildings owned or leased by, or licenced to CNSB that houses telecommunications switching equipment, hubs or data centres ("Exchange Buildings"): <ul style="list-style-type: none"> (i) preventive maintenance services; (ii) corrective maintenance services; (iii) support services; and </p> <p>b. In respect of third-party passive equipment, field support services,</p> <p>(collectively, "Services").</p> <p>On Site Services agrees to perform the Services so as to meet or exceed the various service levels as agreed between the parties which will be used to measure the performance of the Services provided by On Site Services.</p>
Term / Renewal terms	<p>The Master Service Agreement commenced on 1 June 2018 ("Operational Date") and shall continue, subject to earlier termination in accordance with the terms of the agreement, for the initial term of 4 years from the Operational Date ("Initial Term")⁽¹⁾.</p> <p>On expiry of the Initial Term, CNSB shall have the option to renew the Master Service Agreement for a further period of 2 years (each a "Renewal Period") by giving a written notice to On Site Services prior to the expiry of the Initial Term.</p>

SALIENT TERMS OF THE MATERIAL RPT CONTRACTS AND MATERIALLY DEPENDENT CONTRACTS (*Cont'd*)

Payment terms / Consideration CNSB shall pay to On Site Services the service fees, comprising the following: -

(a) The lump-sum fees for the provision of the Services in respect of all components for 6 years from the Operational Date (Note: Year 5 and Year 6 Lump-sum fees shall be applicable if the agreement is renewed by CNSB after the Initial Term.)

(b) the variable fees for the provision of any services outside the agreed baseline scope,

(collectively, the “**Service Fees**”).

Termination Events of default / Termination for Convenience Neither Party shall be entitled to terminate the Agreement for convenience during the Initial Term.

In the event the Agreement is renewed beyond the Initial Term, CNSB may, at any time after the Initial Term, terminate the Agreement for convenience upon 6 months prior written notice to On Site Services, without payment of any termination fee and without liability for such termination.

Termination for Cause by CNSB

CNSB shall have the right to terminate the Agreement upon written notice to On Site Services on the occurrence of an event of default which includes but not limited to, On Site Services having committed (i) a material breach that cannot be rectified or (ii) a material breach that is capable of being rectified but is not rectified within 30 days of written notice by CNSB specifying the failure, (iii) an occurrence of critical service level failure by On Site Services or (iv) a change of control of On Site Services (other than the acquisition of control by an entity that is an affiliate of On Site Services prior to such change of control).

Termination for Cause by On Site Services

On Site Services shall have the right to terminate the Agreement upon written notice to CNSB on the occurrence of an event of default which includes but not limited to any part of undisputed Service Fees remains overdue for more than 90 days from the expiry of the payment period and CNSB fails to cure the payment breach within forty-five (45) days of receipt of a written notice by On Site Services, or a material breach that is capable of being rectified (other than a payment breach) but is not rectified within 30 days of written notice by On Site Services specifying the failure.

Governing law The Laws of Malaysia

Note:

- (1) *Parties intend to renew the agreement for a further period of 2 years effective 1 September 2022, pending finalisation and signing of the draft supplemental agreement.*

SALIENT TERMS OF THE MATERIAL RPT CONTRACTS AND MATERIALLY DEPENDENT CONTRACTS (Cont'd)

- (a) Strategic Collaboration Agreement dated 29 September 2017 between edotco and CNSB ("**Strategic Collaboration Agreement**") as amended by the Supplemental Agreement No.1 dated 29 April 2022

Parties	edotco as Access Provider and CNSB as Access Seeker
Background	edotco and CNSB subsequently entered into an Access Agreement dated 29 September 2017 (" Access Agreement ") where edotco has agreed to lease the site space on a site (including the land and towers located thereon, previously owned or developed by CNSB, or previously owned or operated by edotco, and certain sites owned by third parties) and provide infrastructure services to CNSB.
Nature or Purpose of the Agreement / Services	The agreement sets out the terms related to the lease of site space and outsourced managed services under the Access Agreement which are not regulated under the CMA and the MSA.
Term	The agreement will be terminated immediately if the Access Agreement (see Section A(i)(c) of this Annexure C of this Circular above) is terminated or has expired.
Payment terms / Consideration	<p>Fiberized Sites CNSB agrees to provide access to edotco and/or other users at fiberized sites and any site which becomes fiberized and at which the fiber has been laid by CNSB, to the fiber connection at each such site. In consideration for such right of access, edotco shall pay CNSB a monthly fee or an RM for RM credit against the service fees payable under the Access Agreement (see Section A(i)(c) of this Annexure C of this Circular above) starting from the time such sites is not a single tenant site.</p> <p>At each fiberized site in which CNSB is not the sole occupant and where another user wishes to use the fiber at such Site, in consideration for the right of access to the fiber connection, edotco shall pay CNSB an agreed monthly fee.</p> <p>Sites leased from Digi To the extent that CNSB requires edotco to acquire space on any Sites belonging to Digi Tel for CNSB, edotco will charge CNSB the service fees, bear any differential in pricing between its service fees and the lease fees charged by Digi to edotco and waive the monthly administration service fee payable by CNSB to edotco per site.</p> <p>Radio Access Network Sharing If CNSB engages in Radio Access Network sharing, CNSB will be charged with the Infrastructure Service Fees based on the agreed pricing formula as agreed under the agreement.</p> <p>Civil Mechanical and Electrical Works Fees ("CME Works") In the event CNSB appoints edotco to carry out the CME Works. CNSB hereby agrees to pay to edotco the CME Works fees in accordance with the rates to be mutually agreed in good faith by the parties.</p>

SALIENT TERMS OF THE MATERIAL RPT CONTRACTS AND MATERIALLY DEPENDENT CONTRACTS (*Cont'd*)

Termination Events of default / **of** The agreement will be terminated immediately if the Access Agreement is terminated or has expired. Either party may be entitled to terminate the agreement by giving 30 days prior written notice in the event of default, amongst others, (a) if one party ceases or threatens to cease to carry on business, (b) in the event one party disposes of the whole or a substantial part of its assets, operations or business other than in the normal course of business provided that such disposal would reasonably affect the party's ability to perform its obligations under the agreement, (c) either party undergoes restructuring (other than a bona fide restructuring or amalgamation) in such manner that would affect its ability to perform its obligation under the agreement.

Governing law The Laws of Malaysia.

- (b) Access Agreement dated 29 September 2017 between edotco and CNSB, as amended by the Supplemental Agreement No.1 dated 29 April 2022 and to be read together with a letter dated 8 December 2017 issued by edotco and acknowledged by Celcom in relation to the commercial revisions made to the Access Agreement dated 29 September 2017 ("**Edotco Supplemental Letter**")

Parties edotco as access provider and CNSB as access seeker

Nature or Purpose of the Agreement / Services The agreement sets forth the general terms and conditions governing the provision of infrastructure services by edotco to CNSB, including lease of site space, maintenance of the site, tower construction, etc.

The terms of the agreement will form the basis of the relationship between edotco and CNSB which shall be incorporated into one or more site agreements to be executed between the parties. From time to time during the term of the agreement where CNSB requires infrastructure services for or in respect of a particular site or sites, edotco and CNSB shall execute a site agreement in the agreed form with respect to the relevant site(s) for the provision of the said infrastructure services. All site agreements executed by edotco and CNSB shall adopt all the terms and conditions of the agreement.

Infrastructure services provided by edotco includes (i) lease of site space on a site, (ii) provision of access to such site space to enable CNSB to install, replace, modify, upgrade, maintain, operate or remove CNSB's equipment, (iii) maintenance of the site and (iv) tower construction.

Term The agreement is intended to take effect by conduct from 1 January 2014 and shall remain valid until terminated in accordance with the provisions of the agreement.

Payment terms / Consideration **Payment**
During the Term of any site agreement, CNSB shall, commencing from the commencement date of the site agreement and ending on the date on which a site agreement is terminated or expires, pay infrastructure service fees, as may be applicable, in accordance with the agreed fees, discount rate and formula.

SALIENT TERMS OF THE MATERIAL RPT CONTRACTS AND MATERIALLY DEPENDENT CONTRACTS *(Cont'd)*

Termination Events default	/	Termination Events	of	The Agreement may only be terminated by a Party if (a) no site agreement remains in effect; (b) the parties agree in writing to terminate the Agreement; (c) either Party delivers a notice of termination upon the occurrence of an insolvency event with respect to the other Party, provided that such notice of termination is delivered at least 3 months prior to the specified date of termination; or (d) either Party delivers a notice of termination upon a change of Law or other notification or action of any Governmental Entity which would make the existence of the Agreement void or invalid or would materially affect the ability of the parties to perform their obligations under the Agreement (except to the extent it would cause a Party to violate law and be subject to material consequences therefrom).
Lock-in period				Termination of the relevant site agreement will be subject to the liquidated damages (which shall be computed in accordance with the agreed formula) for premature termination during the agreed lock-in period, and the lock-in period does not apply to the renewal term. Such early termination liquidated damages shall not apply after the lock-in period.
Governing law				The Laws of Malaysia

(ii) Transactions with Axiata Business Services Sdn Bhd (“ABS”) and its subsidiaries (“ABS Group”)

Please refer below for certain salient terms of the contract with ABS Group.

- (a) Reciprocal Telecommunications Services Agreement dated 1 August 2018 between Axiata Global Services Pte Ltd (“**AGS**”) and Celcom

The Reciprocal Telecommunications Services Agreement dated 1 August 2018 was entered into between AGS and Celcom, whereby the parties have mutually appointed each other as a non-exclusive partner for the purchase and furnish of international telecommunications services and facilities to terminate and/or route domestic and international telecommunications traffic to and from various destinations around the world at a rate to be determined by the parties from time to time (“**Reciprocal Telecommunications Service Agreement**”).

Note:

The agreement has expired on 13 June 2020. However, parties have continued to carry out their obligations under the agreement by conduct and are in the midst of renewing the agreement.

SALIENT TERMS OF THE MATERIAL RPT CONTRACTS AND MATERIALLY DEPENDENT CONTRACTS (*Cont'd*)

(iii) **Transaction with TM and its subsidiaries (“TM Group”)**

- (a) Access Agreement dated 1 January 2011 between TM and TM Net Sdn Bhd, Celcom, Celcom Transmission (M) Sdn Bhd (now known as Celcom Networks Sdn Bhd) and Celcom Mobile

Parties TM, TMNet Sdn Bhd, Celcom, Celcom Transmission (M) Sdn Bhd (now known as Celcom Networks Sdn Bhd) and Celcom Mobile

Nature or Purpose of the Agreement / Services A reciprocal agreement which sets out bilaterally agreed terms and conditions on which facilities and/or services are offered by one operator to the other operator subject to the scope of their respective licences.

Term The agreement is intended to take effect by conduct from 1 January 2011 and it shall remain in force until the termination of the agreement.

Payment terms / Consideration The invoiced operator must pay any amount due and owing to the invoicing operator 31 days from the date of receipt of an invoice unless otherwise agreed in writing by both operators.

The facilities and/or services (regulated and non-regulated) offered are subject to the agreed charges (rates) and charging principles as agreed between the parties.

Termination Events of default / An operator (“**Notifying Operator**”) may terminate the agreement or part thereof if, among others: (i) the other operator (“**Defaulting Operator**”) fails to remedy a breach (which is capable of remedy) of a material obligation under the agreement within 30 days of receiving a notice of breach from the Notifying Operator; (ii) a holder of an encumbrance takes possession of the whole or any substantial part of the undertaking and property of the Defaulting Operator; (iii) the Defaulting Operator fails to remedy breaches (which are capable of remedy) of any laws, regulations, rules or standards which has a material adverse effect on the Notifying Operator or the agreement or the provision of facilities and/or services, within 30 days of receiving a notice of breach from the Notifying Operator.

Governing law / Jurisdiction The Laws of Malaysia
Non-exclusive jurisdiction of the Courts of Malaysia

- (b) Wholesale Bandwidth Service Agreement dated 4 June 2014 between TM and CNSB, to be read together with the following agreements:

(aa) Supplemental Agreement No. 1 dated 20 August 2015;

(bb) Supplemental Agreement No. 2 dated 28 January 2016; and

(cc) Memorandum of Agreement dated 28 January 2016 between TM, Celcom, Celcom Mobile and CNSB (“**Memorandum of Agreement**”)

The Wholesale Bandwidth Service Agreement dated 4 June 2014 was entered into between TM and CNSB, whereby TM is to provide CNSB backhaul connectivity at the agreed telecommunication sites (“**Services**”) (“**WBSA**”). The WBSA has retrospective effect from 12 December 2013 and shall expire on 4 August 2024.

SALIENT TERMS OF THE MATERIAL RPT CONTRACTS AND MATERIALLY DEPENDENT CONTRACTS (*Cont'd*)

For the Services provided pursuant to the WBSA, CNSB shall pay a service fee for network design and consultancy works which includes mobilization fees.

Further to the WBSA, parties have entered into Supplemental Agreement No. 1 dated 20 August 2015 and Supplemental No. 2 dated 28 January 2016 in relation to services to be provided by TM at four batches of additional sites. The services payable by CNSB to TM for the four batches of additional sites are subject to an agreed fee including approval fees, service fees and/or, mobilisation fees (amounting to an agreed percentage of the total service fees and any approval fees applicable). The service fees for the first and third batch of additional sites are further subject to a volume discount tier granted by TM.

Parties may terminate the agreement in the event of, amongst others, a material breach by the other party. In the event of a material breach by Celcom under the Domestic Roaming Facilities Agreement (see Section A(iii)(c) of this Annexure C of this Circular), TM has the right to terminate the Supplemental Agreement No. 2 dated 28 January 2016 and the volume discount provided will no longer be applicable.

- (c) 2G and/or 3G Domestic Roaming Services and 2G and/or 3G Domestic Roaming Facilities Agreement dated 28 January 2016 between Celcom, TM and Packet One Networks (Malaysia) Sdn Bhd (now known as Webe Digital Sdn Bhd) ("**Webe Digital**"), to be read together with the following agreements:
- (aa) Memorandum of Agreement;
 - (bb) Supplemental Agreement No. 1 dated 1 June 2019 entered pursuant to the Agreement for the 2G and/or 3G and/or 4G Domestic Roaming Services and Facilities and/or 4G Multi Operator Core Network Services and Facilities between Celcom, TM and Webe Digital ("**Supplemental Agreement No. 1**"); and
 - (cc) Supplemental Agreement No. 2 dated 15 September 2021 entered pursuant to the Agreement for the 2G and/or 3G and/or 4G Domestic Roaming Services and Facilities and/or 4G Multi Operator Core Network Services and Facilities between Celcom, TM and Webe Digital ("**Supplemental Agreement No. 2**")

Pursuant to the 2G and/or 3G Domestic Roaming Services and 2G and/or 3G Domestic Roaming Facilities Agreement dated 28 January 2016 entered into between Celcom, TM and Webe Digital and the Supplemental Agreement No. 1 which subsequently incorporated the 4G multi operator core network services ("**MOCN**") and facilities services ("**4G MOCN Services and Facilities**") ("**Domestic Roaming and MOCN Agreement**"), whereby Celcom is to provide Webe Digital the 2G and/or 3G and/or 4G domestic roaming services ("**Domestic Roaming Services**") and 4G MOCN Services and Facilities at an agreed rate payable by Webe Digital based on the usage of such Domestic Roaming Services and 4G MOCN Services and Facilities. The parties subsequently entered into the Supplemental Agreement No. 2 to amend the data rates and MOCN site activation fee.

The Domestic Roaming and MOCN Agreement commenced on 28 January 2016 and expired on 27 January 2021 with an automatic renewal for a further term of 5 years. Parties may terminate the agreement in the event of, amongst others, a material breach by the other party. In the event of a material breach by TM under the agreement, Celcom will be allowed to either withdraw any discounts given under the agreement or to terminate the agreement in its entirety. Termination for convenience is allowed by giving a 6-month prior notice in writing to the other party.

SALIENT TERMS OF THE MATERIAL RPT CONTRACTS AND MATERIALLY DEPENDENT CONTRACTS *(Cont'd)*

B. Dependency on Contracts
(i) edotco Group Agreements

Please refer to Section A of this Annexure C of this Circular for the salient terms of the edotco Group Agreements.

(ii) Access Agreements

- (a) Access Agreement dated 12 October 2018 between Digi Tel, Celcom, Celcom Networks and Celcom Mobile, as amended by the Supplemental Agreement No. 1 dated 17 July 2020

Parties	Digi Tel, Celcom Axiata, CNSB and Celcom Mobile
Nature or Purpose of the Agreement / Services	A reciprocal agreement which sets out bilaterally agreed terms and conditions on which facilities and/or services are offered by one operator to the other operator subject to the scope of their respective licences.
Term	The agreement took effect on 24 August 2020 and shall remain in force until the termination of the agreement.
Payment terms / Consideration	<p>The access seeker must make full payment on any amount due and stated in the invoice to the access provider not less than 31 days from the date of receipt of an invoice unless otherwise agreed in writing by both operators.</p> <p>The facilities and/or services offered are subject to the agreed access charges (rates) and charging principles as agreed between the parties.</p>
Termination Events of default	An operator (" Notifying Operator ") may terminate the agreement or part thereof by giving to the other party written notice, where, among others: (i) the other operator (" Defaulting Operator ") fails to remedy a breach (which is capable of remedy) of a material obligation under the agreement within 30 days of receiving a notice of breach from the Notifying Operator; (ii) a holder of an encumbrance takes possession of the whole or any substantial part of the undertaking and property of the Defaulting Operator; (iii) the Defaulting Operator fails to remedy breaches (which are capable of remedy) of any laws, regulations, rules or standards which has a material adverse effect on the Notifying Operator or the agreement or the provision of facilities and/or services, within 30 days of receiving a notice of breach from the Notifying Operator.
Governing law / Jurisdiction	The Laws of Malaysia Non-exclusive jurisdiction of the Courts of Malaysia

SALIENT TERMS OF THE MATERIAL RPT CONTRACTS AND MATERIALLY DEPENDENT CONTRACTS (*Cont'd*)

- (b) Access Agreement dated 31 July 2018 between Maxis Broadband Sdn Bhd, Maxis Mobile Sdn Bhd, Maxis Mobile Services Sdn Bhd, Celcom, CNSB and Celcom Mobile, as amended by the Supplemental Agreement No. 1 dated 5 November 2019
- | | |
|--|---|
| Parties | Maxis Broadband Sdn Bhd, Maxis Mobile Sdn Bhd, Maxis Mobile Services Sdn Bhd, Celcom, CNSB and Celcom Mobile |
| Nature or Purpose of the Agreement / Services | A reciprocal agreement which sets out bilaterally agreed terms and conditions on which regulated and non-regulated facilities and/or services are offered by one operator to the other operator subject to the scope of their respective licences. |
| Term | The agreement took effect on 19 December 2019 and shall remain in force until the termination of the agreement. |
| Payment terms / Consideration | The invoiced operator must pay any amount due and owing to the invoicing operator 31 days from the date of receipt of an invoice unless otherwise agreed in writing by both operators.

The facilities and/or services (regulated and non-regulated) offered are subject to the agreed charges (rates) and charging principles as agreed between the parties. |
| Termination / Events of default | An operator (" Notifying Operator ") may terminate the agreement or part thereof if, among others: (i) the other operator (" Defaulting Operator ") fails to remedy a breach (which is capable of remedy) of a material obligation under the agreement within 30 days of receiving a notice of breach from the Notifying Operator; (ii) a holder of an encumbrance takes possession of the whole or any substantial part of the undertaking and property of the Defaulting Operator; (iii) the Defaulting Operator fails to remedy breaches (which are capable of remedy) of any laws, regulations, rules or standards which has a material adverse effect on the Notifying Operator or the agreement or the provision of facilities and/or services, within 30 days of receiving a notice of breach from the Notifying Operator. |
| Governing law / Jurisdiction | The Laws of Malaysia
Non-exclusive jurisdiction of the Courts of Malaysia |
- (c) Access Agreement dated 1 January 2011 between TM, TM Net Sdn Bhd, Celcom, Celcom Transmission (M) Sdn Bhd (now known as Celcom Networks Sdn Bhd) and Celcom Mobile
- Please refer to Section A(iii)(a) of this Annexure C of this Circular for the salient terms of the Access Agreement.

SALIENT TERMS OF THE MATERIAL RPT CONTRACTS AND MATERIALLY DEPENDENT CONTRACTS (*Cont'd*)

(iii) Huawei Agreements

- (a) Statement of Work dated 7 July 2021 between CNSB and Huawei Technologies (Malaysia) Sdn Bhd ("**Huawei Malaysia**") for the supply and delivery of product, equipment, systems, solutions, and performance of planning & design, works, services, assisted operations services and maintenance and support services for the Celcom Mobile Core Cloud Solution and Network ("**Statement of Work**"), to be read together with:
- (aa) Axiata Framework Agreement dated 23 February 2012 between Axiata and Huawei International Pte Ltd ("**Huawei International**") ("**Axiata Framework Agreement**"; and
- (bb) Local Contract of Adherence dated 28 June 2013 between Celcom and Huawei Malaysia ("**Local Contract of Adherence**").

Parties	CNSB and Huawei Malaysia
Nature of the Agreement / Services	<p>(a) The Statement of Work was entered pursuant to the Axiata Framework Agreement and the Local Contract of Adherence.</p> <p>(b) Celcom has engaged Huawei Malaysia to provide on a full turnkey basis to undertake and deliver, planning and design, implementation, modernisation and rollout of the MCCS Solution nationwide.</p> <p>(c) Pursuant to this Statement of Work, Huawei Malaysia shall (i) supply and deliver to CNSB in accordance with the provisions of the Statement of Work and pursuant to the purchase orders issued by CNSB; (ii) supply and deliver all deliverables to meet the requirements and objectives set out in the Statement of Work; and (iii) ensure Huawei Malaysia's provided features, functionalities, and capacity of the products/equipment, systems and software meet the requirements agreed in the Statement of Work.</p>
Term	<p>Effective date: 11 May 2021</p> <p>3 years commencing from the effective date of the Statement of Work with an option for CNSB to renew for a further period of 1 year on the same terms and conditions unless both parties mutually agree otherwise.</p>
Payment terms / Consideration	The pricing terms are subject to the pricing instructions and principles as agreed between the parties in accordance with the terms and conditions of the Statement of Work. All quotations must be in line with the pricing instructions and principles.
Termination / Events of default	<p>Termination by CNSB for a Cause</p> <p>CNSB may terminate a purchase order to which it is a party with immediate effect by giving notice to Huawei Malaysia if, among others:</p> <p>(a) Huawei Malaysia fails to perform its obligations strictly in accordance with the milestones and the specifications of that purchase order unless an extension of time has been granted;</p>

SALIENT TERMS OF THE MATERIAL RPT CONTRACTS AND MATERIALLY DEPENDENT CONTRACTS *(Cont'd)*

- (b) Huawei Malaysia materially breaches any provision of a purchase order and in the case of a material breach that is capable of remedy, fails to remedy the breach within 30 days of its receipt of a notice requiring it to do so;
- (c) CNSB transfers all its business activities, or the part of its business to which the purchase order relates, to a new entity; or
- (d) there is a change of control of Huawei Malaysia which change may materially affect CNSB's interests or may materially prejudice CNSB's interest under the Axiata Framework Agreement, Local Contract of Adherence or the purchase order.

Termination by Huawei Malaysia for a Cause

Huawei Malaysia may terminate a purchase order with immediate effect by giving written notice to CNSB if, among others, CNSB fails to pay Huawei Malaysia under a purchase order in accordance with the provisions of the Axiata Framework Agreement or the Local Contract of Adherence and fails to remedy such breach within 30 days from the date of written notice requiring it to do so from Huawei Malaysia after the dispute resolution process has been exhausted.

Termination for Convenience

CNSB may terminate the purchase order for convenience, without cause, by giving at least 30 days prior written notice to Huawei Malaysia.

Governing law

The agreement shall be governed by English law.

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SUMMARY OF THE PROVISIONS OF THE CONSTITUTION OF DIGI

The following provisions are reproduced from the Articles of Association section of the constitution of Digi and are qualified in its entirety by reference to the constitution of Digi and by applicable law. After completion of the Proposed Merger, the constitution of Digi will continue to be applicable to MergeCo unless amended by the shareholders by special resolution.

The words, terms and expressions appearing in the following provisions will bear the same meanings used in our constitution a glossary of which is as follows.

Words	Meaning
The Act	The Companies Act 2016 or any statutory modification, amendment or re-enactment thereof.
These Articles	These Articles of Association as originally framed or as altered from time to time by special resolution.
The Company	Digi.Com Berhad.
The Directors	The Directors for the time being of the Company.
The Office	The registered office for the time being of the Company.
The Secretary	Any person or persons appointed to perform the duties of secretary of the Company and shall include any person or persons entitled to perform the duties of secretary temporarily.
The Register	The register of members to be kept pursuant to the Act.
The Stock Exchange	Bursa Malaysia Securities Berhad or such other names by which it may be known from time to time.
Market day	Any day between Mondays and Fridays which is not a market holiday of the Stock Exchange or public holiday.
Month	Calendar month.
Year	Calendar year.
Chairman	The Chair or Chairperson of the Company or of the Meeting.
Central Depositories Act	Securities Industry (Central Depositories) Act, 1991 as amended from time to time and includes any re-enactment thereof.
Depository	Bursa Malaysia Depository Sdn Bhd or such other names by which it may be known from time to time.
Depositor	A holder of a Securities Account.
Members	Any person for the time being holding one or more shares in the Company and whose names appear in the Register of Members (except Bursa Malaysia Depository Sdn Bhd), including Depositors whose names appear on the Record of Depositors.
Record of Depositors	A record provided by the Depository to the Company under chapter 24.0 of the Rules.
Rules	The Rules of the Depository for the time being in force and as amended from time to time.
Share Issuance Scheme	A scheme involving a new issuance of shares to the employees.
Securities Account	An account established by the Depository for a Depositor for the recording of deposit or withdrawal of securities and for dealing in such securities by the Depositor.

SUMMARY OF THE PROVISIONS OF THE CONSTITUTION OF DIGI (Cont'd)

Listing Requirements	The Main Market Listing Requirements of Stock Exchange including any amendments to the Listing Requirements that may be made from time to time.
Chief Executive	The principal executive officer of the Company for the time being, by whatever name called, and whether or not he is a Director.
Share	Issued share capital of a corporation and includes stock except where a distinction between stock and share is expressed or implied.
Indemnify	Includes relieve or excuse from liability, whether before or after the liability arises, and "indemnity" has A corresponding meaning.
Effect insurance	Includes pay, whether directly or indirectly, the costs of the insurance.

(a) Remuneration, voting and borrowing powers of the issuer's directors**Article 77 – Directors' fees**

"The fees and any benefits payable to the Non-Executive Directors of the Company and its subsidiaries including any compensation for loss of employment of Director or former Director shall from time to time be determined by the Company in general meeting. Unless otherwise directed by the resolution by which it is voted, any such fees shall be divided amongst the Directors as they may agree, or, failing agreement, equally, or in any other manner to be determined by the Board. Fees payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting. The Directors shall also be entitled to be repaid all travelling and hotel expenses properly incurred by them respectively in or about the performance of their duties as Directors, including their expenses of travelling to and from meetings of Directors or general meetings or which he may otherwise incur on or about the business of the Company. If by arrangement with the Directors, any Director shall perform or render any special duties or services outside his ordinary duties as a Director in particular without limiting to the generality of the foregoing if any Director being willing shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a member of a committee of Directors, the Directors may pay him special remuneration, in addition to his Director's fees, and such special remuneration may be by way of a fixed sum, or otherwise as may be arranged. Provided that fees payable to non-executive Directors shall be by a fixed sum and no non-executive Director shall be remunerated by a commission on or percentage of profits or turnover and no Directors (non-executive or executive) shall be remunerated by a commission on or percentage of turnover and that nothing herein shall prejudice the power of the Directors to appoint any of their member to be the employee or agent of the Company at such remuneration and upon such terms as they think fit provided that such remuneration shall not include a commission on or percentage of turnover."

Article 79(3) – Remuneration of Managing Director and other appointees

"(3) The remuneration of the Managing Director or Managing Directors and the Executive Director or Executive Directors may be payable by way of salary or commission or participation in profits of the Company or of any other company in which the Company is interested, or by any or all of those modes, or otherwise as may be thought expedient but shall not include a commission on or percentage of turnover, and it may be made a term of such appointment or appointments that the appointee shall receive a pension, gratuity or other benefits on their retirement."

SUMMARY OF THE PROVISIONS OF THE CONSTITUTION OF DIGI (Cont'd)

Article 85 (A) – Declaration of interest; restriction on voting and quorum

“(A) A Director who is in any way, whether directly or indirectly personally interested in a contract or proposed contract with the Company shall declare the nature of his interest in accordance with the provisions of the Act. Save as by the next following paragraph of this Article otherwise provided, a Director shall not vote in respect of any contract or arrangement in which he is interested (and if he shall do so his vote shall not be counted), nor shall he be counted for the purpose of any resolution regarding the same in the quorum present at the meeting, but this Article shall not apply to:

- (i) any arrangement for giving to him any security or indemnity in respect of money lent by him or obligations undertaken by him for the benefit of the Company; or
- (ii) any arrangement for the giving by the Company of any security to a third-party in respect of a debt or obligation of the Company for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the deposit of a security.”

Article 85 (C) and (D) – Relaxation of restriction on voting

“(C) A Director, notwithstanding his interest may be counted in the quorum present at any meeting whereat he or any other Director is appointed to hold any executive office or other office or place of profit under the Company or whereat the Directors resolve to exercise any of the rights of the Company (whether by the exercise of voting rights or otherwise) to appoint or concur in the appointment of a Director to hold any office or place of profit under any other company or whereat the terms of any such appointment are considered, and he may vote on any such matter other than in respect of his own appointment or the arrangement of the terms thereof.

(D) The provisions of this Article may at any time be suspended or relaxed to any extent and either generally or in respect of any particular contract, arrangement or transaction, and any particular contract, arrangement or transaction carried out in contravention of this Article may be ratified by ordinary resolution of the Company.”

Article 86 – Director may hold other office

“Any Director may continue to be or become a director of, or hold any other office or place of profit under, any other company in which the Company may be interested, and no such Director shall be accountable for any remuneration, salary, commission, participation in profits, pension, superannuation or other benefits received by him as a director of, or holder of any other office or place of profit under, or member of, any such other company. The Directors may exercise the voting power conferred by the shares in any company held or owned by the Company in such manner and in all respects as it may think fit (including the exercise thereof in favour of any resolution appointing the Directors or any of them director of such company, or voting or providing for the payment of remuneration to the directors of such company).”

SUMMARY OF THE PROVISIONS OF THE CONSTITUTION OF DIGI (Cont'd)

Article 88 – Power to maintain pension fund

“The Directors may establish and maintain or procure the establishment and maintenance of a non-contributory or contributory pension, provident or superannuation funds for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances or emoluments to, any persons who are or were at any time in the employment or service of the Company or its predecessors in business or of any company which is a subsidiary of the Company or allied to or associated with the Company or with any such subsidiary or who are or were at any time Directors or officers of the Company or of any such other company as aforesaid and holding or who held any salaried employment or office in the Company or such predecessors or other company and the wives, widows, families and dependents of any such persons, and may take out policies of insurance and pay the premiums reserved thereby for or towards the insurance of any such persons as aforesaid, and may do any of the matters aforesaid either alone or in conjunction with any such other company as aforesaid. Subject always, if the Act shall so require, the particulars with respect thereto being disclosed to the members and to the proposal being approved by the Company by ordinary resolution, a Director holding any such employment or office shall be entitled to participate in and retain for his own benefit any such donation, gratuity, pension, allowance or emolument. A Director may be counted in the quorum present at a meeting upon the consideration of a motion in respect of any matter referred to in this Article and may vote as a Director upon any resolution in respect of any such matter but only where such matter is intended to be for the benefit generally of all, or any class or classes, of such employees and servants or former employees or servants (including Directors or other officers) and/or their respective wives, widows, families and dependents.”

Article 89 (A) & 89 (B) – Meeting of Directors

“(A) The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit, and determine the quorum necessary for the transaction of the business. Unless otherwise determined, majority of the Board members shall be a quorum and one of which must be an Independent Director. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes the Chairman of the Board of Directors appointed under Article 91 shall have a second or casting vote. Provided that where two Directors form a quorum, the Chairman of the Board of Directors at which only such a quorum is present, or at which only two Directors are competent to vote on the question at issue, shall not have a second or casting vote.

(B) The conduct of a meeting of Directors or a committee of the Directors may include a participation thereat by any Director via telephone conferencing and/or video conferencing or any other interactive means of audio or audio-visual communications whereby all participating persons are able to hear each other or be heard during the meeting. A Director’s participation in the manner as aforesaid shall be deemed to be present at the meeting and be conducted for the purpose of a quorum. He shall also be entitled to vote thereat. Any meeting held in such manner shall be deemed to be or have been held at such time and place as set out in the notice of meeting.”

Article 82 (A) – Directors borrowing power

“(A) The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital or any part thereof and to issue debentures and other securities whether outright or as security for any debt, liability or obligation of any person or persons or of any company, whether or not having objects or engaged or intending to engage in business similar to those of the Company, including (without limitation) any company which is for the time being associated or allied with the Company in business or which is the holding company or a subsidiary (as defined in section 4 of the Act) or an associated company.”

SUMMARY OF THE PROVISIONS OF THE CONSTITUTION OF DIGI (Cont'd)

Article 82 (B) – Classification of securities and terms

“(B) The Directors may borrow or raise any such money as aforesaid upon or by the issue or sale of any bonds, debentures, debenture stock, or securities, and upon such terms as to time of repayment, rate of interest, price of issue or sale, payment of bonus upon redemption or repayment or otherwise as they may think proper. The Company may in general meeting grant a right for the holders of bonds, debentures, debenture stock or securities to exchange the same for shares in the Company or any class authorised to be issued.”

Article 82 (C) – Nature of Security

“(C) Subject as aforesaid, the Directors may secure or provide for the payment of any moneys to be borrowed or raised by a mortgage of a charge upon all or any part of the undertaking or property of the Company, both present and future, and upon any capital remaining unpaid upon the shares of the Company, whether called up or not or by any other security, and the Directors may confer upon any mortgages or persons in whom any debentures, debenture stock or security is vested, such rights and powers as they think necessary or expedient; and they may vest any property of the Company in trustees for the purpose of securing any moneys so borrowed or so raised, and confer upon the trustees or any receiver to be appointed by them or by debenture holder, such rights and powers as the Directors may think necessary or expedient in relation to the undertaking or property of the Company, or the management, or the realisation thereof, or the making, receiving or enforcing of calls upon the members in respect of unpaid capital and otherwise, and may make and issue debentures to trustees for the purpose of further security, and any such trustees may be remunerated.”

Article 82 (D) – Security for payments due

“(D) The Directors may give security for the payment of any moneys payable by the Company in like manner as for the payment of money borrowed or raised but in such case the amount shall be reckoned as part of the money borrowed.”

(b) Changes to share capital**Article 47 – Company may alter its capital in certain ways**

“(1) The Company may alter the share capital in any one or more of the following ways by passing an ordinary resolution:-

- (A) To increase the share capital by such sum to be divided into shares of such amount as the resolution shall prescribe, or
- (B) To consolidate and divide its share capital, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the shares from which the subdivided share is derived, or
- (C) To convert all or any of its paid-up shares into stock and may reconvert that stock into paid-up shares, or
- (D) To subdivide its share capital or any part thereof, whatever is in the subdivision, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the shares from which the subdivided share is derived.

(2) The Company may reduce its share capital by—

- (a) special resolution and confirmation by the Court in accordance with section 116 of the Act; or

SUMMARY OF THE PROVISIONS OF THE CONSTITUTION OF DIGI (Cont'd)

- (b) special resolution supported by a solvency statement in accordance with section 117 of the Act.”

Article 48 – Company may increase its capital

“The Company in general meeting may from time to time, whether all the shares for the time being authorised shall have been issued or all the shares for the time being issued shall have been fully called up or not, increase its share capital by the creation of new shares, such new capital to be of such amount and to be divided into shares of such respective amounts and (subject to any special, limited or conditional voting rights for the time being attached to any existing class of shares) to carry such preferential, deferred or other special rights (if any) or to be subject to such conditions or restrictions (if any), in regard to dividend, return of capital, voting or otherwise, as the general meeting resolving upon such increase directs.”

Article 49 (A) – Unissued and new shares to be first offered to members unless otherwise determined

“Unless otherwise determined by the Company in general meeting any original shares for the time being unissued and not allotted and any new shares from time to time to be created shall, before they are issued, be offered to the members in proportion, as nearly as may be, to the number of shares held by them. Such offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and after the expiration of such time or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may, subject to these Articles, dispose of the same in such manner as they think most beneficial to the Company. The Directors may, in like manner dispose of any such new or original shares as aforesaid, which, by reason of the proportion borne by them to the number of persons entitled to such offer as aforesaid or by reason of any other difficulty in apportioning the same, cannot in the opinion of the Directors be conveniently offered in manner hereinbefore provided. Subject to the Listing Requirements and without limiting the generality of sections 75 and 76 of the Act, the Company must not issue any ordinary shares or other securities with rights of conversion to ordinary shares, except where the shares or convertible securities are issued with prior approval of the members in a general meeting of the precise terms and conditions of the issue.”

Article 49 (B) – New shares to be original capital unless otherwise provided

“Except so far as otherwise provided by or pursuant to these Articles or by the conditions of issue, any new share capital shall be considered as part of the original share capital of the Company, and shall be subject to the same provisions with reference to the payment of calls, lien, transfer, transmission, forfeiture and otherwise as the original share capital.”

Article 50 – Modification of rights

“If at any time the capital by reason of the issue of preference shares or otherwise is divided into different classes the repayment of such preferred capital or all or any of the rights and privileges attached to each class may subject to the provisions of the Act be varied modified commuted affected abrogated or dealt with by a written consent representing not less than 75.00% of the total voting rights of the preference shareholders or by special resolution passed by the holders at least 75.00% of the total voting rights at a separate general meeting of the holders of that class and all the provisions hereinafter contained as to general meetings shall mutatis mutandis apply to every such meeting except that the quorum hereof shall be members holding or representing by proxy at least three-fourths of the issued shares of the class. Provided however that in the event of the necessary majority for such a special resolution not having been obtained in the manner aforesaid consent in writing may be secured from members holding at least 75.00% of the total voting rights and such consent if obtained within two months from the date of the separate general meeting shall have the force and validity of a resolution duly carried by a vote in person or by proxy.”

SUMMARY OF THE PROVISIONS OF THE CONSTITUTION OF DIGI (Cont'd)

(c) Transfer of securities**Article 26 – Transfer in writing and to be left at Office**

“The transfer of any listed security or class of listed security of the Company, shall be by way of book entry by the Depository in accordance with the Rules and, notwithstanding sections 105, 106 and 110 of the Act, but subject to subsection 148(2) of the Act and any exemption that may be made from compliance with subsection 148(1) of the Act, the Company shall be precluded from registering and effecting any transfer of the listed securities.”

Article 27 – Both parties must sign transfer and Person to whom share not transferable

“Subject to the provisions of the Central Depositories Act and the Rules:-

- (1) The instrument of transfer of a share shall be signed both by the transferor and the transferee and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register and/or the Record of Depositors, as the case may, in respect thereof.
- (2) No share shall in any circumstances be transferred to any infant, bankrupt or person of unsound mind. An instrument of transfer must be in respect of only whom share one class of shares.”

Article 28 – Register of Transfers to be provided

“Subject to the provisions of the Central Depositories Act and the Rules, the Company shall provide a book to be called “Register of Transfers” which shall be kept by the Secretary or such other person authorised by the Directors under the control of the Directors, and in which shall be entered the particulars of every transfer or transmission of every share.”

Article 29 – Directors may refuse registration of transfer

“Subject to the Act, provisions of the Central Depositories Act and the Rules, the Directors may, in their discretion and without assigning any reason therefor, refuse to register the transfer of any share, not being a fully paid share, and whether or not the Company claims lien on the same.”

Article 30 – Transfers to be retained

“All instruments of transfer which shall be registered shall be retained by the Company. Any instrument of transfer which the Directors may decline to register shall be returned to the person who tendered the same for registration, unless the Directors suspect fraud.”

Article 31 – Fees

“Such fee, not exceeding RM3/= or such sum as shall from time to time be fixed by the Stock Exchange for each transfer, as the Directors may from time to time determine, may be charged for registration of a transfer.”

Article 32 – Register of Transfer may be closed

“The registration of transfers may be suspended at such time and for such period as the Directors may from time to time determine, provided always that such registration shall not be suspended for more than thirty (30) days in any year. At least ten (10) market days’ notice of such closure shall be given to the Stock Exchange stating the period and the purpose or purposes of such closure. The Company shall give notice to the Depository in accordance with the Rules to enable the Depository to prepare the appropriate Record of Depositors.”

SUMMARY OF THE PROVISIONS OF THE CONSTITUTION OF DIGI (Cont'd)

Article 33 – No restriction on transfer of fully paid securities and Non-liability for the Company's Directors and officers in respect of transfer

- “(a) There shall be no restriction on the transfer of fully paid securities of the Company except where required by law.
- (b) Neither the Company nor its Directors nor any of its officers shall incur any liability for registering or acting upon a transfer of shares apparently made by sufficient parties, although the same may, by reason of any fraud or other cause not known to the Company or its Directors or other officers be legally in-operative or insufficient to pass the property in the shares proposed or professed to be transferred, and although the transfer may, as between the transferor and transferee, be liable to be set aside, and notwithstanding that the Company may have notice that such instrument or transfer was signed or executed and delivered by the transferor in blank as to the name of the transferee of the particulars of the shares transferred, or otherwise in defective manner. And in every such case, the person registered as transferee, his executors, administrators and assignees alone shall be entitled to be recognised as the holder of such shares and the previous holder shall, so far as the Company is concerned, be deemed to have transferred his whole title thereto.”

- (d) **Rights, preferences and restrictions attached to each class of securities relating to voting, dividend, liquidation and any special rights**

Article 3

“The share in the original or any increased capital may be divided into several classes, and there may be attached thereto respectively any preferential rights to distribution of capital or income deferred or other special rights, privileges, conditions and restrictions as to dividends, capital, voting or otherwise.”

Article 4

“Subject always to the provisions of the Act and Article 49 hereof, the shares of the Company shall be under the control of the Directors who may allot or otherwise dispose of the same to such persons and on such terms and conditions with such preferred deferred or other special, limited or conditional voting rights or such restrictions whether in regard to dividend voting or return of share capital and at such time or times as the Directors may think fit PROVIDED HOWEVER that shares shall not be issued to transfer a controlling interest in the Company without the prior approval of shareholders in general meeting.”

Article 5

“Article 4 shall be subject to the following restrictions, that is to say:-

- (a) No Director shall participate in a Share Issuance Scheme unless the shareholders in general meeting have approved of the specific allotment to be made to such Director.
- (b) In the case of shares other than ordinary shares, no special rights shall be attached until the same have been expressed in these Articles and in the resolution creating the same.”

Article 6 – Preferences shares

“The Company shall have power to issue preference shares carrying a right to redemption out of profits or liable to be redeemed at the option of the Company or to issue preference capital ranking equally with or in priority to preference shares already issued and the Directors may, subject to the provisions of the Act, redeem such shares on such terms and in such manner as they may think fit.”

SUMMARY OF THE PROVISIONS OF THE CONSTITUTION OF DIGI (Cont'd)

Article 7 – Rights of preference shareholder

“Preference shareholders shall have the same rights as ordinary shareholders as regards receiving notices, reports and audited financial statements and attending general meetings of the Company. Preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing the capital or winding up or during the winding up of the Company or disposing of the whole of the Company’s property, business and undertaking or where the proposition to be submitted to the meeting directly affects their rights and privileges, or when the dividend on the preference shares is in arrears for more than six (6) months.”

Article 65 – How votes may be given and who can act as proxy

“Subject to these Articles and without prejudice to any special privileges or restrictions as to voting for the time being attached to any special class of shares for the time being forming part of the capital of the Company and Article 54(1) above, a holder of ordinary shares or preference shares who is personally present or proxy or member’s representative or attorney and entitle to vote shall be entitled to one (1) vote on a show of hands and upon a poll every such member shall have one vote (1) for every share held by him.”

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LIMITATIONS ON THE RIGHT TO OWN DIGI SHARES IMPOSED BY CONSTITUTION OF DIGI

Save as disclosed in Section 8.2 of Part A of this Circular on the moratorium on the 33.10% Digi Shares to be issued to Axiata and save for the following, there is no limitation on the right to own Digi Shares, including any limitation on the right of a non-resident or non-Malaysian shareholder to hold or exercise voting rights on Digi Shares which is imposed by Malaysian law or by our constitution.

Pursuant to Article 49 (A) of the Articles of Association section of our constitution, Digi shareholders have pre-emptive rights over all unissued and new shares which shall first be offered to Digi shareholders unless otherwise determined by the Company in general meeting.

Further, by Article 4 of the Articles of Association section of our constitution, shares in the Company shall not be issued to transfer a controlling interest in the Company without the prior approval of shareholders in general meeting.

Article 49 (A) and Article 4 of our Articles of Association are reproduced below:

Article 49 (A) – Unissued and new shares to be first offered to members unless otherwise determined

“Unless otherwise determined by the Company in general meeting any original shares for the time being unissued and not allotted and any new shares from time to time to be created shall, before they are issued, be offered to the members in proportion, as nearly as may be, to the number of shares held by them. Such offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and after the expiration of such time or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may, subject to these Articles, dispose of the same in such manner as they think most beneficial to the Company. The Directors may, in like manner dispose of any such new or original shares as aforesaid, which, by reason of the proportion borne by them to the number of persons entitled to such offer as aforesaid or by reason of any other difficulty in apportioning the same, cannot in the opinion of the Directors be conveniently offered in manner hereinbefore provided. Subject to the Listing Requirements and without limiting the generality of sections 75 and 76 of the Act, the Company must not issue any ordinary shares or other securities with rights of conversion to ordinary shares, except where the shares or convertible securities are issued with prior approval of the members in a general meeting of the precise terms and conditions of the issue.”

Article 4

“Subject always to the provisions of the Act and Article 49 hereof, the shares of the Company shall be under the control of the Directors who may allot or otherwise dispose of the same to such persons and on such terms and conditions with such preferred deferred or other special, limited or conditional voting rights or such restrictions whether in regard to dividend voting or return of share capital and at such time or times as the Directors may think fit PROVIDED HOWEVER that shares shall not be issued to transfer a controlling interest in the Company without the prior approval of shareholders in general meeting.”

For completeness, Article 49 (A) should be read together with subsection 85(1) of the Act which provides as follows (although subsection 85(1) of the Act expressly makes clear that it is subject to the constitution of the Company):

“Subject to the constitution, where a company issues shares which rank equally to existing shares as to voting or distribution rights, those shares shall first be offered to the holders of existing shares in a manner which would, if the offer were accepted, maintain the relative voting and distribution rights of those shareholders.”

LIMITATIONS ON THE RIGHT TO OWN DIGI SHARES IMPOSED BY CONSTITUTION OF DIGI
(Cont'd)

By approving the resolution on the Proposed Merger i.e. Ordinary Resolution 1, the Digi shareholders will in effect be determining in a general meeting (in accordance with Article 4 and Article 49 (A) of the Articles of Association of Digi's constitution, read together with subsection 85(1) of the Act):-

- (i) to waive their pre-emptive rights (under Article 49 (A) of our Articles of Association read together with subsection 85(1) of the Act) to be first offered the new shares comprised in the Consideration Shares, in proportion, as nearly as may be, to the number of shares held by the shareholders in Digi;
- (ii) that the Consideration Shares are not required to be offered or issued proportionately to Digi's members first before issuing the 0.63% Digi Shares to Telenor Asia and 33.10% Digi Shares to Axiata; and
- (iii) to agree to the issue of the 0.63% Digi Shares to Telenor Asia (as nominated by Axiata in accordance with the terms of the MTA and SPA) and the 33.10% Digi Shares to Axiata and thereby agreeing to the transfer to Telenor Asia and Axiata of a joint-controlling interest in Digi upon completion of the Proposed Merger.

In summary, by voting in favour of the resolution on the Proposed Merger i.e., Ordinary Resolution 1, Digi's shareholders will effectively be waiving their pre-emptive rights which they are entitled to pursuant to Digi's constitution, read together with subsection 85(1) of the Act.

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UNDERTAKING TO THE MCMC DATED 28 JUNE 2022

UNDERTAKING TO THE MALAYSIAN COMMUNICATIONS AND MULTIMEDIA COMMISSION

Definition and Interpretation

No	Definitions	Interpretation
1.	1800MHz Spectrum	2x5MHz of spectrum in the 1800MHz band (1745-1750/1840-1845MHz), expiring 30 June 2032, or such other date as revised by MCMC.
2.	2100MHz Spectrum	2x10MHz of spectrum in the 2100MHz band (1950-1960/2140-2150MHz), expiring 1 April 2034, or such other date as revised by MCMC.
3.	2600MHz Spectrum	2x20MHz of spectrum in the 2600MHz band (2530-2540/2650-2660MHz, and 2560- 2570/2680-2690MHz), expiring 30 June 2027, or such other date as revised by MCMC
4.	Audit Report	Audit Report based on accepted Malaysian auditing standards as agreed and accepted by MCMC.
5.	Closing	The date of completion of the merger transaction
6.	Divestment Spectrum	1800MHz spectrum, 2100MHz spectrum and 2600MHz spectrum
7.	Divestiture Period	The period of eighteen (18) months from Closing
8.	Divestment Business	The business the Applicant commits to divest i.e. Yoodo
9.	Effective Date	Date of registration of the undertaking
10.	Expiry Date	Three (3) years from date of application to register the undertaking
11.	Integration Period	The period of three (3) years from Closing
12.	MergeCo	The post-closing holding company of the Applicant (to be named "Celcom Digi Berhad")
13.	MergeCo Wholesale Business	The business of MergeCo offering Wholesale Services to MVNOs
14.	MVNO	Mobile Virtual Network Operator
15.	Network Integration Completion	Completion of network site consolidation, expected within three (3) years of Closing
16.	Undertaking	Means this undertaking provided by the Applicant under subsection 140(3) of the CMA
17.	Wholesale Services	Refers to facilities and/or services for access to the mobile network of the MergeCo used to provide public cellular services to the public, for the purpose of a MVNO providing retail mobile communications services to end customers, which may include access to the facilities and services used by MergeCo to provide: (a) voice, data and other application services, as selected by the MVNO; and (b) services over mobile networks including GSM, LTE, IMT-Advanced, LTE-Advanced and any other mobile networks that are available.
18.	Yoodo	The product brand currently owned and operated by Celcom, offering fully digital and customisable retail mobile telecommunications plans, including mobile data, voice, SMS as well as roaming and other international direct dial services, to subscribers under the "Yoodo"

UNDERTAKING TO THE MCMC DATED 28 JUNE 2022 (Cont'd)

1. Persons giving the Undertaking

- 1.1. This Undertaking is given to the Malaysian Communications and Multimedia Commission ("MCMC") by Celcom Axiata Berhad ("**Celcom'**") and Digi Telecommunications Sdn. Bhd. ("**Digi'**") (collectively referred to as the "**Applicant'**") for the purpose of an authorisation of the proposed merger between Celcom and Digi.Com Bhd ("**Digi.Com'**") (hereafter referred to as "**Proposed Merger'**") under subsection 140(3) of the Communications and Multimedia Act 1998 ("**CMA'**").

2. Background**Parties to the Proposed Merger**

- 2.1. On 21 June 2021, Axiata Group Berhad ("**Axiata'**") and Digi.Com entered into a share purchase agreement to combine their respective telecommunications businesses in Malaysia i.e. Celcom and Digi.
- 2.2. Digi.Com is the current holding company of Digi, and will assume full ownership of Celcom by way of the following transactions:
- 2.2.1. Axiata will transfer 100% of its equity interest in Celcom to Digi.Com; and
- 2.2.2. Digi.Com will issue new shares to Axiata and Telenor Asia Pte. Ltd. such that each recipient entity will hold 33.10% of Digi.Com total issued share capital; and
- 2.2.3. Axiata together with Malaysian institutional funds will own over 51% of the MergeCo.
- 2.3. Upon completion of the Proposed Merger, Digi.Com will become the holding company of both Celcom and Digi, with the operations of both entities merged, subject to the terms of this Undertaking.

Applicant's Background*Digi*

- 2.4. Digi.Com is listed on Bursa Malaysia and its mobile service operations are undertaken by its subsidiary, Digi. Digi commenced operations in May 1995 when it launched its fully digital GSM1800 services. It offers mobile voice, data, roaming and value-added services on both prepaid and postpaid plans. Over the last twenty-six (26) years, Digi had established a mobile network with 10.32 million subscribers¹ (as at Q4 2021). Digi currently holds an individual Network Facilities Provider ("**NFP'**") licence and an individual Network Service Provider ("**NSP'**") licence, both of which are valid until 2025, and an Applications Service Provider ("**ASP'**") class licence. Additionally, Digi operates a nationwide mobile network, utilising spectrum in the 900 MHz, 1800 MHz, 2100 MHz and 2600 MHz bands.

Celcom

- 2.5. Celcom was incorporated in Malaysia on 5 January 1988 and commenced business on 21 August 1989. It offers mobile voice, data, roaming and value-added services on both prepaid and postpaid plans. Celcom's business is focused on the domestic mobile services segment, and it operates a nationwide mobile network utilising 900 MHz, 1800 MHz, 2100 MHz and 2600 MHz spectrum bands. Celcom currently holds an individual NFP licence and an individual NSP licence, both of which are valid until 2025, and an ASP class licence. As at Q4 2021, Celcom has 9.60 million subscribers.²

¹ [https://digi.listedcompany.com/misc/InvestorPresentation/4Q2021 Investor Pres.pdf](https://digi.listedcompany.com/misc/InvestorPresentation/4Q2021%20Investor%20Pres.pdf)

² <https://www.axiata.com/investors/quarterly-results/>

UNDERTAKING TO THE MCMC DATED 28 JUNE 2022 (Cont'd)

3. MCMC's assessment on the Proposed Merger

3.1. On 23 September 2021, MCMC commenced Phase 1 assessment of the Proposed Merger upon receiving a complete Form 1 on Application for Assessment on Mergers and Acquisitions and on 23 November 2022, MCMC commenced Phase 2 assessment upon receiving a complete Form 2 on Application for Assessment on Mergers and Acquisitions.

3.2. On 1 April 2022, MCMC issued a SOI to the Applicant. The SOI sets out MCMC's preliminary view on competition effects that could arise from the Proposed Merger and invited the Applicant to submit their comments and remedies to address the concern.

MCMC's competition concerns

3.3. MCMC's preliminary assessment indicated that the Proposed Merger is likely to raise competition concerns in the following communications markets:

3.3.1. the national retail market for mobile and low-speed fixed broadband and data services, including the related local distribution channel market(s);

3.3.2. the national retail market for mobile voice and Person-to-Person ("**P2P**") messaging services, including the related local distribution channel market(s);

3.3.3. the national wholesale market for mobile voice and P2P message services (including network sharing arrangements); and

3.3.4. the national wholesale market for mobile broadband services (including network sharing arrangements).

3.4. As such the Applicant reverted with proposed remedies to alleviate MCMC's competition concerns namely in five (5) areas i.e. spectrum, mobile virtual network operators ("**MVNO**") arrangement, prepaid divestment, resellers and branding.

3.5. The Applicant has agreed to provide this Undertaking and MCMC is authorising this conduct (i.e. the merger as described in this Undertaking) under section 140 of the CMA, on condition that the Undertaking is provided. The remedies provided will address the MCMC's concerns about the Proposed Merger having the purpose or effect of substantially lessening of competition ("**SLC**") in the identified communications markets as per paragraph 3.3.

Undertakings

3.6. The Applicant hereby undertakes that it shall commit to carry out the following undertakings to alleviate MCMC's concerns:

Spectrum Divestment

3.7. The Applicant shall divest a total of 70MHz of spectrum in the following three (3) bands (each referred to as a "**Band**") to address the issue of spectrum concentration post merger.

(a) Divest 10MHz in the 1800MHz spectrum band

(b) Divest 20MHz in the 2100MHz spectrum band

(c) Divest 40MHz in the 2600MHz spectrum band

3.8. The Applicant shall complete technical handover of the Divestment Spectrum by the earlier of the date of completion of network site consolidation ("**Network Integration Completion**") and the expiry of the period of three years from the date of completion of the merger transaction ("**Closing**") ("**Integration Period**"), which is at most **three (3) years** from Closing. The spectrum divestment will occur in the form of the spectrum being returned to MCMC in phases during the 3-year period.

UNDERTAKING TO THE MCMC DATED 28 JUNE 2022 (Cont'd)

- 3.9. The Applicant shall return to MCMC the first Band of Divestment Spectrum within **two (2) years** from Closing. The Applicant shall return to MCMC the second and third Bands of the Divestment Spectrum within **three (3) years** from Closing. The Applicant will notify MCMC **six (6) months** after Closing, of which Band will be returned within **two (2) years** from Closing and which Bands will be returned within **three (3) years** from Closing.
- 3.10. The Applicant shall bear all the fees and charges associated with spectrum divestment and technical handover.
- 3.11. MCMC will compensate the Applicant on a prorated basis for the remaining duration of the spectrum assignments and/or apparatus assignment, after undertaking due diligence, following the handover of the spectrum in the related spectrum Bands.

MVNO Wholesale Remedy

- 3.12. The Applicant will ensure MVNOs are no worse off (compared to the position immediately prior to the date of registration of the undertaking ("**Effective Date**")) and there is continuity of access for existing and new MVNOs to wholesale services provided by MergeCo for a duration of **three (3) years** from Closing.
- 3.13. In fulfilling its obligations, the Applicant must:
- 3.13.1. ensure the continuity of access to wholesale services for existing and new MVNOs for the duration of **three (3) years** from Closing by (subject to acceptance by MVNOs):
- (a) ensuring fair pricing, fair and non-discriminatory access and to maintain and promote healthy competition in the retail and wholesale mobile market;
 - (b) introducing price capping (no increase from current rate as at the Effective Date);
 - (c) removal/waiver of any contractual lock-in agreements in place as at the Effective Date; and
 - (d) implementing fair usage policy to ensure any excessive usage by MVNOs and their subscribers is charged fairly.
- 3.13.2. The Applicant will establish a separate independent MVNO wholesale business ("**MVNO Business Unit**") and transfer the MergeCo Wholesale Business to the MVNO Business unit, thereby ensuring separation from MergeCo's retail mobile business, within **six (6) months** from Closing. The Applicant shall maintain the separation for a period of **three (3) years** after implementing transfer to MVNO Business Unit.
- (a) The Head of MVNO business unit will report directly to the Chief Executive Office ("**CEO**") and administratively to a CxO in MergeCo's fixed line business unit (the "**Fixed CxO**"). The structure of the MVNO Business Unit will be as contained in **Schedule 1** of this Undertaking.
 - (b) The MVNO Business Unit shall maintain a Reference Access Offer and make its services available to all new and existing MVNOS through commercially negotiated access agreements, unless otherwise agreed by an MVNO.
 - (c) The Head of MVNO is empowered to make all decisions pertaining to the commercial terms of MVNO access agreements (including, but not limited to, wholesale pricing), independent of the Fixed CxO. Matters pertaining to the commercial terms of MVNO access agreements and pricing shall not be discussed with or otherwise disclosed to the Fixed CxO or the Management Committee. Similarly, matters pertaining to retail mobile pricing of MergeCo shall not be discussed with or otherwise disclosed to the Head of the MVNO Business Unit.

UNDERTAKING TO THE MCMC DATED 28 JUNE 2022 (Cont'd)

- (d) The relationship and reporting lines between the Head of the MVNO Business Unit and the Fixed CxO will be limited to administrative and human resource matters only which amongst others include approval of Head of the MVNO Business Unit's:
- (i) annual leave;
 - (ii) expenses and benefits claims;
 - (iii) operating budget such as travel, entertainment, team-building, training, etc (i.e. not related to commercial terms of the MVNO agreements or arrangements); and
 - (iv) approval of hiring, training and career development plans for employees of the MVNO Business Unit.
- (e) The relationship and reporting lines between the Head of the MVNO Business Unit and CEO will cover all strategic and operational areas related to the MergeCo's wholesale business, which includes:
- (i) Setting of the MVNO's Business Unit's targets and investment, including KPI for the Head of the MVNO Business Unit;
 - (ii) Evaluation of the Head of the MVNO Business Unit KPIs and performance;
 - (iii) Performance management and monitoring of the MVNO Business Unit; and
 - (iv) Decisions relating to wholesale pricing, access, and other contractual terms of new and existing MVNOs.

Prepaid Divestment – Yoodo

- 3.14. The Applicant undertakes to divest the business of Celcom's Yoodo brand (that is, the **Divestment Business**) within **eighteen (18) months** from Closing via a sales auction process at a minimum floor price no less than the cost incurred by the Applicant in providing the products and services.
- 3.15. If the Applicant fails to divest the Divestment Business **within eighteen (18) months** from Closing, the Applicant commits to cease Yoodo's operation **within three (3) months** of the expiry of the period of eighteen (18) months from Closing ("**Divestiture Period**").
- 3.16. This divestment of the Divestment Business includes:
- 3.16.1. All tangible and intangible assets (including intellectual property rights) used exclusively by Yoodo or which are necessary for the operation of the Yoodo business;
 - 3.16.2. The employment or engagement of personnel who exclusively and predominantly work for Yoodo to the purchaser (which personnel, if consent to transfer with Yoodo is required by law, has given such consent);
 - 3.16.3. all contracts, leases, and commitments related to Yoodo; and
 - 3.16.4. all subscribers, credit and other business records of Yoodo.
- 3.17. The Divestment Business shall not include assets not used exclusively by Yoodo or are not otherwise necessary for the operation of Yoodo.
- 3.18. The Applicant shall make available to the purchaser the details of all suppliers currently supporting the operation of Yoodo.

UNDERTAKING TO THE MCMC DATED 28 JUNE 2022 (Cont'd)

- 3.20. The Applicant shall, for a period of **three (3) years** after the completion of the sale of the Divestment Business, not acquire, whether directly or indirectly, the possibility of exercising influence over the whole or part of the Divestment Business, unless otherwise approved by MCMC.
- 3.21. Upon cessation of Yoodo's operations in accordance with paragraph 3.15 above, the Applicant shall not restore or otherwise *revive* the Yoodo brand.
- 3.22. The Applicant shall not absorb directly or indirectly Yoodo's subscribers from the Effective Date until the **three (3) year period** referred to in paragraph 3.20 has expired.
- 3.23. At the option of the purchaser (who shall communicate its uptake of such option within a deadline prior to completion of the sale of the Divestment Business), the Divestment Business would include the benefit, for a transitional period of up to **six (6) months** after the date of completion of the sale of the Divestment Business and on terms and conditions to be negotiated, of all current arrangements under which the Applicant supplies products or services to Yoodo, provided that the supply of such products and services shall be provided:
- 3.23.1. in the same manner as provided during the last **twelve (12) months** prior to completion of the sale of the Divestment Business, save for a reasonable ramp-down of those supplies by the end of the transitional period;
- 3.23.2. at the current consideration but at no less than the costs incurred by the Applicant in providing the products and services; and
- 3.23.3. on a reasonable efforts basis with liability of the Applicant to the purchaser being limited to events of wilful misconduct.
- 3.24. In order to enable potential purchasers to carry out reasonable due diligence of the Divestment Business, the Applicant shall, subject to customary confidentiality assurances and dependent on the stage of the divestiture process, provide potential purchasers sufficient information with regards to the Divestment Business.

Retail Distribution Dealership Remedy

- 3.25. The Applicant undertakes the following:
- 3.25.1. Before the expiry of the Integration Period i.e. **three (3) years** from closing, to remove exclusive arrangements with its exclusive distributors³ in Sabah, Labuan, Sarawak, Terengganu, Pahang and Kelantan; and
- 3.25.2. For a period of **three (3) years** after Closing, the Applicant will not enter into any new exclusivity arrangements with exclusive distributors or other distributors in these regions, unless otherwise approved by MCMC.
- 3.26. The list of exclusive distributors is contained in **Schedule 2** of this Undertaking.

Single Corporate Brand

- 3.27. The Applicant will position Digi and Celcom's prepaid and postpaid brands as products under a single corporate brand **within two (2) years** from Closing.
- 3.28. The Applicant shall ensure that the processes and systems are in place to fulfil the commitment in paragraph 3.27 within the specified duration.

UNDERTAKING TO THE MCMC DATED 28 JUNE 2022 (Cont'd)

4. Commencement and terms of the Undertaking

- 4.1. This Undertaking comes into effect (Effective Date) when MCMC accepts and registers this Undertaking.
- 4.2. In accordance with subsection 111(3) of the CMA, an undertaking will expire **three (3) years (Expiry Date)** from the date of the application to register the undertaking. The Applicant undertakes to submit a new undertaking **six (6) months** prior to the Expiry Date of this Undertaking to fulfill the requirements under this Undertaking that extend beyond the Expiry Date.
- 4.3. As the timelines stipulated in this Undertaking will commence from Closing, the Applicant is required to notify MCMC of the official date of Closing on or around the date of Closing.

5. Cessation of ongoing obligations**Withdrawal**

- 5.1. In line with subsection 140(4) and section 113 of the CMA, the Applicant may withdraw this Undertaking at any time by notifying MCMC in writing.
- 5.2. Upon withdrawal of this Undertaking, the authorisation corresponding to this Undertaking shall be deemed never to be given and the conduct may be subjected to regulatory actions.
- 5.3. Without limiting paragraph 6, the MCMC may, at any time, revoke its acceptance of this Undertaking and the authorisation corresponding to this Undertaking shall be deemed never to be given if the MCMC becomes aware that any information provided to it at any time by the Applicant was false or misleading other than in an immaterial respect.

Survival

- 5.4. This Undertaking will continue to be enforceable unless and until the earlier of:
- 5.4.1. this Undertaking is withdrawn by the Applicant in accordance to section 113 of the CMA;
- 5.4.2. a new undertaking has been registered in accordance to section 114 of the CMA; or
- 5.4.3. the Expiry Date.

6. Enforcement

- 6.1. The Applicant acknowledges and agrees that MCMC may apply to court for the enforcement of this Undertaking if this Undertaking has not been complied with in accordance with the CMA.
- 6.2. Without limiting the MCMC's powers under the CMA and otherwise at law, the Applicant acknowledge and agree that MCMC may take action against the Applicant at any time during the period of Undertaking on the following grounds:
- 6.2.1. the information provided by the Applicant to MCMC was false or misleading other than in an immaterial respect;
- 6.2.2. if the Proposed Merger effected is materially different to the transaction submitted to MCMC for assessment; or
- 6.2.3. there has been a material change of circumstance since MCMC approved the application for authorisation of conduct.

UNDERTAKING TO THE MCMC DATED 28 JUNE 2022 (Cont'd)

7. Reporting Obligation

- 7.1. From the date of Closing, and until each undertaking is fulfilled, MCMC has the rights to supervise and inspect the Applicant and MergeCo in connection with this Undertaking.
- 7.2. The Applicant is required to report their compliance with this Undertaking to MCMC on a quarterly basis, commencing no less than **three (3) months** after the Effective Date.

8. Independent Audit**Obligation to appoint an Approved Independent Auditor**

- 8.1. The Applicant must, at their own cost, appoint within **three (3) months** of the Effective Date and maintain throughout the term of this undertaking the appointment of an approved independent auditor to audit and report the Applicant's compliance with this undertaking.
- 8.2. MCMC shall have the discretion to approve or reject in writing with regards to the identity of the proposed independent auditor proposed to be appointed by the Applicant.
- 8.3. Without limiting MCMC's discretion in deciding whether to approve a proposed independent auditor, the factors that MCMC may have regard to include:
- 8.3.1. the qualification and experience of the identified auditor;
 - 8.3.2. whether the identified auditor is fully independent of the Applicant; and
 - 8.3.3. whether draft terms of the appointments and the draft audit plan are consistent with this undertaking and acceptable to MCMC.
- 8.3. MCMC may revoke an approved independent auditor's status if MCMC becomes aware that any information provided to it in relation to the appointment of the approved independent auditor was incorrect, inaccurate or misleading.
- 8.4. If MCMC rejects a proposed independent auditor or revokes approval of an approved independent auditor, the Applicant must promptly propose a new independent auditor in accordance with this paragraph 8.
- 8.6. If the Applicant does not promptly appoint (or re-appoint) an independent auditor in accordance with this paragraph 8, MCMC may appoint such an auditor and they will be considered to be the approved independent auditor for the purposes of this Undertaking.

Audit Report

- 8.7. The approved independent auditor must conduct an audit and prepare a detailed report ("**Audit Report**") that includes:
- 8.7.1. the approved independent auditor's procedures in conducting the audit, or any change to audit procedures and processes since the previous Audit Report;
 - 8.7.2. a full report of the Applicant's compliance with this Undertaking;
 - 8.7.3. identify any areas of uncertainty or ambiguity contained in this Undertaking;
 - 8.7.4. all the reasons for the conclusions reached in the Audit Report;
 - 8.7.5. any qualifications made by the approved independent auditor in forming his or her views;

UNDERTAKING TO THE MCMC DATED 28 JUNE 2022 (Cont'd)

- 8.7.6. any recommendations by the approved independent auditor to improve the audit plan, the auditing process, the Applicant's processes or reporting systems in relation to the compliance with this Undertaking and the Applicant's compliance with this Undertaking; and
- 8.7.7. the implementation and outcome of any prior recommendations by the approved independent auditor.
- 8.8. The approved independent auditor shall provide an Audit Report to MCMC within 30 days from the end of each quarter in a calendar year while this Undertaking is in force.
- 8.9. The Applicant must implement any recommendations made by the approved independent auditor in the Audit Report, and notify MCMC of the implementation of the recommendations, **within ten (10) business days** after receiving the Audit Report or such other period as agreed in writing with MCMC.

9. Disclosure of this Undertaking

- 9.1. The Applicant acknowledges that MCMC shall maintain a register of this Undertaking, in both physical form and electronic media as provided for under section 81 of the CMA.

10. No Derogation

- 10.1. This Undertaking does not prevent MCMC from taking enforcement action at any time whether during or after the period of this Undertaking in respect of any breach by the Applicant of any term of this Undertaking.
- 10.2. Nothing in this Undertaking is intended to restrict the right of MCMC to take action under the CMA in the event that the Applicant does not fully implement and/or perform its obligations under this Undertaking or in any other event where MCMC decides to take action under the CMA for other non-compliances.

11. Costs

- 11.1. The Applicant shall bear all costs incurred in relation to this Undertaking, including the costs of any independent auditor appointed pursuant to Section 8.

12. Governing Law

- 12.1. The Applicant recognises and acknowledges that this Undertaking shall be governed and construed in all respects in accordance with the Malaysian law.
- 12.2. In the event of a dispute or claim arising from this Undertaking, the Applicant undertakes to submit to the courts of Malaysia.

UNDERTAKING TO THE MCMC DATED 28 JUNE 2022 (Cont'd)

13. Notices

13.1 Any notice or communication to the MCMC pursuant to this Undertaking must be sent to:

Head, Market Regulation Division
Malaysian Communications and Multimedia Commission
MCMC Tower 1, Jalan Impact
63000 Cyberjaya
Selangor.

Executed as an Undertaking

Executed by Celcom Axiata Berhad and Digi Telecommunications Sdn. Bhd. pursuant to section 140(3) of the CMA.

Sign by
For and on behalf of
CELCOM AXIATA BERHAD
(Company Reg. No.: 198801000113
(167469-A))
Date: 28 June 2022

SIGNED
DATUK IDHAM NAWAWI
Chief Executive Officer

Sign by
For and on behalf of
DIGI TELECOMMUNICATIONS SDN BHD
(Company Reg. No.: 199001009711
(201283-M))
Date: 28 June 2022

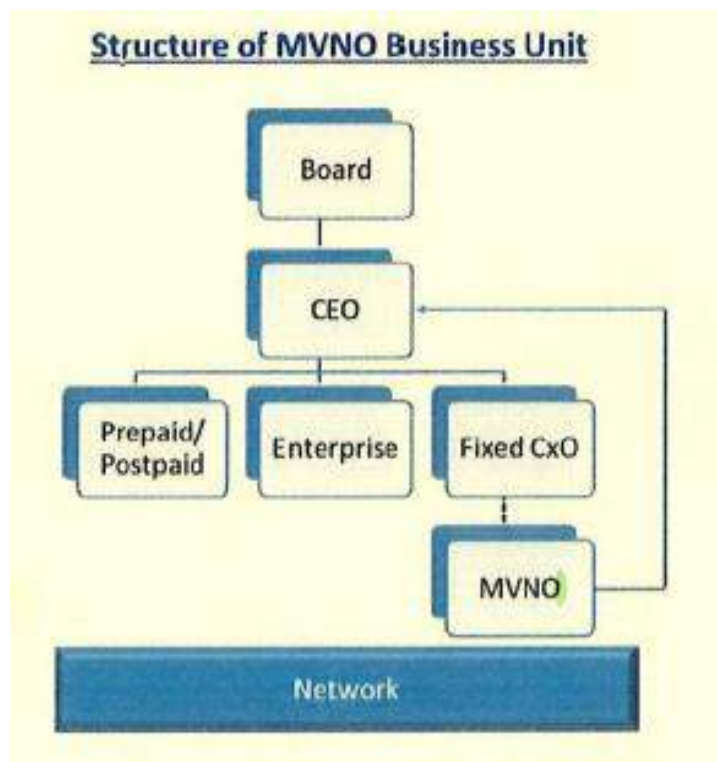
SIGNED
PRAVEEN RAJAN
Director & Acting Chief Executive Officer

Accepted by Malaysian Communications and
Multimedia Commission pursuant to section
140(3) of the Communications and Multimedia
Act 1998

SIGNED
MOHD ALI HANAFIAH MOHD YUNUS
Chief Operating Officer

UNDERTAKING TO THE MCMC DATED 28 JUNE 2022 (Cont'd)

SCHEDULE 1: MVNO BUSINESS UNIT SEPARATION STRUCTURE*

**Note:**

* The actual business unit names may differ from the above.

UNDERTAKING TO THE MCMC DATED 28 JUNE 2022 (Cont'd)

SCHEDULE 2: LIST OF RETAIL EXCLUSIVE DISTRIBUTORS

Distributor	Location	Touchpoints
[C-I-C]*	Sabah & Labuan	[C-I-C]
[C-I-C]	Sarawak	[C-I-C]
[C-I-C]	Kelantan, Pahang & Terengganu	[C-I-C]
Total		4,801

Note:*** Redacted due to commercial confidential information**



DIGI.COM BERHAD
(Registration No.: 199701009694 (425190-X))
Incorporated in Malaysia

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“**EGM**”) of **Digi.Com Berhad** (“**Digi**” or “**Company**”) will be conducted on a virtual basis at the broadcast venue at **Studio, Digi Telecommunications Sdn Bhd, Lot 10, Jalan Delima 1/1, Subang Hi-Tech Industrial Park, 40000 Shah Alam, Selangor Darul Ehsan, Malaysia** (“**Broadcast Venue**”) on **Friday, 18 November 2022 at 2.00 p.m.** or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modifications the following resolutions by way of poll:

ORDINARY RESOLUTION 1

PROPOSED MERGER OF CELCOM AXIATA BERHAD (“CELCOM”) AND DIGI.COM BERHAD (“DIGI” OR “COMPANY”) (“PROPOSED MERGER”)

THAT, subject to the passing of Ordinary Resolution 2, and subject to the approvals of all relevant authorities or parties being obtained (where required):

- (a) approval be and is hereby given to Digi to acquire all the 1,237,534,681 ordinary shares in Celcom, representing 100% of the issued share capital of Celcom (“**Subject Shares**”) from Axiata Group Berhad (“**Axiata**”), for a purchase consideration of RM17,756,156,250; and
- (b) that it is hereby approved and determined in this general meeting, in accordance with Article 49 (A) of the Articles of Association of Digi’s constitution (read together with subsection 85(1) of the Companies Act, 2016), that such purchase consideration shall be satisfied:-
 - (i) via the issuance of 73,378,844 new ordinary shares in Digi to Telenor Asia Pte Ltd (“**Telenor Asia**”) or such other number of fully paid-up new ordinary shares in Digi representing 0.63% of the enlarged share capital of Digi on completion of the Proposed Merger (“**0.63% Digi Shares**”); and
 - (ii) via the issuance of 3,883,129,144 new ordinary shares in Digi to Axiata or such other number of fully paid-up new ordinary shares in Digi representing 33.10% of the enlarged share capital of Digi on completion of the Proposed Merger (“**33.10% Digi Shares**”);

(collectively, “**Consideration Shares**”) at the issue price of RM4.06 per Consideration Share, without such Consideration Shares being required to be offered to the members of Digi in proportion, as nearly as may be, to the number of shares held by them in Digi or at all and effectively resulting in the members of Digi waiving their pre-emptive rights under Article 49(A) of the Articles of Association of Digi’s constitution (read together with subsection 85(1) of the Companies Act, 2016) to be offered all or any part of the Consideration Shares to be issued; and

- (iii) a cash payment of an amount equal to RM1,692,733,818 or such other amount as adjusted in accordance with the terms of the conditional share purchase agreement dated 21 June 2021, between Axiata and Digi (“**SPA**”);

in each case, subject to the terms and conditions of the SPA;

THAT approval be and is hereby given for the Company to increase its share capital by the creation of 3,956,507,988 new ordinary shares in Digi or such other number of new ordinary shares in Digi representing 33.73% of the enlarged share capital of Digi on completion of the Proposed Merger and that the Board of Directors of Digi ("**Board**") be and is hereby authorised to allot and issue the 0.63% Digi Shares to Telenor Asia and 33.10% Digi Shares to Axiata, in part satisfaction of the purchase consideration for the Subject Shares and be further authorised and required to abide by the foregoing determination pursuant to Article 49 (A) of the Articles of Association of Digi's constitution (read together with subsection 85(1) of the Companies Act, 2016);

THAT the Consideration Shares shall, upon issuance and allotment, be of the same class and rank *pari passu* in all respects with the then existing ordinary shares in Digi, save and except that the holders of such Consideration Shares shall not be entitled to any dividends and/or other distributions declared by Digi, the entitlement date of which is prior to the date of allotment of the Consideration Shares, and shall be free from all encumbrances;

AND THAT the Board be and is hereby authorised to sign and execute all documents, do all things and acts as may be required to give effect to the Proposed Merger with full power to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted by any relevant authorities and to deal with all matters relating thereto and to take all such steps and do all acts, deeds, things and matters for and on behalf of the Company in any manner as they may deem fit or necessary or expedient to implement, finalise and give full effect to the Proposed Merger.

ORDINARY RESOLUTION 2

PROPOSED EXEMPTION UNDER SUBPARAGRAPH 4.08(1)(A) OF THE RULES ON TAKE-OVERS, MERGERS AND COMPULSORY ACQUISITIONS ("RULES") FOR AXIATA GROUP BERHAD ("AXIATA") AND PERSONS ACTING IN CONCERT ("PAC") WITH IT, FROM THE OBLIGATION TO UNDERTAKE A MANDATORY TAKE-OVER OFFER TO ACQUIRE THE REMAINING ORDINARY SHARES IN DIGI NOT ALREADY OWNED BY IT AND ITS PACs UPON COMPLETION OF THE PROPOSED MERGER ("PROPOSED EXEMPTION")

THAT, subject to the approval from the Securities Commission Malaysia ("**SC**") being obtained and/or the approval from any other relevant authorities or parties (where required), approval be and is hereby given for Axiata and PAC with it to be exempted pursuant to subparagraph 4.08(1)(a) of the Rules, from the obligation to undertake a mandatory take-over offer to acquire all the remaining ordinary shares in Digi not already held by Axiata and Axiata PACs upon completion of the Proposed Merger ("**Offer**") and that the right of independent holders of voting shares or voting rights of Digi to receive the Offer from Axiata and Axiata PACs is hereby waived in accordance with subparagraph 4.08(2)(b) of the Rules;

AND THAT the Board be and is hereby authorised to sign and execute all documents, do all things and acts as may be required to give effect to the Proposed Exemption and to the waiver by the independent holders of voting shares or voting rights of Digi to receive the Offer ("**Offer Waiver**"), with full power to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted by any relevant authorities and to deal with all matters relating thereto and to take all such steps and do all acts, deeds, things and matters for and on behalf of the Company in any manner as they may deem fit or necessary or expedient to implement, finalise and give full effect to the Proposed Exemption and the Offer Waiver.

By Order of the Board
DIGI.COM BERHAD

CHOO MUN LAI (MAICSA 7039980)
SSM PC No: 201908001003

TAI YIT CHAN (MAICSA 7009143)
SSM PC No: 202008001023

Company Secretaries
Selangor Darul Ehsan, Malaysia
28 October 2022

Notes:

1. The EGM of the Company will be conducted entirely on a virtual basis through live streaming and online voting using Remote Participation and Electronic Voting ("RPEV") facilities at <https://meeting.boardroomlimited.my>. The procedures for members to register, participate and vote remotely via the RPEV facilities are provided in the Administrative Guide for the EGM which is also available on the Company's website at https://digi.listedcompany.com/egm_2022.html.
2. The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chair of the EGM of the Company to be present at the main venue in Malaysia. Shareholders/Proxies/Corporate Representatives WILL NOT BE ALLOWED to attend the EGM in person at the Broadcast Venue on the day of the meeting. Any shareholders or proxies or corporate representatives who turn up at the Broadcast Venue would be requested to leave the venue politely.
3. In respect of deposited securities, only shareholders whose names appear on the Record of Depositors on 9 November 2022 (General Meeting Record of Depositors) shall be eligible to attend, participate, speak and/or vote at the meeting.
4. A shareholder entitled to participate at the EGM is entitled to appoint not more than two (2) proxies to participate on his/her behalf. Where a Shareholder appoints more than one (1) proxy, the appointment shall not be valid unless the Shareholder specifies the proportions of his/her shareholdings to be represented by each proxy.
5. A proxy or attorney need not be a shareholder of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to participate at the meeting shall have the same rights as the Shareholder to speak at the Meeting.
6. Where a shareholder of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account) as defined under the Securities Industry (Central Depositories) Act 1991, there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
7. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing, and in the case of a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.
8. The instrument appointing a proxy together with the power of attorney (if any) or a certified copy thereof must be deposited at the Poll Administrator's Office, Boardroom Share Registrars Sdn. Bhd. at Ground Floor or 11th Floor, Menara Symphony No. 5, Jalan Professor Khoo Kay Kim Seksyen 13, 46200 Petaling Jaya Selangor Darul Ehsan at least forty-eight (48) hours before the time appointed for the holding of the meeting or adjourned meeting, otherwise the instrument of proxy should not be treated as valid. Alternatively, the Form of Proxy can be submitted electronically via <https://investor.boardroomlimited.com> before the Form of Proxy submission cut-off time as mentioned in the above. For further information on the electronic submission of Form of Proxy, kindly refer to the Administrative Guide.
9. If you have submitted your Form of Proxy and subsequently decide to appoint another person or wish to participate in our virtual EGM by yourself, please write in to bsr_helpdesk@boardroomlimited.com to revoke the earlier appointed proxy before the EGM. On revocation, your proxy(ies) will not be allowed to participate in the EGM. In such event, you should advise your proxy accordingly.
10. Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the Notice of EGM will put to vote by way of poll. Poll Administrator and Independent Scrutineers will be appointed to conduct the polling process and verify the results of the poll respectively.

Personal data privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, participate, speak and vote at the EGM and/or any adjournment thereof, a Shareholder of the Company, the said proxy(ies) and/or representative(s) (i) consents to the collection, use and disclosure of the Shareholder's and/or the said proxy(ies)' and/or representative(s)' personal data by the Company (or its agents) for the purpose of processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof), and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the Shareholder discloses the personal data of the Shareholder's proxy(ies) and/or representative(s) to the Company (or its agents), the Shareholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Shareholder's breach of warranty.



DIGI.COM BERHAD

(Registration No.: 199701009694 (425190-X))
Incorporated in Malaysia

FORM OF PROXY

	No. of shares held	:	
	CDS Account No.	:	

I/We* _____ NRIC / Passport / Registration No.* _____
(Name in full)

of _____
(Address)

with email address _____ Tel No/ mobile phone no. _____

being a shareholder/shareholders* of **DIGI.COM BERHAD** ("the Company"), hereby appoint(s):-

Full Name:	NRIC/Passport No.:	Proportion of shareholding to be represented by the proxy/proxies:	
		No. of Shares	%

Address: _____

Tel. No./Mobile phone no.: _____

Email Address: _____

*and/or

Full Name:	NRIC/Passport No.:	Proportion of shareholding to be represented by the proxy/proxies:	
		No. of Shares	%

Address: _____

Tel. No./Mobile phone no.: _____

Email Address: _____

*And/or

or failing him/her, the **Chair of the Meeting* as my/our proxy to vote for me/us on my/our behalf at the Extraordinary General Meeting ("EGM") of the Company to be conducted on a virtual basis at the broadcast venue at Studio, Digi Telecommunications Sdn Bhd, Lot 10, Jalan Delima 1/1, Subang Hi-Tech Industrial Park, 40000 Shah Alam, Selangor Darul Ehsan, Malaysia ("Broadcast Venue") on Friday, 18 November 2022 at 2.00 p.m. or any adjournment thereof.

*Please delete as appropriate.



This proxy is to vote on the resolutions set out in the Notice of the Meeting, as indicated with an 'X' in the appropriate spaces below. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her discretion.

Item No.	Agenda	Resolution	For	Against
1.	Proposed merger of Celcom Axiata Berhad ("Celcom") and Digi.Com Berhad ("Digi") ("Proposed Merger")	Ordinary Resolution 1		
2.	Proposed exemption under subparagraph 4.08(1)(a) of the Rules on Take-Overs, Mergers and Compulsory Acquisitions ("Rules") for Axiata Group Berhad ("Axiata") and Persons Acting in Concert ("PAC") with it, from the obligation to undertake a mandatory take-over offer to acquire the remaining ordinary shares in Digi not already owned by it and its PACs upon completion of the Proposed Merger ("Proposed Exemption")	Ordinary Resolution 2		

Signed _____ day of _____, 2022
this _____

Signature of Shareholder(s) or Common Seal
Tel. No _____

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- (vii) The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing, and in the case of a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.

- (viii) The instrument appointing a proxy together with the power of attorney (if any) or a certified copy thereof must be deposited at the Poll Administrator's Office, Boardroom Share Registrars Sdn. Bhd. at Ground Floor or 11th Floor, Menara Symphony No. 5, Jalan Professor Khoo Kay Kim Seksyen 13, 46200 Petaling Jaya Selangor Darul Ehsan at least forty-eight (48) hours before the time appointed for the holding of the meeting or adjourned meeting, otherwise the instrument of proxy should not be treated as valid. Alternatively, the Form of Proxy can be submitted electronically via <https://investor.boardroomlimited.com> before the Form of Proxy submission cut-off time as mentioned in the above. For further information on the electronic submission of Form of Proxy, kindly refer to the Administrative Guide.
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Personal Data Privacy

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Fold this flap for sealing

Then fold here

AFFIX
STAMP

Poll Administrator Office for

DIGI.COM BERHAD (Registration No. 199701009694 (425190-X))

Boardroom Share Registrars Sdn. Bhd.

Ground Floor or 11th Floor, Menara Symphony

No. 5, Jalan Professor Khoo Kay Kim

Seksyen 13, 46200 Petaling Jaya

Selangor Darul Ehsan

Malaysia

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