

CORPORATE GOVERNANCE OVERVIEW STATEMENT

THE BOARD OF DIRECTORS (THE BOARD) OF DIGI.COM BERHAD AND ITS SUBSIDIARIES (DIGI OR THE GROUP) RECOGNISES THE IMPORTANCE OF GOOD CORPORATE GOVERNANCE AND IS COMMITTED TO ENSURE THE SUSTAINABILITY OF THE GROUP'S BUSINESS AND OPERATIONS BY INTEGRATING GOOD GOVERNANCE ETHICS AND BUSINESS INTEGRITY INTO THE STRATEGIES AND OPERATIONS OF THE GROUP. THE BOARD BELIEVES THESE PRACTICES ARE KEY TO CONTINUE DELIVERING LONG-TERM SHAREHOLDERS' VALUE.

This Statement is prepared in compliance with Paragraph 15.25(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (MMLR) and guided by Practice Note 9 of the MMLR and the Corporate Governance Guide (3rd edition) issued by Bursa Malaysia. The Statement sets out the principal features of Digi's corporate governance approach, summary of corporate governance practices during the financial year as well as key focus areas and future priorities in relation to corporate governance.

The Corporate Governance Overview Statement is augmented with a Corporate Governance Report, based on a prescribed format as enumerated in Paragraph 15.25(2) of the MMLR so as to provide a detailed articulation on the application of the Group's corporate governance practices vis-à-vis the Malaysian Code on Corporate Governance (MCCG). The Corporate Governance Report is available on the Group's website at www.digi.com.my/investors as well as via an announcement on Bursa Malaysia's website.

This Corporate Governance Overview Statement should also be read in combination with the other statements in the Annual Report (e.g. Statement on Risk Management and Internal Control, Reports on Board Committees and Sustainability) as the application of certain governance enumerations may be more evidently expressed in the context of the respective statements.

Corporate Governance Approach

Digi's overall approach to corporate governance is to:

- Establish structures, policies and procedures which enable the Board to model and advocate good governance practices to ensure long-term sustainability and profitability of the Group;
- Drive application of good corporate governance practices by aligning the interests of shareholders, the Board and the Management; and
- Meet stakeholders' expectations of sound corporate governance as part of Digi's broader responsibility to shareholders, customers and the community in which it operates.

Principle A – Board Leadership and Effectiveness

How the Board operates

Board Responsibility

The Board is responsible for the long-term success of the Company, setting Company strategies, financial objectives and risk appetites, providing leadership to the business, monitoring the overall financial performance of the Company while ensuring effective corporate governance and succession planning. The Chair of the Board leads the Board with a keen focus on governance and compliance, and managing the Board's effectiveness by focusing on strategy, governance and compliance.

In order to ensure effective discharge of the Board's functions, the Board has delegated its specific powers of the Board to the relevant Board Committees, the Chief Executive Officer (CEO), who heads the Digi Management Team (Management) and Management Committees.

As depicted in the following illustration, Board Committees have been established to assist the Board in its oversight function with reference to specific responsibility areas. It should however be noted that at all times, the Board has collective oversight over the Board Committees. These Board Committees have been constituted with clear Terms of Reference and they are actively engaged to ensure that the Group is in adherence with good corporate governance practices.

Leadership Structure and Governance Framework

<p>The Board</p> <p>Responsible for the overall conduct of Digi's business including driving our long-term success, setting our values, standards and strategic objectives, reviewing our performance, and ensuring a successful dialogue with our shareholders.</p>	<p>Chairman</p> <ul style="list-style-type: none"> Leads the Board, sets the agenda and promotes a culture of open debate between the Directors Regularly engages with the CEO and the Management team to stay informed of operational matters Ensures effective communication with shareholders 	<p>Senior Independent Director</p> <ul style="list-style-type: none"> Provides a sounding board to the Chair and appraises his performance Acts as intermediary for other Directors, if needed Available to respond to shareholder concerns when contact through the normal channels are inappropriate 	<p>Non-Executive Directors</p> <ul style="list-style-type: none"> Contribute to developing our strategies Scrutinise and constructively challenge the performance of Management in the execution of our strategies
<p>Board Committees</p> <p>Delegated to by the Board, and are responsible to maintain effective governance in the respective areas.</p>	<p>Audit and Risk Committee</p> <ul style="list-style-type: none"> Reviews the integrity of Digi's financial reporting Reviews the adequacy and effectiveness of Digi's internal controls and risk management framework and related compliance activities <p>## <i>Audit and Risk Committee Report (Pages 79 to 82)</i></p>	<p>Nomination Committee</p> <ul style="list-style-type: none"> Evaluates the Board's composition and ensures Board diversity, right mix and balance of skills Sources for and nominates Board members <p>## <i>Nomination Committee Report (Pages 83 to 86)</i></p>	<p>Remuneration Committee</p> <ul style="list-style-type: none"> Reviews the policy on remuneration of Non-Executive Directors Reviews the remuneration of Non-Executive Directors and CEO
<p>Management</p> <p>Responsible for implementing strategic objectives and realising competitive business performance in line with the established risk management framework, compliance policies, internal control systems and reporting requirements.</p>	<p>Chief Executive Officer</p> <ul style="list-style-type: none"> Responsible to lead the business and implements strategy <p>Chief Financial Officer</p> <ul style="list-style-type: none"> Responsible for the preparation and integrity of our financial reporting 	<p>Chief Marketing Officer</p> <ul style="list-style-type: none"> Responsible for overseeing the planning, development and execution of our marketing initiatives <p>Chief Business Officer</p> <ul style="list-style-type: none"> Responsible to lead the growth of our B2B business <p>Chief Technology Officer</p> <ul style="list-style-type: none"> Responsible for leading the technology aspects of the Group 	<p>Chief Human Resource Officer</p> <ul style="list-style-type: none"> Responsible to lead and implement our people, organisation and culture strategy <p>Chief Corporate Affairs Officer</p> <ul style="list-style-type: none"> Responsible for management of our business environment and strategic stakeholder engagement <p>Chief Digital Officer</p> <ul style="list-style-type: none"> Responsible to lead and develop new digital business ventures

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Notwithstanding that, the Board retains full responsibility for guiding and monitoring the strategic direction of the Company. In December 2017 and 29 January 2018, the Board reviewed and approved Digi's 3-Year Strategy Plan, the 2018 Preliminary Financial and Operational Targets, and the 2018 Build Plan and Capital Expenditure Allocation.

Board Charter

The Board is guided by its Board Charter (the Charter) which sets out the ethos of the Group, structure and authority of the Board. The Charter is the primary document that spells out the governance of the Board, Board Committees and individual Directors. The Charter was reviewed on 15 March 2018 in line with MCCG practices and is made available on the Group's website at www.digi.com.my/investors.

Salient features of the Charter:-

<ul style="list-style-type: none"> • Purpose • Board composition and balance • Matters reserved for the Board • Principal Roles and Responsibility of the Board, Board Committees and individual Directors 	<ul style="list-style-type: none"> • Specific focus areas • Division of work between the Board and CEO • Proceedings of Board meetings • Conflict of interest • Chair of the Board and CEO
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There is a clear division of responsibilities between the Chair of the Board and the CEO to ensure that there is a balance of power and authority. Mr Lars-Ake Valdemar Norling is responsible for instilling good corporate governance practices, leadership and effectiveness of the Board. The Chair of the Board maintains open lines of communication with the Management, and acts as a sounding board on strategic and operational matters.

The Board recognises the importance of having a Senior Independent Director to serve as a sounding board for the Chair and as an effective conduit for other Independent Directors to voice their concerns. On 11 July 2017, the Board appointed Tan Sri Saw Choo Boon as Senior Independent Director. The roles and responsibilities of a Senior Independent Director are set out in the Charter.

Key features of our Board

- Separation of the roles of Chair of the Board and CEO
- Chair of the Nomination Committee (NC) and Audit and Risk Committee (ARC) are Independent Non-Executive Directors
- Meets Board Diversity requirements, in particular gender diversity with three (3) women serving as members of the Board (43% female representation)
- Senior Independent Director to provide a sounding board to the Chair
- No Independent Directors have served more than nine (9) years
- Management do not sit on the Board

The Board is supported by two (2) professionally qualified and competent Company Secretaries who provide advisory services to the Board, particularly on corporate governance issues and compliance with relevant policies and procedures, laws and regulatory requirements in addition to administrative matters.

The Directors are aware of the time commitment expected from them to attend to matters of the Group in general, including attending Company meetings in the discharge of their roles and responsibilities. Management provides Directors with complete, adequate and timely information prior to meetings and on an ongoing basis to enable them to make informed decisions.

The breakdown of the Directors' attendance at the Board and Board Committees meetings during the financial year is set out below:-

Name of Directors	Board meetings 7	ARC Meetings 5	NC Meetings 2	RC Meetings 1	General Meeting 1
Lars-Ake Valdemar Norling Chair of the Board and the Remuneration Committee, Non-Independent Non-Executive Director	7/7 (100%)	N/A	1/1 (100%)	1/1 (100%)	1/1 (100%)
Tan Sri Saw Choo Boon Chair of the Audit and Risk Committee, Senior Independent Non-Executive Director	7/7 (100%)	5/5 (100%)	2/2 (100%)	N/A	1/1 (100%)
Yasmin Binti Aladad Khan Chair of the Nomination Committee, Independent Non-Executive Director	6/7 (86%)	N/A	2/2 (100%)	N/A	1/1 (100%)
Vimala V.R. Menon Independent Non-Executive Director	7/7 (100%)	5/5 (100%)	N/A	N/A	1/1 (100%)
Haakon Bruaset Kjoel Non-Independent Non-Executive Director (Appointed on 11 July 2017)	3/3 (100%)	N/A	1/1 (100%)	N/A	N/A
Tore Johnsen Non-Independent Non-Executive Director (Resigned on 23 January 2018)	7/7 (100%)	5/5 (100%)	N/A	1/1 (100%)	1/1 (100%)
Morten Loeken Edvardsen Non-Independent Non-Executive Director (Resigned on 12 December 2017)	3/3 (100%)	N/A	N/A	N/A	N/A
Morten Karlsen Sorby Non-Independent Non-Executive Director (Resigned on 11 July 2017)	4/5 (80%)	N/A	N/A	1/1 (100%)	1/1 (100%)
Kristin Muri Moller Non-Independent Non-Executive Director (Resigned on 11 July 2017)	3/5 (60%)	N/A	N/A	N/A	1/1 (100%)
Torstein Pedersen Non-Independent Non-Executive Director (Appointed on 12 December 2017)	N/A	N/A	N/A	N/A	N/A
Tone Ripel Non-Independent Non-Executive Director (Appointed on 23 January 2018)	N/A	N/A	N/A	N/A	N/A

ARC Audit and Risk Committee
NC Nomination Committee
RC Remuneration Committee

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Board Composition

As a leader in telecommunications and in driving progressive and responsible business practices, the Board seeks to continually evolve its membership by seeking to appoint Non-Executive Directors equipped with diverse skills and perspectives, and extensive experience in strategic planning and international operations for inclusion to the Board.

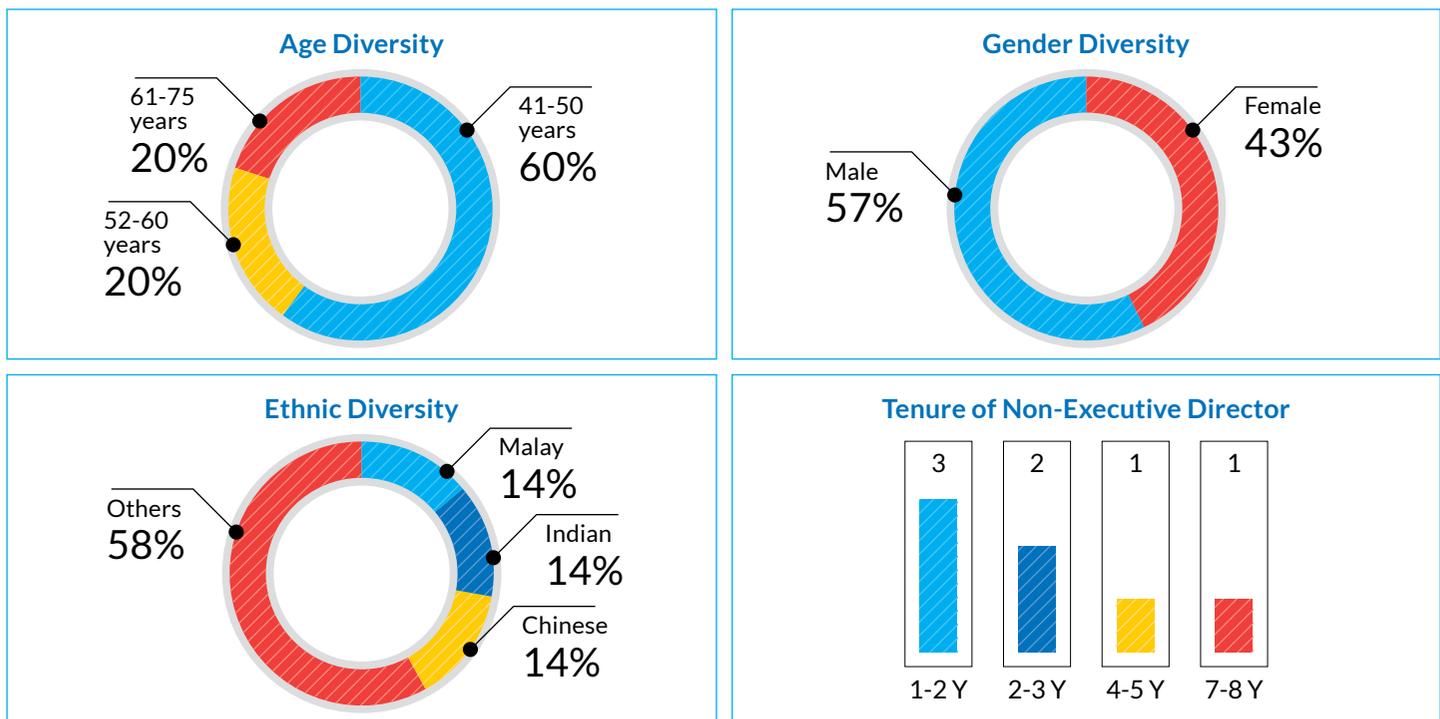
Our Board currently has seven (7) Directors, comprising four (4) Non-Independent Directors and three (3) Independent Directors, all of whom are Non-Executive Directors, with a broad range of experience and in-depth industry knowledge. Digi maintains a good balance between continuity of and fresh perspectives on the Board.

The NC plays a vital role in achieving diversity on the Board and considers the following before making its recommendations of suitable candidates to the Board:

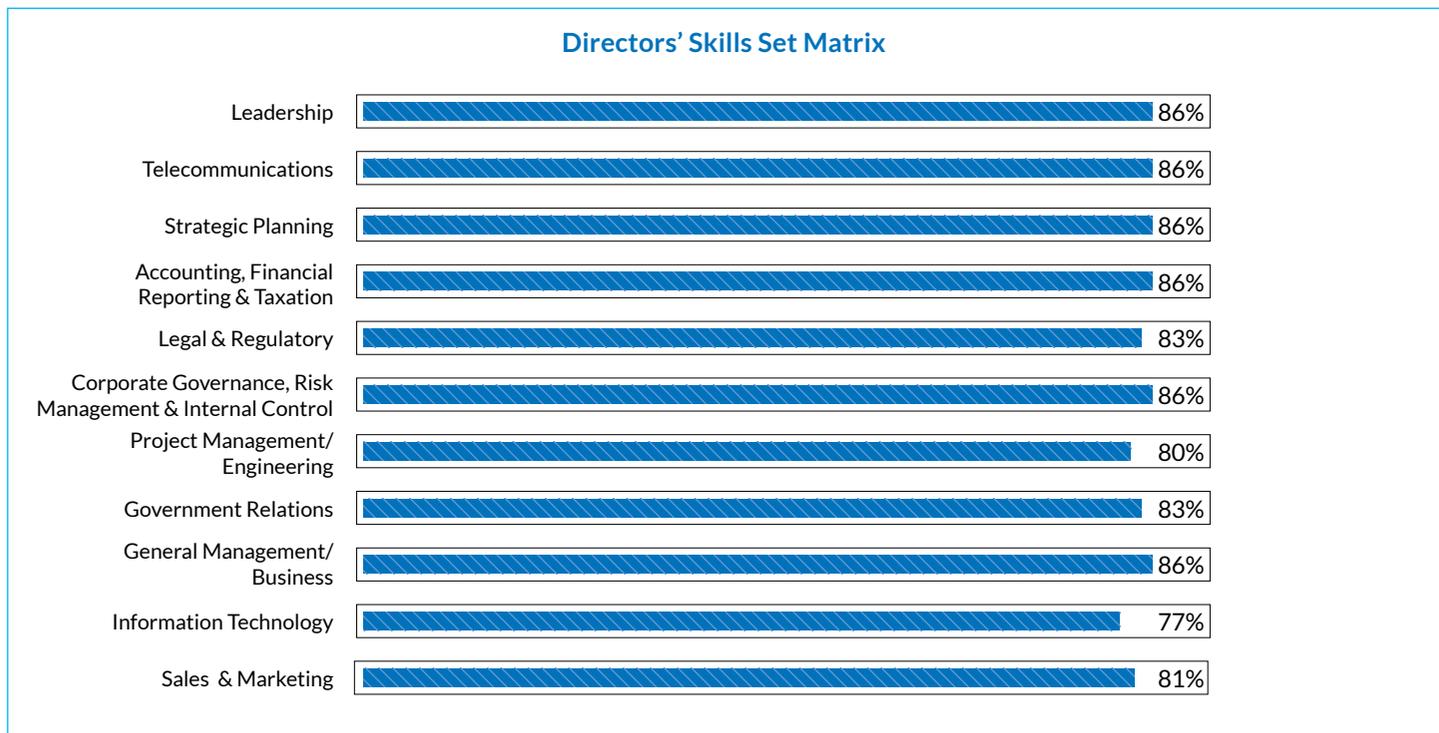
- The benefits of boardroom diversity and to appoint candidates based on merit and without prejudice, when reviewing the Board’s composition;
- The balance of skills, experience, independence, knowledge and the diversity of representation on the Board, as part of the annual performance evaluation on the effectiveness of the Board, Board Committees and individual Directors; and
- Implement and monitor the progress of the Diversity Policy towards the achievement of such objectives.

The NC also conducts annual reviews of the Board’s size and composition, to determine if the Board has the right size and diversity required to deliver the Company’s objectives and strategic goals.

The current Board composition is illustrated below:-



The following chart summarise the average results of Directors' Skill Set assessment on the collective skills of the Board in each respective area:-



Please refer to individual Director's Profile on pages 46 to 52 for the Board Skills Matrix.

Currently, there are three (3) women serving as members of the Board, reflecting a 43% female representation among Non-Executive Directors on the Board, exceeding the Malaysian government's target of 30% women participation on boards of public listed companies.

Embracing the Corporate Governance Culture

The Board recognises that upholding high standards of corporate ethics is key to long-term value creation and contributes directly to improved business performance. The Management team plays a critical role in leading and advocating ethical behaviours and values the Board expects to see. The Management led forums and engagements throughout the year to highlight our values, beliefs, business integrity and approach to health and safety.

Digi's culture is defined through the Digi Way, the Code of Conduct (Code), Whistle Blowing Policy and Manual, Anti-Corruption Policy, No Gift Policy, and Health, Safety, Security and Environment Policy. Together this sets out the high standards of behaviour we expect from Digi employees, suppliers, business partners and customers with a clear direction on general workplace behaviour, conducting business, interacting with the community, government and other stakeholders.

Please refer to Digi's website at www.digi.com.my/aboutus for detailed information on the Code and policies.

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Remuneration

Digi aims to provide attractive and well-structured remuneration which are sufficient to attract, retain and motivate high calibre Directors and Management to drive the Company's strategic objectives, business sustainability and create long-term value for shareholders. The Board has put in place Digi's Remuneration Policy for Non-Executive Directors, and Remuneration Policy and Procedure for Senior Management which are designed to support its objectives. The Remuneration Committee (RC) comprises all Non-Executive Directors who oversee the implementation of the remuneration policy and structure, and reviews and recommends matters relating to the remuneration for Directors and Management to the Board.

The Board collectively determines the remuneration for the Independent Directors based on the RC's recommendation. Each of the Independent Directors abstains from deliberating and voting on their own remuneration. The Non-Independent Non- Executive Directors receive their remuneration from their employing companies within the Telenor Group and do not receive any form of remuneration from Digi.

Details of the remuneration of the Independent Directors for the financial year 2017 are as follows:

Independent Non-Executive Directors	Company		Group		Total (RM)
	Fees (RM)	Benefits in Kind ^{^*} (RM)	Fees (RM)	Benefits in Kind (RM)	
Tan Sri Saw Choo Boon	240,000	3,634 ^{^*}	31,992	Nil	275,626
Yasmin Binti Aladad Khan	240,000	300 [*]	Nil	Nil	240,300
Vimala V.R. Menon	240,000	4,300 ^{^*}	Nil	Nil	244,300
Total	728,234		31,992		760,226

[^] Meeting Allowance only applicable for Audit and Risk Committee meetings

^{*} Staff Line Benefit

The number of Directors of the Company in each remuneration band is as follows:-

	Non-Executive Directors
Not applicable	4
RM200,000 – RM250,000	2
RM250,001 – RM300,000	1
Total:	7

At present, Digi's Board and Management remuneration remains competitive and is benchmarked against industry standards to attract and retain the right talent within Digi to drive the Company's long-term objectives. Further details are set out in the Corporate Governance Report available on Digi's website.

Please refer to Digi's website at www.digi.com.my/investors for the Non-Executive Directors' Remuneration Policy, and Remuneration Policy and Procedure for Senior Management.

Nomination Committee

The NC assesses the effectiveness of the Board, its Committees and the contribution of each Director with the aim of improving individual contribution by identifying gaps, maximising strengths and addressing weaknesses of the Board. This is achieved through an annual performance evaluation, full induction of new Board members and ongoing Board development activities.

The evaluation process is led by the NC Chair and assisted by the Company Secretaries. Each Director conducts confidential online questionnaires accessible via the Board software portal prepared by Boardroom Corporate Services (KL) Sdn Bhd together with the internal Company Secretary.

Please refer to the Nomination Committee Report (pages 83 to 86), which describes the NC's membership, its responsibilities and summary of its activities.

Principle B – Accountability and Effective Audit and Risk Management

Audit and Risk Committee

The ARC comprises four (4) members, all of whom are Non-Executive Directors and a majority of whom are Independent Directors, and is chaired by Tan Sri Saw Choo Boon, the Senior Independent Director. The ARC's responsibilities in overseeing Digi's financial reporting process, internal controls, risk management and governance are guided by its Terms of Reference, which is reviewed and approved by the Board annually. To ensure the ARC continues to be effective, all its members are committed to continue their professional education to ensure sufficient understanding of Digi's business, and to keep updated with the industry's development, including new statutory and regulatory requirements.

To safeguard the integrity and credibility of the audit process, Digi does not have any former key audit partner as an ARC member. However, Digi has adopted a policy in its Terms of Reference to require a former key audit partner to observe a cooling-off period of at least two (2) years before being appointed as a member of the ARC by the Company or any of its related corporations.

During the financial year, the ARC assessed the suitability, objectivity and independence of our external auditors guided by the procedures on the assessment of external auditors formalised by the ARC on 15 March 2018. Based on the evaluation, the ARC recommends the re-appointment of the external auditors at the forthcoming AGM.

Risk Management and Internal Control Framework

The Board acknowledges its responsibility for establishing and overseeing Digi's effectiveness of internal controls and risk management framework. The risk management framework is designed to identify, assess and manage risks that may impede the achievement of business objectives and strategies. The Board also acknowledges that the internal control systems are designed to manage and minimise, rather than eliminate occurrences of material misstatement, financial loss or fraud.

The Management is responsible for implementing Board approved policies and procedures on risk management by identifying and evaluating risks, and monitoring the risks vis-a-vis achievement of business objectives within the risk appetite parameters. The ARC and Board oversee the Company's risks through its quarterly review, and deliberation on the key risks and responses in mitigating the risk exposures.

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The Internal Audit department reports directly to the ARC. Its activities and practices adopt or are guided by the Institute of Internal Auditors International Standards for the Professional Practice of Internal Auditing.

The Internal Audit function assists the ARC in evaluating the effectiveness of the Company's risk management and internal control system through its Internal Audit Plan approved by the Board. The ARC also obtains such assurance from Management and other assurance providers in ensuring the adequacy and effectiveness of its risk management and internal control framework.

Please refer to the Audit and Risk Committee Report (pages 79 to 82) for further details on the composition of the ARC, and activities in the discharge of its duties for 2017.

Details of the Risk Management and Internal Control Framework are set out in the Statement on Risk Management and Internal Control (pages 73 to 78).

2018 Priorities

Given the challenging market conditions contributed by the rapid pace of technological advancement and disruptions in the business environment, amongst others, an effective risk management and inculcation of a risk and control culture in the organisation is one of the key priorities for the ARC in 2018. As the risk landscape evolves, the ARC sees a need to shift boardroom discussions from risk prevention to that of detection. The risk and control mind-set should be instilled at every level of the organisation and continued to be embedded into its operations, as the foundation of decision making.

Principle C – Relationship with Stakeholders

Communications with Our Shareholders

Over the years, Digi has established a solid and diversified shareholder base with 27,458 shareholders as at 31 December 2017, out of which 41.9% (2016: 41.1%) of the shareholdings are from Malaysia and 9.1% (2016: 9.9%) from foreign countries. Our shareholder base continued to reflect steady and robust shareholding support from institutional or corporate investors of 98.0% and the remaining 2.0% from private investors or individuals.

We value the importance of effective communication with our shareholders and investors. We believe that effective and timely communication will enhance shareholders' understanding and appreciation of Digi's business strategies, financial performance and current business initiatives in making informed investment decisions and in exercising their rights as shareholders. Therefore, we are highly committed to ensure timely, accurate, transparent and effective communication of relevant and material corporate information is shared with our shareholders and the investment community.

In addition, we have an established Investor Relations team dedicated to provide necessary information and services to, and communicate with, shareholders and investors and other participants in the capital market. The cohesive collaboration between Investor Relations with various information providers within Digi has supported more clear and relevant disclosures on areas of interest by the investment community.

Shareholders and investors can also make inquiries about Investor Relations matters with Digi throughout the year via Investor_Relations@digicom.my. Further details are set out in the Corporate Governance Report available on Digi's website.

Engagements with Institutional Investors

Our Investor Relations team periodically analyses and monitors Digi's shareholding structure including the breakdown of shareholders by type, investment styles and geographical location, including shareholders' buying and selling activities during the year to facilitate investors targeting and planning of investor relations engagement programmes.

In 2017, we strategically focused our investor relations engagements on investment funds with an Asia mandate; yield and value oriented funds, long-term funds as well as prospective investors with exposure in industry peers. With that objective in mind, Digi participated in four (4) ASEAN or telecommunications themed conferences and six (6) non-deal roadshows.

In addition, we have also organised a series of engagements with analysts and investors during the year with three (3) Analysts Days participated by Management and a briefing session for fixed income investors at the debut of the 15-year Sukuk programme.

Venue	Event	Date	Organiser
Kuala Lumpur	Analyst day	21 February 2017	Digi
Kuala Lumpur	Fixed income investor briefing	9 March 2017	CIMB
Hong Kong	Investor conference	23 May 2017	BNP Paribas
Hong Kong and Tokyo	Non-deal road show	24 - 26 May 2017	JP Morgan
Kuala Lumpur	Investor conference	25 - 26 July 2017	CIMB
Kuala Lumpur	Analyst day	7 August 2017	Digi
Kuala Lumpur	Non-deal road show	11 September 2017	Maybank
Kuala Lumpur	Non-deal road show	14 September 2017	UOB Kayhian
Singapore	Investor conference	16 - 17 November 2017	Morgan Stanley
Kuala Lumpur	Analyst day	27 November 2017	Digi
Kuala Lumpur	Non-deal road show	5 December 2017	RHB
Kuala Lumpur	Investor conference	24 January 2018	Bursa Malaysia and Maybank
London	Non-deal road show	6 February 2018	Newstreet
London	Non-deal road show	7 - 9 February 2018	Maybank

Shareholders' and Investors' Feedback

During the various engagement sessions with the investment community, the key topics of interest included amongst others:

- Market competition
- Revenue growth opportunities
- Digi's 4G Plus network
- Digital transformation journey
- Operational efficiency initiatives
- Capital Expenditure guidance
- Earnings and dividend prospects
- Spectrum portfolios
- Debt structure
- Digi's Shariah compliant status

We appreciate the views and feedback from our shareholders and investors, and key concerns are regularly reported to Management for their deliberation and actions, if any.

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Annual General Meeting (AGM) and Voting

The AGM provides a useful forum for our shareholders to engage directly with Digi's Board of Directors and Management. At the 20th AGM held on 9 May 2017 in Kuala Lumpur, Malaysia, Digi's Management team presented a comprehensive review of Digi's financial performance for the year and outlined Digi's prospects for the subsequent financial year. Sufficient time was also set aside for shareholders and the Minority Shareholder Watchdog Group (MSWG) to raise questions and provide feedback to the Board and Management.

In order to encourage the participation of shareholders at its general meeting, we organised our 20th AGM at an easily accessible location in Kuala Lumpur alongside with the convenience of voting via electronic polling. Shareholders are allowed to vote via proxy if they are unable to attend the general meetings. The Company will continue to explore leveraging on technology to facilitate shareholders' participation and enhance proceedings of general meetings.

Focus Area on Corporate Governance

Corporate governance is clearly an imperative for the Group against the backdrop of regulatory changes and a relatively challenging business environment.

The Board has therefore directed its focus on the following corporate governance areas during the financial year ended 31 December 2017 as they relate to the creation of long-term value for shareholders and other stakeholders:-

Board Composition

The Board is satisfied that the current composition of Directors provides the appropriate balance and size in the Board necessary to promote all shareholders' interests and to govern the Company effectively. It also fairly represents the ownership structure of the Company, with appropriate representations of minority interests through the Independent Directors. Tan Sri Saw Choo Boon, who was appointed as the Senior Independent Director on 11 July 2017, is to whom concerns on matters relating to Corporate Governance of the Company can be conveyed. The appointment serves to facilitate greater checks and balances during deliberations and decision-making. The Independent Directors fulfill a pivotal role in providing unbiased and independent views, advice and judgement, taking into account not only the interest of the Company but also shareholders, employees, customers and communities in which the Company conducts business.

The profile of each Director is set out on pages 46 to 52 of this Annual Report.

The Board believes that having objectivity in the boardroom extends beyond quantitative measures such as the number of Independent Directors. In order to harness the collective wisdom and benefit from the greater participation of Independent Directors, the Board has set a policy to limit the tenure of Independent Directors to nine (9) years. Digi further held private sessions between Independent Directors with the Management and key gatekeepers of the Group such as external and internal auditors. These sessions provided Independent Directors with the opportunity to candidly share concerns about the Group and exchange views on potential improvements in governance. The Independent Directors who are of high calibre and experience ensure that there are robust discussions during the Board or Committees meetings. They exercise strong independent judgement and do not shy away from asking hard and uncomfortable questions during deliberations, and are willing to challenge Management if answers provided are not satisfactory.

Furthermore, the Non-Independent Non-Executive Directors are subject to a rotation every three (3) years and key Management do not sit on the Board or Board Committees.

Board Diversity

The Board recognises the importance of diversity in deliberations and decision making and has escalated its efforts to establish a diverse Board with a variety of skills, experience, age, cultural background and gender. On gender diversity in particular, the Board currently has three (3) women Directors representing 43% women on Board which has exceeded the Malaysian government's 30% target. The Board is also committed to developing a corporate culture that embraces all aspects of diversity and inclusion practices in the Group.

The Board via the NC has further reviewed the Diversity Policy to align with the MCCG.

Code of Conduct

Digi's Code of Conduct (Code) has been adopted by the Board to support the Group's objectives, vision and values which reflects Digi's purpose, and core values of integrity, respect, trust and openness. The basic principles have been carried out by having appropriate regard to the interests of the Company's customers, shareholders, business partners and the broader community in which the Group operates.

All employees are briefed and provided with a copy of Digi's Code, and are constantly made aware of the principles. The Code is available on the Company's website at www.digi.com.my/aboutus. Digi's Ethics and Compliance Officer reports on a quarterly basis to the Audit and Risk Committee on organisation-wide compliance of the Code.

The Company encourages its employees to provide feedback with any concerns regarding misconduct and/or wrongdoing by Digi employees. Any non-compliance and failure to report non-compliance to the Code may lead to disciplinary action.

The Board will review Digi's Code and all related governing documents with regards to whistle blowing in 2018.

Sustainability Report

The Company produces a yearly sustainability report that outlines our high commitment to uphold ethical and responsible conduct across our operations, build a highly skilled workforce, and reduce our environmental impact while empowering communities to address socio-economic inequalities. The Company has yet to adopt an integrated approach to reporting as the Board acknowledges that integrated reporting goes beyond a mere combination of financial statements and sustainability reporting into a single document.

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CORPORATE GOVERNANCE PRIORITIES

Moving forward, the Company will continue working towards achieving high standards of corporate governance. The Board has identified the following forward-looking action items that will help it to achieve its corporate governance objectives.

Timeframe: 1 to 3 years

Integrated Reporting

The Company has yet to adopt an integrated reporting approach. The Board acknowledges that integrated reporting encapsulates more than a mere combination of the separate reports in the Annual Report into a single document. Having said this, producing the yearly Annual Report and its various statements is a coordinated effort between cross-functional departments in Digi. The Board may consider adopting integrated reporting in the near future.

Timeframe: 2 to 5 years

Dedicated Risk Committee

Currently, the ARC oversees the Company's risk management framework and policies. The roles and responsibilities in risk management are set out in the ARC's Terms of Reference.

The Company will explore the need to establish a separate Risk Management Committee with dedicated functions on Risk Management in the near future.

Disclosure of Directors and Senior Management's Remuneration

The Board wishes to give the assurance that the remuneration of Directors and Management commensurate with their individual performance, taking into consideration the Group's performance and achievement of its key performance indicators. The remuneration packages of the Management are based on experience, expertise, skills and industry benchmark.

The RC will review the disclosure of the top 5 Management members.

The Board deliberated, reviewed and approved this Corporate Governance Overview Statement on 15 March 2018.