



## **CHIEF EXECUTIVE OFFICER CHARTER OF DIGI.COM BERHAD**

### **1. PURPOSE**

The Board of Directors (the "Board") of Digi.Com Berhad (the "Company" or "Digi"), has adopted this document which includes rules of procedure that will apply to the work of the Chief Executive Officer (the "CEO") of Digi and its subsidiaries ("Group"), as well as general instructions regarding the division of duties and responsibilities between the Board and the CEO as well as the CEO's authority and responsibilities.

In addition to this Charter, CEO rules of procedure, the CEO shall observe any further rules of procedure, instructions and guidelines provided by the Board from time to time.

### **2. THE TASKS OF THE CEO**

#### **a. General**

The CEO is responsible for the day-to-day management of the Group's operations. The CEO shall adhere to the guidelines and instructions laid down by the Board, including this CEO Charter and Group Governing Documents. The CEO makes decision in all matters that do not require approval from the Board or shareholders' pursuant to applicable law, these rules of procedure or other instructions adopted or decisions made by the Board.

The CEO shall act reasonably to ensure that the Group conducts and develops business in accordance with applicable legislation, the Constitution of the Company, Malaysian Code on Corporate Governance (MCCG), decisions made by the shareholders' meeting and/or the Board, as well as the Group Governing Documents.

The CEO shall be responsible for organising the Group and corresponding workforce in a manner consistent with the Board's directions.

The CEO has a duty to always act in the best interest of the Group and to have the performance and value creation of the Group as main priority. The CEO shall inform the Board prior to accepting any external positions. The CEO shall continuously assess the impact that such external positions may have on his/her ability and work capacity. If he/she believes the impact is negative for Digi, the CEO shall resign from the external position.

#### **b. Good Corporate Governance**

The CEO shall ensure that the Group adheres to the MCCG, generally accepted principles for governance and effective control of the Group activities ("corporate governance") including the Group Governing Documents. Furthermore, the CEO shall observe such standards in its own work and decision making.

#### **c. Implementation and Monitoring of Governing Documents**

The Board has adopted the Digi governing documents that are aimed at securing good corporate governance ("Group Governing Documents"). The CEO shall ensure the implementation of the Group Governing Documents, including any updates thereto, in the Company and in all subsidiaries

controlled directly or indirectly by the Company. The CEO shall implement activities in order for the relevant employees of the Company and the subsidiaries of the Company to be aware of the Group Governing Documents and their obligation to adhere to these rules.

The CEO is responsible for monitoring and assessing the Group's and employees' compliance with the main principles in the Group Governing Documents. In particular, the CEO shall ensure that adequate measures are in place to secure compliance with the Group's anti-corruption programme.

**d. Specific Focus Areas**

Without limitation to the generality of the aforementioned requirements in this Section 2, the following specific areas shall be subject to the CEO's particular attention:

(i) Operations and Finances

The CEO shall supervise the budgets/targets and business plans and any deviations from these. Particular focus shall be exercised with regards to safeguarding of liquidity risk, counterparty risk, interest rate risk and currency risk. Further, the CEO shall oversee the proper development of appropriate internal controls over financial reporting (ICFR) to ensure that these controls adhere to the objectives set for the Group and are compliant with legal requirements as well as Group Governing Documents. The CEO shall implement necessary controls for the Group's accounts and administration of funds. The CEO shall ensure that the Group's accounts are in accordance with legislation and regulations and that the capital management is managed satisfactorily. On an annual or more frequent basis the CEO shall prepare for the Board statements, reports and/or assertions relating to ICFR for the preparation of external financial statements and assurances regarding reliability.

(ii) Business Risk Management

The CEO shall ensure that risk management activities are in place within the organisation to proactively identify and deal with the business risks related to the Group. Strategic, operational, corruption and legal risks shall be taken into consideration.

The CEO shall stay informed about the most significant risks for the organisation, and make sure that the Group aligns its decision making to the level of risk agreed with the Board. The CEO shall submit an annual risk report to the Audit and Risk Committee and Board outlining key risks, risk ownership and risk mitigation action. The CEO shall ensure that management reports on any material risks at every board meeting.

(iii) Related Party Transactions

The CEO shall observe all relevant applicable laws on Related Party Transactions, and at all times ensure that agreements between Digi/its subsidiaries and a shareholder, a shareholder's parent company, director or the CEO ("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 CEO shall ensure that all Related Party Transactions are reviewed by the Audit and Risk Committee and any material related party transactions to be approved by the Board or Shareholders in a resolution based on the threshold limit prescribed in the applicable law. The CEO must pay special attention to any conflict of interest that may arise.

The CEO shall ensure that Digi and its subsidiaries keep records of all Related Party Transactions, and that the Audit and Risk Committee receives a report of all Related Party Transactions at every Audit and Risk Committee meeting.

(iv) Insider trading

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

(v) Strategy

The CEO shall propose strategic plans for the Group, including any subsidiary, to the Board for approval and suggest resolutions in other matters of strategic importance for the Group. The strategy process shall ensure that risk is an integral and explicit part of the strategy discussions by taking into consideration strategic, operational and legal risks of importance to safeguard assets.

(vi) Employee involvement

The CEO is responsible for providing appropriate level of dialogue and cooperation with employees or their representatives, to ensure a responsible business practice taking into account the experience and insight of employees.

(vii) Responsibilities towards Company's subsidiaries

The CEO shall manage the ownership interests in subsidiaries and in other companies where the Company has ownership interests. The CEO is authorised to arrange shareholders' meetings and to represent the Company in the subsidiaries' shareholders' meetings, including voting in accordance with any instructions from the Board.

The CEO shall remain updated of business development, positions and profit performance of subsidiaries. The CEO shall make sure that rules of procedure are implemented for the Board in subsidiaries and for the CEOs of such subsidiaries. The contents of such rules of procedure shall mirror the requirements stated herein, including implementation of Group Governing Documents.

(viii) Business Security Risks

The CEO shall oversee that both safety and business security risks are managed proportionally and effectively to ensure protection of personnel, information and other assets. The CEO shall report at least once a year to the Board, giving an overview of the business security organisation, the business security risk picture and all mitigating activities put in action.

(ix) Health and Safety & Personnel Security (OHS&S)

The CEO shall ensure 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. At each board meeting, the CEO shall ensure 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. In addition, the CEO shall ensure, once a year, that the Board 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.

(x) Handling and reporting of non-compliance

The CEO shall secure an adequate handling, including sanctions, of Group employees' non-compliance with Group Governing Documents (if any). The CEO shall also secure that any significant non-compliance issue is reported to the Board.

(xi) Supply Chain Sustainability

The CEO shall implement adequate procedures to prevent Digi & its subsidiaries from being involved in corruption. The CEO shall conduct a yearly risk-based review of these procedures and ensure that any weaknesses, if discovered, are remediated. The CEO shall present the review to the Board.

(xii) Corruption Risks

The CEO shall implement adequate procedures to prevent the Group from being involved in corruption. The CEO shall conduct a yearly risk-based review of these procedures and ensure that any weaknesses, if discovered, are remediated. The CEO shall present the review to the Audit and Risk Committee and Board.

(xiii) Competition law compliance

The CEO shall implement adequate procedures to prevent the Group from being involved in competition law infringements. The CEO shall conduct a yearly risk-based review of these procedures and ensure that any weaknesses, if discovered, are remediated. The CEO shall present the review to the Board.

### **3. DELEGATION OF AUTHORITY**

The CEO has the ultimate decision-making authority in any matter that does not require approval from the Board or the shareholders. Otherwise the CEO may delegate authority specifically or generally to other employees within the Group together with instructions on how to exercise that authority. Such delegation does not, however, relieve the CEO from the overall responsibility within these areas.

Decisions passed or actions performed by the CEO shall not exceed the level of authority vested with or granted to him/her in accordance with Digi Authority Matrix as implemented in Digi and its subsidiaries.

If the CEO is in doubt as to whether he/she has the necessary authority to execute an action or not the CEO shall, whenever possible, consult the chair of the Board ("Chair") for guidance prior to making a decision.

### **4. MATTERS TO BE PRESENTED TO THE BOARD**

Matters that are of significantly importance for the Group shall be presented to the Board for their consideration and/or decisions. This shall inter alia include:

- a) Proposal for profit and loss accounting, including spending of annual surplus or covering of annual loss.
- b) Annual report.
- c) Proposal for consolidated profit and loss account and consolidated accounts.
- d) Monthly, semi-annual accounts and quarterly reports.

- e) Important strategies.
- f) Targets/Budget forecasts and any material deviation/discrepancy from such forecasts/targets.
- g) Significant corporate organisational changes.
- h) Single or multiple investment(s) with a total value exceeding what is set out in the prevailing Digi authority matrix. In cases where the Board has granted power of attorney to the CEO to make investments or other financial expenditures, the CEO shall present the investment for the Board's renewed decision where the investment is likely to exceed the limits given by the Board.
- i) Acquisitions of or investments in shareholding in other companies of major or strategic importance. Acquisitions or the investments of shareholding, or such acquisitions or investments that lead to Company shareholding in the company directly (or indirectly through subsidiaries) becoming at least 50%, or divestments leading to such shareholding falling below 50% are always considered major, as well as if the acquisitions or investment, or divestments respectively, has personnel consequence of importance.
- j) Incurring loans, making guaranties and giving extraordinary lines of credit.
- k) Agreements of major or strategic importance, including agreements on co-operation, distribution agreements, hiring agreements, sales contracts, sale or creation of mortgage on real estate of major importance. Such agreements with a value worth or risk exposure exceeding the Company authority matrix, or such agreements that commits the Company for such amount, are always to be considered of major importance.

When entering into agreements it is the total cost that is to be considered, regardless the agreement is divided into smaller parts if it is naturally to be considered as part of the same agreement.

In estimating the value or risk of a continuous contract, the estimate shall be based on the present value/risk exposure of the shortest possible term of the contract.

- l) Employment terms for other members of the executive management if they have been appointed by the Board, unless the Board has delegated this authority to the CEO.

## **5. PREPARATION FOR BOARD DECISIONS**

By December each year, the CEO shall, after consultation with the Chair, provide a proposal for a meeting plan including the main items on the agenda for the Board meetings for the next calendar year, such as approval of forecasts, annual accounts, summons of annual general meeting, review of Digi's procedures to prevent involvement in corruption, and proposal of strategy processes. Notwithstanding the above, each Board member and the CEO may, at any given time, request a Board meeting to be held and that specific matters are included on the agenda to be discussed by the Board.

If not called by the Chair or someone who he/she appoints, the Board meetings shall be called by the CEO.

Board meetings shall normally be called with a minimum of seven (7) days' notice, unless otherwise accepted by the Chair. The deadline for giving notice shall in any case normally 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 normally be issued in writing, and in accordance with relevant applicable law. Board meetings may be held without written notice if it is in accordance with applicable law and the Chair finds it acceptable.

The CEO shall attend the Board meetings, unless otherwise decided by the Board in specific cases. In the event that the CEO is unable to attend a Board meeting, he/she must immediately notify the Company Secretary.

The CEO is responsible for the appropriate preparation, notification and documentation of issues to be dealt with by the Board. Necessary preparatory documents that give an account of the issues to be dealt with shall be included as agenda papers to the notice of the Board meeting, along with resolution proposals. The Board documentation shall contain accurate, timely and 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 Chair 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 Board meeting.

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

If the Board has not appointed a secretary, the CEO is responsible for keeping minutes from Board meetings, and for ensuring that the Board documents, including original board minutes, are stored securely in a locked and fireproof way, as well as in electronic format, in accordance with Group Governing Documents and applicable laws.

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.

## **6. REPORTING RESPONSIBILITIES TO THE BOARD**

The CEO shall immediately notify the Board in matters of major importance for the Group. This includes matters such as Group positions/results, material changes in the Group's internal control, significant deficiencies and material weakness in ICFR, entering into significant contracts, changes in strategic relationship, management compensation, legal proceedings and materially changed levels of risk (including anti-corruption and fraud).

As often as the Board deems necessary the CEO shall provide reports regarding the business development, position, profit developments of and investments made by the Group in total and, where relevant, distributed by business areas. Major discrepancies relating to budget/targets, investments, business plans and other basic assumptions shall be pointed out specifically.

In addition, the CEO shall at least every quarter give an account of:

- a) Investments made in accordance with forecasted investments.
- b) Transactions made as listed in article 4 h) - k) with a value within the prevailing Company authority structure.
- c) Results and financial position of the Company's subsidiaries.
- d) Market developments of the main products of the group.
- e) Progress and cost accounting in larger projects.
- f) Risks which may have a significant impact on the Group operations.

## **7. DISQUALIFICATION**

The CEO is not permitted to take part in the processing or decision making of issues that have significance to him/her or any closely related parties that he/she/they must be regarded as having a distinct personal or financial interest in the issue, or where the said person's disqualification may become relevant for other reasons.

In addition to abstention from deliberation or voting, the CEO who has a direct or indirect interest in any contracts or arrangement with the Group shall immediately declare his interest to the Board. Any decision on behalf of Digi shall be based on an objective and fair assessment of Digi's interest without being impacted by other considerations.

## **8. PRIVACY AND CONFIDENTIALITY**

The CEO is responsible for ensuring that all information and documentation produced/received is properly protected and remains confidential in accordance with information management/confidentiality obligations set out in Group Governing Documents. Irrespective of the foregoing, the Board and its members are entitled to request information from the CEO, in which case the CEO shall provide the requested information. The requested information should be accurate and complete and shall be supplied in a timely manner to enable the Board to discharge its duties effectively.

The CEO shall not disclose details to third parties (including the media) of matters covered in Board meetings, unless otherwise approved by the Chair.

The confidentiality undertakings set out herein shall continue to apply after the CEO has ceased to be a CEO.

This CEO Charter was reviewed and approved by the Board on 12 March 2021.