



BOARD CHARTER DIGI.COM BERHAD

1 PURPOSE

The Board of Directors (the "**Board**") of Digi.Com Berhad (the "**Company**" or "Digi"), has adopted this Board Charter (the "**Charter**") which includes rules of procedure that applies to the working of the Board, general instructions regarding the division of responsibilities between the Board and the chief executive officer of the Company (the "**CEO**") and the Board's authority and responsibilities.

Each member of the Board, each alternate director, the secretary of the Board ("Company Secretary"), the CEO and the Company's auditor shall be provided with a copy of the Charter .

In addition to this Charter, the Board and the management of Digi and its subsidiaries shall observe any further rules of procedure, instructions and guidelines as may be adopted by the Board or by the shareholder(s) from time to time, including the Rules of Procedure for the CEO of Digi.

This Charter is to promote higher standards of Corporate Governance and is designed to provide guidance and clarity for Directors and Management with regard to the role of the Board and its Committees, the requirements of Directors in carrying out their stewardship role and in discharging their duties towards the Company and the Board's operating practices. This Board Charter does not overrule or pre-empt the statutory requirements of Directors enshrined in the statutes, including the conduct of the Board as stipulated in the Constitution of the Company. To the extent of any conflict between the terms of the Board Charter and the Constitution, the Constitution prevails.

2. ORGANISATION OF THE BOARD AND BOARD MEETINGS

2.1 General

By December each year, the CEO shall, after consultation with the Chairman of the Board (the "**Chairman**"), provide a proposal for a meeting plan for the next calendar year based upon the Template Yearly Meeting Plan (Appendix 1) to be adopted by the Board ("the "Yearly Meeting Plan"). The CEO shall attend the board meetings, unless otherwise decided by the Board in specific cases.

Board meetings shall be called by the Chairman, or someone appointed by him/her.

In the event that a Board member or the CEO is unable to attend a board meeting, the Company Secretary shall immediately be informed.

The CEO and the Company Secretary shall together prepare a meeting agenda for each board meeting. Each Board member and the CEO may request a board meeting to be held and that specific matters are to be included on the agenda. The Chairman is responsible for ensuring that



such request is fulfilled, and if necessary that a board meeting is convened without undue delay after a request has been made.

Board meetings shall be called with a minimum of seven (7) days notice. The notice period may however be shorter if the Chairman deems it acceptable. The deadline for giving notice shall in any case be long enough for the Board members to have time to prepare for the meeting and to consider the issues being covered.

Notices of board meetings shall be issued in writing. Board meetings may be held without written notice if it is in accordance with applicable law, and the Chairman deems it acceptable.

2.2 BOARD COMMITTEES

The Board may appoint Board Committees and delegate responsibilities for specific matters to the Board Committees to assist in the discharge of its responsibilities. The Board Committees report and make recommendations to the Board.

All Committees shall be appointed by resolution in a Board Meeting. Each Committee has its own Terms of Reference approved by the Board which are reviewed periodically by the Board.

The current Board Committees of Digi are:

- Audit & Risk Committee
- Nomination Committee
- Remuneration Committee

The Board Committees have no independent decision-making authority, except where expressly granted by the Board or applicable law. The establishment of a committee does not alter the Board's legal responsibilities and tasks.

The Board Committees shall provide a report on its work at each Board Meeting.

3. PRIOR PROCESSING

Together with the Chairman, the CEO is responsible for the appropriate preparation and documentation of issues to be dealt with by the Board in accordance with the Yearly Meeting Plan and Template Meeting Agenda. Necessary preparatory documents that give an account of the issues to be dealt with shall be included as agenda papers to the notice of meeting, along with proposals for resolutions. The Board documentation shall contain sufficient information to provide the Board members with an adequate basis to deliberate, and reach a decision on, the issue in question.

In the event that the Chairman considers it acceptable, or if it is vital for the issue in question to be dealt with at the forthcoming board meeting, Board documentation can be distributed on shorter notice or at the actual meeting.

4. BOARD MEETINGS

Before a board meeting can be conducted, all Board members, and if applicable alternate director shall have been notified of the meeting. Unless otherwise determined by the Board, a majority of the Board members, one of whom must be an Independent Director must participate either personally or via a video or telephone conference in order to form a quorum.



The Board shall as a general rule deal with issues in meetings where the members participate physically. The Board meets at least once every quarter to facilitate the discharge of their responsibilities. However, if the Chairman finds that the agenda for a specific board meeting can be adequately deliberated by the Board without a physical meeting, and this is within the limits of applicable law, he/she can decide that attendance may take place via video or telephone conference, or that the issues can be submitted in writing or be dealt with in another manner unless otherwise agreed by the Board.

The Company's annual financial statements and the relevant Statements in the inclusion of the annual report, shall always be dealt with in a physical meeting.

Issues that have a major impact on the business, such as mergers, takeovers or other major changes to the structure of the Company, substantial investments and the entering into of agreements of considerable importance to the Company should be dealt with in a physical meeting, unless there are significant reasons for dealing with them otherwise.

Board resolutions passed in writing, including by email, requires the participation of all Board members to be validly decided.

Board members and the CEO may request issues submitted in writing to be dealt with in a physical meeting before a decision is reached.

Board meetings shall be chaired by the Chairman or, in his/her absence, by (i) the deputy chairman (if any), or (ii) a Board member appointed by the Board.

The CEO, or someone appointed by him/her, shall be responsible for presenting the individual items on the agenda.

5. DECISIONS AND AUTHORITY

A decision by the Board requires the majority of the votes cast by the Board members who take part in the processing of an issue. In the event of an equality of votes, the Chairman shall have the casting vote.

The Board shall observe the Digi Authority Matrix as implemented in Digi and its subsidiaries.

The Board reserves full decision-making powers on the following matters:

- a) Conflict of interest issues relating to a substantial shareholder or a Director including approving related party transactions;
- b) Material acquisitions and disposition of assets not in the ordinary course of business including significant capital expenditures;
- c) Strategic investments, mergers and acquisitions and corporate exercises;
- d) Digi Authority Matrix;
- e) Treasury policies;
- f) Risk management policies; and



g) Key human resource issues.

6. MINUTES

Minutes of the Board meetings shall be recorded by the Company Secretary. As a minimum, the minutes shall specify the date, time and place, the participants, the method of dealing with issues and the Board resolutions. The minutes shall also state that the required minimum number of Board members was present and that all Board members were given the opportunity to participate in the meeting or state the Director's abstention from participating in dealing with issues, where relevant.

The minutes shall also specify whether a decision was unanimous or who voted for and against the proposal. Those who vote against a proposal, and the CEO, is entitled to have his comments recorded in the minutes.

The minutes shall be signed by the Chairman or Chairman of the next succeeding meeting. In addition, Board members that did not participate in the meeting, shall be entitled to receive the minutes from the meeting in which they did not participate.

The Board should always consider if documentation referred to in the minutes is to be appended to the minutes.

All Board minutes shall be in English or include a full English translation.

The minutes shall be sent to the Board for review and comments as soon as possible after the meeting took place. The Board minutes shall be confirmed, approved and signed at the following Board meeting.

7. ISSUES TO BE DEALT WITH BY THE BOARD

a. General

The Board is responsible for the stewardship of the Company's business and affairs, setting the Company's long-term strategic direction taking into account sustainability and stakeholders' interest, approving and adopting strategic plan, safeguarding the proper organisation of the business and overseeing the management of its day-to-day operations with the objective of creating long-term shareholders' value.

The Board shall approve the Company's core principles and ethical standards as outlined in the Code of Conduct that form the basis on how we create value in the Company.

The Board shall be at all times ensure that it has updated information and overview of any issue which either individually or collectively may have a significant impact on the business of the Company, such as, but not limited to, issues within objectives and strategies, operations and finances, and organization and employees.

The authority to decide on issues which are unusual for, or of major significance, to the Company lies with the Board and may only be delegated to the CEO on a case by case basis.

The Board shall ensure that the Company observes its duties as a listed company, including any stock exchange or similar requirement, as well as any requirements set in Governmental licenses



or similar. The Board shall ensure that all shareholders are treated equally, unless there is a legitimate reason.

b. Good Corporate Governance

The Board is committed to adhering to the guidelines stated in Malaysian Code on Corporate Governance and the generally accepted principles for the governance and effective control of company activities ("corporate governance"). Furthermore, the Board shall observe such standards in its own work and decision making.

c. Adoption, implementation and monitoring of Governing Documents

The CEO shall prepare a proposal for the Corporate Governing Documents for the Board to adopt. The Board shall further ensure the implementation of the governing documents and procedures that secure adequate governance in the Company and in all subsidiaries controlled and governed directly or indirectly by the Company (Company Governing Documents).

The Board shall ensure that the CEO performs an annual assessment of the implementation of the Company Governing Documents and the level of compliance. Such report shall be dealt with by the Board in a Board meeting in accordance with the Yearly Meeting Plan.

d. Digi Policies

The Board shall approve policies to ensure compliance with relevant laws, rules and regulations. Policies shall receive a first reading by the Board and at a subsequent Board meeting shall be submitted for approval. Policies shall become effective within 30 calendar days after approval unless otherwise indicated by the Board. Policies shall be available and posted in the Governance portal prior to the effective date.

The management shall authorise the development of manuals/Standard Operating Procedures to implement policies as appropriate. In the absence of approved policy, the CEO is authorised to make decisions in the best interest of the Board. In this event, the management shall submit recommendations for a new or revised policy within 3 months to the Board.

e. Specific Focus Areas

Without limitation to the generality of the requirements in this Section 7, the following specific areas shall be the subject of particular attention from the Board:

i. Strategic Plan, Operations and Finances

The Board shall approve and supervise targets and strategy plans and any deviations from these.

The Board shall remain informed of ongoing operations, including the Company's subsidiaries, via reports on operating and financial conditions, and approve the financial statements. The Board shall have adequate oversight of Internal Control over Financial Reporting (ICFR) to ensure that these controls adhere to the objectives set for the Company, are compliant with legal requirements and Company Governing Documents.

The Board shall implement necessary controls for the Company's financial statements and administration of funds.



The Board shall approve the dividend policy and consider the solvency test when paying dividends. The Company is regarded as solvent if it is able to pay its debts as and when the debts become due within 12 months immediately after the distribution is made.

ii. Annual Financial Reports (Annual Financial Statements)

After the final annual financial statements and annual report have been examined by the auditors, they shall be reviewed and approved by the Board at the Board meeting and signed jointly by two (2) Director(s) and CFO, according to applicable law.

The Board shall ensure that at least twice a year, the Audit & Risk Committee shall meet the Company's auditors without the presence of the Management in the Company.

iii. Control of Business Operation

The Board shall oversee the overall organisation of the Company's and its subsidiaries' (if any) operations. The Board shall remain informed of any condition that may have important impact on the operational activities, such as key market trends and conditions as well as customer relations. The Board shall monitor the subsidiaries' organisation, administration and operations in an appropriate manner.

iv. Enterprise Risk Management

The Board shall ensure that risk management activities are in place to pro-actively identify and deal with critical business risks related to the Company. All strategic, operational (financial and non-financial) and legal risks of importance shall be taken into consideration.

The Board shall adopt a structured approach towards risk identification when dealing with the annual strategy planning to ensure that risk is an integral and explicit part of the strategy discussions.

The Board shall safeguard that the management aligns its decision making to the level of risk identified. As a minimum, the Board shall require that the management to prepare and present an annual risk report outlining key risks, risk ownership and how identified risk has been and will be responded to. In addition, the Board shall keep itself updated on the most significant risks for the organisation by requiring that management reports on any material risks at each Board meeting.

v. Related Party Transactions

The Board shall observe all relevant applicable laws on Related Party Transactions, and at all times ensure that agreements entered into between Digi and its subsidiaries and its major shareholder, a director or person connected with such director or major shareholder ("Related Party Transactions"), are made in writing and conducted on arm's length basis, i.e. the transaction shall be made on the same conditions, including price, as if the transaction was between unrelated parties. The wording "Transaction" comprises all agreements, but also includes all other kind of legal dispositions and arrangements.



The Audit & Risk Committee is delegated to review Related Party Transactions and mandate for Recurrent Related Party Transactions to ensure compliance with applicable law and recommend any material related party transaction to the Board or Shareholders for approval in a resolution based on the threshold limit prescribed in the applicable law.

The Board shall ensure that Digi and its subsidiaries keep records of all Related Party Transactions, and that the Audit & Risk Committee receives a report of all new Related Party Transactions at each committee meeting, if applicable.

vi. Insider Trading

The Board shall ensure that the Company observes all applicable insider trading legislation, including the duties of confidentiality, insider list and prohibitions against trading.

The members of the Board shall notify the market of any trades in the Company's shares as required by applicable law.

vii. Shareholders' Communication and Preparation of Shareholders Meetings

The Board shall prepare issues to be dealt with at shareholders' meetings and use the shareholders' meeting to communicate with investors and encourage their participation.

The Board shall ensure that the Company has in place a policy to enable effective communication with its shareholders and other stakeholders.

viii. Board Appointments

The Board is responsible for identifying, selecting and approving the appointment of Directors.

The Board has delegated the process of identifying and selecting of suitable candidate to the Nomination Committee who makes recommendation for Board's approval on Director and Board Committee member appointment.

The Nomination Committee will annually review the required mix of skills, experience and other requisite qualities of Directors and undertake an annual assessment of the effectiveness of the Board as a whole its Committee and the contribution of each individual Director.

ix. Tenure

The tenure of Directors, especially Independent Directors, shall not exceed a cumulative term of 9 years. Upon completion of a 9 year term, an independent Board member may continue to serve on the Board subject to re-designation as a non-independent member or in exceptional circumstances, the shareholders may decide that an independent director can remain in that capacity after serving more than a cumulative term of 9 years. Further the term of office of Board members shall be organised in a manner that ensures there is a smooth transition. The Board shall undertake an assessment of its Independent Directors annually.



x. Succession Planning

The Board should ensure that succession planning programmes are in place for the orderly succession of CEO and senior management.

xi. Directors' Remuneration

The Company aims to set remuneration at levels which are sufficient to attract and retain the Directors needed to run the Company successfully, taking into consideration all relevant factors including the function, workload and responsibilities involved, but without paying more than is necessary to achieve this goal.

In fixing the remuneration to be paid to Directors who are not employees of Telenor serving on the Board and on Committees of the Board, the Board will consider the following:

- a) The compensation that is paid to Directors of other companies which are comparable in size to the Group.
- b) The amount of time it is likely Directors will be required to devote in preparing for and attending meetings of the Board and the Committees on which they serve.
- c) The success of the Company (which may be reflected in compensation related to the price of the Company's shares).
- d) If a Committee on which a Director serves undertakes a special assignment, the importance of that special assignment to the Group and its shareholders.
- e) The risks involved in serving as a Director and a member of Board Committees.

xii. CEO, Employees and Independent Non-Executive Directors

The Board shall appoint (and dismiss) the Company's CEO. The Board shall set the CEO's terms of employment. The same applies to employment terms for other members of the executive management if they have been appointed by the Board.

The Board shall devise rules of procedure for the CEO position in accordance with the template rules of procedure for the CEO

The Board shall oversee and undertake an annual evaluation of the CEO's execution of his/her duties and regularly evaluate these.

The Board shall also appoint the Chief Financial Officer.

The Board shall determine the remuneration of the Independent Non-Executive Directors with the Director concerned abstaining from deliberation and voting on decision in respect of his individual remuneration.



The Board shall establish conditions, costs and the risk situation in the Company's pension and personal insurance schemes, if any, in accordance with Company Governing Documents.

xiii. Internal Audit

The Board shall each year review the proposal for an internal audit plan and monitor the performance of the plan for the previous year. At each Board meeting, the Board shall receive a summary of all "Red" audit reports as well as a summary of the implementation status of agreed management actions, highlighting long outstanding or critical deviations. The internal auditor shall be independent of the ordinary business of the Company and report directly to the Audit & Risk Committee.

xiv. Business security risks

The Board shall oversee that business security risks are managed proportionally and effectively to ensure protection of information and other assets. As a minimum, the Board shall request that management presents a report once a year with an overview of the business security strategy, the business security risk picture and all mitigating activities put in action.

xv. Internal Occupational Health and Safety & Personnel Security

The Board shall oversee that Digi and its subsidiaries have adequate procedures to ensure a proactive OHS&S culture for securing the Health, Safety and Personnel Security for the employees. The Board shall request that management reports on Fatalities, Lost Time Injury Frequency, Sickness Absence Frequency, serious near miss incidents and possible changes to OHS&S risk picture for the coming period on a quarterly basis. In addition, the Board shall, once a year, get an overview of the yearly OHS&S risk assessment, the yearly OHS&S work plan including a presentation of the yearly OHS&S management system review.

xvi. Supply Chain Sustainability

The Board shall oversee that Digi and its subsidiaries have adequate resources and procedures to ensure that there is adequate control over all supply chain risks. The Board shall ensure that Management prepares and presents a report at least twice a year setting out key highlights of the supply chain sustainability activities and major incidents. The report must also highlight any current or foreseen challenges in this area.

xvii. Code of Conduct

The Board shall ensure that the Ethics & Compliance Officer provides a compliance update at a quarterly Board meeting, including updates on Material Compliance Incidents, oversight of Compliance Incidents and how accompanying compliance activities are followed up by management. At least once a year, a more detailed status on the current high risk compliance areas and activities to address them, the Ethics & Compliance organisation and the activities of the past year shall be presented.

xviii. Corruption Risks



The Board shall ensure that Digi and its subsidiaries have adequate procedures in place to prevent Digi from being involved in corruption. The Board shall as a minimum require that the CEO conducts a yearly risk-based review of such corruption risk procedures and ensure that any weaknesses, if discovered, are remediated. The review shall be dealt with by the Board in a board meeting.

xix. Diversity

The Board shall approve Digi's policies in relation to Board diversity, set and assess measurable objectives in relation to Board diversity.

xx. Competition Law Compliance

The Board shall ensure that Digi and its subsidiaries have adequate procedures in place to prevent Digi from being involved in competition law infringements. The Board shall as a minimum follow up that the CEO conducts a yearly risk-based review of such procedures and ensure that any weaknesses, if discovered, are remediated. The review shall be dealt with by the Board in a Board meeting.

xxi. Self Evaluation

The Board shall carry out an evaluation once a year of its work, functions, performance as well as monitoring of internal control over financial reporting for the preparation of external financial statements and the safeguarding of assets. The Nomination Committee is delegated with the responsibility for the execution of Board evaluation and reporting the evaluation results to the Board.

xxii. Access to Information and Advice

The Board should have access to all information pertaining to the Company. Management shall supply accurate and complete information to the board in a timely manner to enable the Board to discharge its duties effectively.

The Board may initiate the investigations or seek professional advice it considers to be necessary in order to carry out its administrative and supervisory tasks. The Board shall also initiate the necessary investigations that may be required by one or more board members. The cost of the investigation or professional advice sought in connection therewith shall be reimbursed by the Company but the Board member(s) will ensure, so far as practicable, that the cost is reasonable.

All directors have access to the advice and services of the Company Secretary.

xxiii. Induction and Training

All new directors appointed to the Board shall participate in the Mandatory Accreditation Programme pursuant to the Bursa Listing Requirements and undertake an induction program facilitated by the Company Secretary to assist them in fulfilling their duties and responsibilities.

Directors are expected to undertake any necessary professional education or training program to enable them to discharge their duties and in keeping up to date with relevant issues.



8. DIVISION OF WORK BETWEEN THE BOARD AND CEO

The CEO is responsible for the day-to-day management of the Company's operations and business, and shall adhere to the guidelines and instructions provided by the Board, including the rules of procedure for the CEO, and implementation of the Board's policies and decisions. The CEO's authority does not extend to matters outside the scope of the responsibilities of the CEO pursuant to applicable law (i.e. matters that given the situation of the Company are unusual in nature or of major importance), these Rules or other instructions adopted or decisions made by the Board.

The CEO shall ensure that the Company's financial statements are in accordance with legislation and regulations and that the capital management is managed satisfactorily.

The Board can, at any given time, request the CEO to provide the Board with a detailed account of specific issues. This can also be requested by individual Board members.

As often as the Board deems it necessary, the CEO shall, either in writing or in a meeting, report to the Board on the operation and its situation, as well as on the profit performance as determined by the Board and/or described in the rules of procedure for the CEO.

9. CHAIRMAN OF THE BOARD

The Board shall appoint one of its members to be Chairman of Board in accordance with the Constitution of the Company. The Chairman is responsible for :

- Leadership of the Board, ensuring effectiveness on all aspects of its role, setting Board agenda and ensuring adequate time is available for discussion of all agenda items;
- Ensuring that the directors receive accurate, timely and clear information;
- Ensuring effective communication with shareholders;
- Facilitating the effective contribution of non-executive directors and ensuring constructive relations between executive and non-executive directors, and
- Acting on the results of board performance evaluation by recognising the strengths and addressing the weaknesses of the Board.

10. DISQUALIFICATION OR CONFLICT OF INTERESTS

Board members are not permitted to take part in the processing or decision of issues that have such significance to them or any closely related parties that they must be regarded as having a distinct personal or financial special interest in the issue. This also applies to the CEO.

In addition to abstention from deliberation and voting, every director or CEO who has a direct or indirect interest in any contracts or arrangement with the Company shall immediately declare his interest to the Board.



11. CONFIDENTIALITY

All information and documentation received by the Board from the Company shall be treated as confidential, unless otherwise expressly decided by the board. All board members are responsible for ensuring that any material received is properly protected and remains confidential.

If any information shall be provided to third parties, this shall be provided by the Chairman or the CEO if so agreed with the Chairman.

The confidentiality obligation shall continue to apply after the board member has ceased to be a board member.

The Chairman may provide information at the Company's General Meeting in line with relevant applicable.

This Board Charter was reviewed and approved by the Board of Directors on 13 March 2017.