

## Corporate Governance Overview Statement

### OVERVIEW OF OUR APPROACH TO CORPORATE GOVERNANCE

The Board of Directors (the Board) sets and steers the direction of Digi Group (Digi and its subsidiaries) and brings independent, informed and effective judgement on material decisions reserved for the Board. The Board also ensures that strategy, risk, performance and sustainable development considerations are effectively integrated and appropriately balanced. Recognising the importance of good corporate governance, the Board is committed to uphold high standards of business integrity and ethics and has worked with the Management to maintain these standards through the course of the year. For a fair view of the Board's priorities and the Company's corporate governance practices in 2021, this statement is to be read together with the Corporate Governance Report (CG Report). The CG Report elaborates on the Company's application of each Principle of the Malaysian Code of Corporate Governance (MCCG) updated in 2021 for the financial year under review. This statement should also be read alongside the Statement on Risk Management and Internal Control (SORMIC).

### SUMMARY OF CORPORATE GOVERNANCE PRACTICES

Digi has applied all applicable Practices set out in the MCCG (updated 2021) for the financial year ended 31 December 2021 save for the below provisions of the MCCG. A more thorough description in the manner which Digi is addressing these departures are set out in the CG report which is available on Digi's website as well as via the announcement on the portal of Bursa Malaysia Securities Berhad (Bursa Malaysia).

#### Practice 1.4

The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee

#### Practice 5.2

At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors

#### Practice 8.2

The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000

#### Practice 13.6

Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting

In order for the Board to be able to effectively monitor Digi's crisis management, the Board has met up on a regular basis throughout 2021 to monitor the impact of the Covid-19 pandemic on Digi's operations and how Management was responding to the developments and following through with the initiatives taken by Digi for the continuity of its operations whilst constantly fostering a safe work environment for its employees. The Board emphasises and fosters a positive safety and health culture. The Health and Safety (HS&S) topic has been made the focus and mandatory agenda in Board meetings. The Management is advised to continually engage Board in discussion on HS&S and risk issues during Board meetings. Digi has now set up a working committee to support the implementation of a HS&S roadmap which will extend to a more leadership involvement.

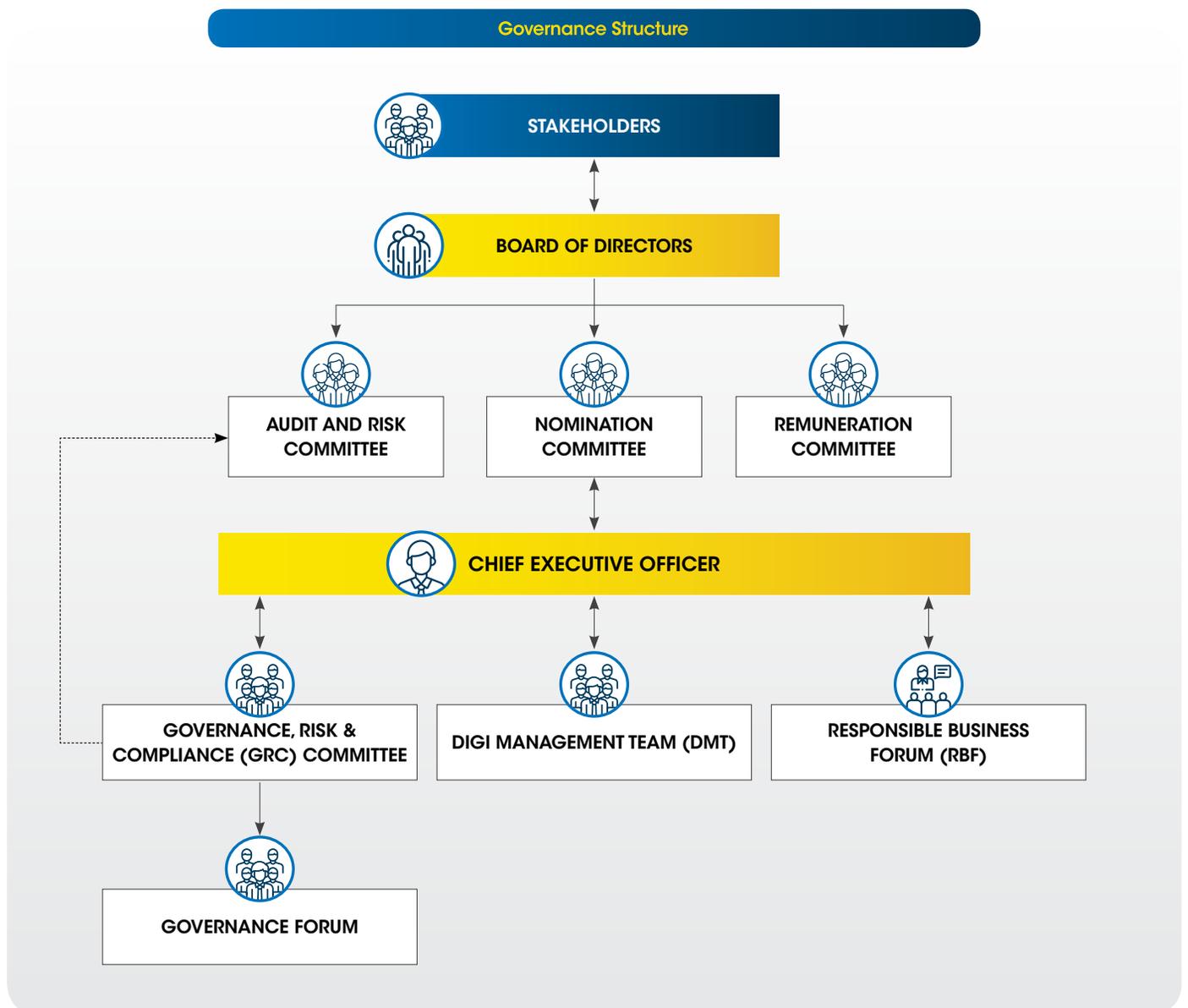
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All Board meetings and communications were held through video conferencing during the Movement Control Order.

**STATEMENT BY THE BOARD ON CORPORATE GOVERNANCE**

The Board is pleased to report to its shareholders that to the best of its knowledge, Digi has complied with and shall remain committed to attaining the highest possible standards of corporate governance through the continuous adoption of the principles and best practices of the MCCG (updated 2021), and all other applicable laws. The status of the Company's application is reported in our CG report.

**EMBRACING VALUES AND PRINCIPLES OF GOOD GOVERNANCE**



## Corporate Governance Overview Statement

The Board is dedicated to enhance Digi's corporate governance practices which has shaped the way Digi operates. The Board believes in a structured governance to identify and manage Digi's business systematically to address risks and maximise the positive impact to the business, whilst conforming to global sustainability standards. Digi's approach is one of continuous improvement.

Digi's culture is defined through the Digi Way of Work, the Code of Conduct (the Code), Whistle Blowing Policy and Manual, Anti-Corruption Policy, No Gift Policy, and Health, Safety and Environmental (HSE) Policy. These policies are accessible in Digi's website at <https://www.digi.com.my/our-company/our-governance>. Various activities are conducted to increase awareness amongst employees, essential to instill a compliance culture within Digi's Group. Digi is committed to the highest standards of transparency and to be accountable for the impact on the operations, products and services, and environmental footprint of the value chain Digi operates in.

The Board believes that upholding high standards of corporate ethics is key to long-term value creation and will contribute directly to improved business performance. The Board has zero tolerance for corruption and Digi Group's corporate values and ethical standards represent an important foundation for implementing our governance framework.

Digi's efforts have positioned the Company amongst the top ASEAN Public Listed Companies in terms of corporate governance effectiveness, and quality of disclosure has instilled investors' confidence in Digi.

These continuous efforts are reflected through Digi's high scoring in Governance pillar across various environmental, social and governance (ESG) rating assessments conducted by reputable index providers such as FTSE4Good, MSCI and Sustainalytics. As one of the largest listed telecommunication companies in Malaysia, Digi will continuously communicate with all stakeholders on its good corporate governance practices whilst providing ample opportunities for public feedback through Investor Relations engagements and all relevant stakeholders communication channels.

## HOW SUSTAINABILITY IS EMBEDDED IN THE GOVERNANCE STRUCTURE

Sustainability matters in Digi are addressed as part of Digi's overall Responsible Business (RB) strategic pillar. The RB covers material issues relating to ESG indicators; Risk Management, Sustainability, Anti-Corruption, Data Protection, Cyber Security, Supply Chain, Health and Safety, Climate Change, and Diversity and Inclusion. These are governed across different leadership levels within the organisation - the Board, Management, key departments and support functions. Digi's sustainability framework defines the governance structure and the responsibilities of each party within.

Digi addresses our Governance, Risks, Compliance and Sustainability matters at the Responsible Business Forum and the Governance, Risk and Compliance (GRC) committee.

On the operational level, the key departments and functions involving Sustainability; Compliance; Supply Chain Management; Health, Safety and People Security; Privacy and Security, are working alongside Human Resource and Enterprise Risk Management to oversee the daily operations of RB to meet the non-financial Key Performance Indicators (KPIs).

### **Responsible Business Forum (RBF)**

The RBF oversees the progress, issues and updates of material issues identified in Digi's Materiality Matrix and is under the purview of the Chief Corporate Affairs Officer (CCAO). These material issues are discussed and deliberated at the forum, chaired by the Chief Executive Officer (CEO). Other members of the forum include the Chief Human Resource Officer (CHRO), Chief Financial Officer (CFO), Chief Technology Officer (CTO) and other senior leadership members. When needed, some material issues are brought to the Board's agenda for further dialogues and guidance.

#### **Key functions of the RBF are to:**

- Formulate RB roadmaps, strategies and goals;
- Oversee ESG priorities, opportunities and non-financial reporting performances; and
- Support and guide departments to meet RB goals.

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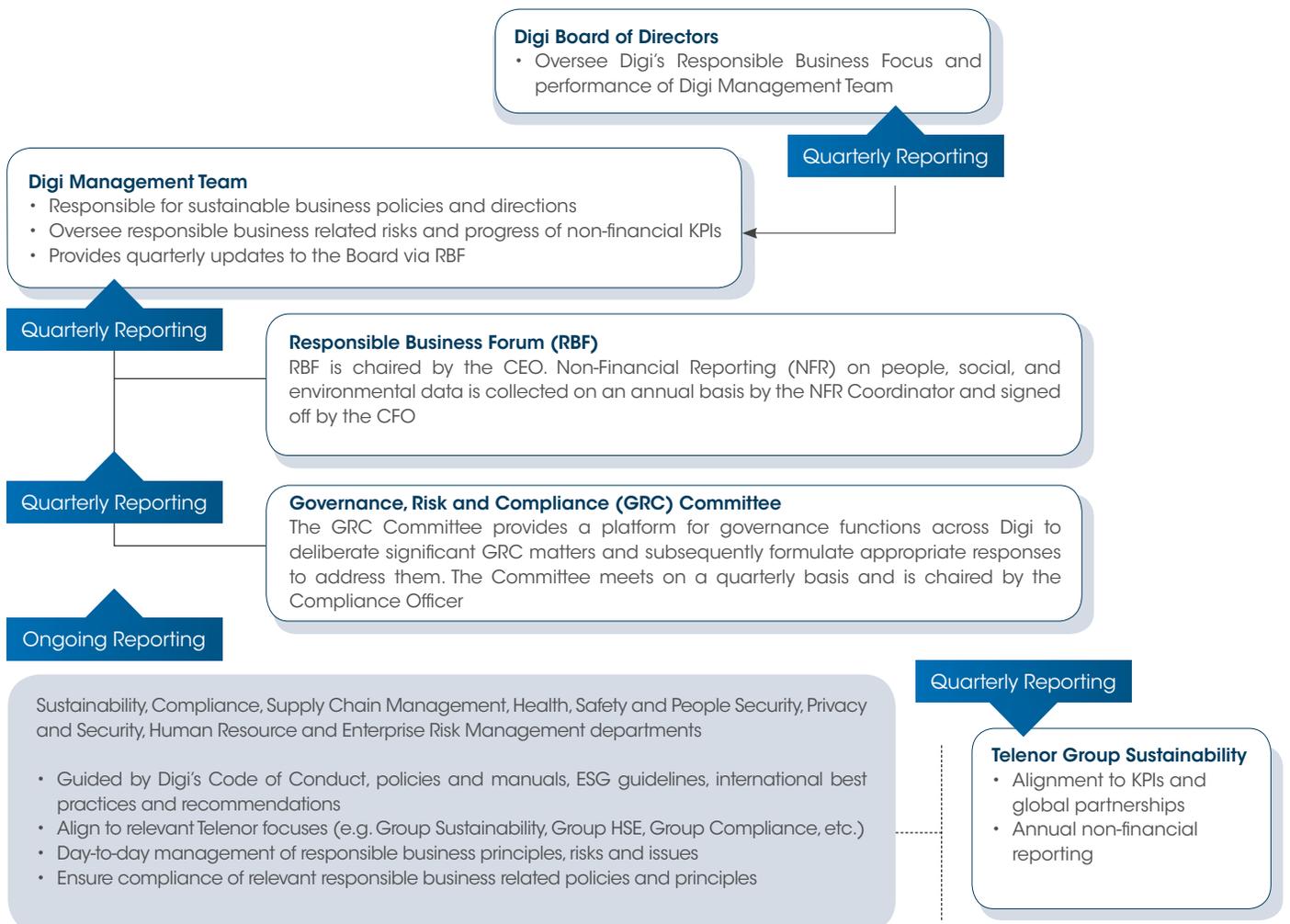
**Governance, Risk and Compliance (GRC) Committee**

The GRC Committee is an avenue for Digi’s governance functions to share insights and strengthen effectiveness across the three lines of defense. The GRC Committee consists of the Head of Compliance, Head of Internal Audit, Head of Enterprise Risk Management and Head of Sustainability. The GRC Committee convenes quarterly through the Responsible Business Forum where GRC matters, challenges and solutions are discussed. Significant matters requiring further deliberation are escalated to the CEO and Audit and Risk Committee (ARC) as necessary to ensure prompt resolution.

**Key functions of the GRC Committee are to:**

- Provide guidance on GRC matters in alignment with Digi’s corporate governance controls and industry best practices;
- Deliberate the adequacy and effectiveness of GRC policies, procedures and initiatives to ensure that enterprise risks are effectively managed;
- Promote efficient resource allocation through the holistic oversight of GRC initiatives to minimise overlaps and duplication of effort; and
- Assist the CEO and ARC in fulfilling its oversight responsibilities on GRC matters.

**DIGI SUSTAINABILITY GOVERNANCE FRAMEWORK**



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In stricter adherence to the updated MCCG in 2021, Digi has taken considerable measures, both existing and new practices to enhance Board oversight and the integration of sustainability considerations in the strategy and operations of Digi. The Board together with Management takes responsibility for the governance of sustainability in Digi including setting Digi’s sustainability strategies, priorities and targets and ensures that the performance against these targets are communicated to its internal and external stakeholders. The Board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to Digi and its business, including climate-related risks and opportunities. The CCAO is dedicated to drive strategic focus in managing sustainability, including the integration of functional considerations in Digi.

**PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS**

Digi’s Board has the appropriate balance of knowledge, skills, experience, diversity and independence to objectively and effectively discharge their governance role and responsibilities.

The diversity in its membership creates value by promoting better decision-making and effective governance and the Board has escalated its efforts to establish a diverse Board with a variety of skills, experience, age, cultural background and gender. Similarly, the Board is committed to developing a corporate culture that embraces all aspects of diversity and inclusion practices in the Group. The Board of Digi is guided by its Board Diversity Policy and accessible in Digi’s website at <https://www.digi.com.my/our-company/our-governance>.

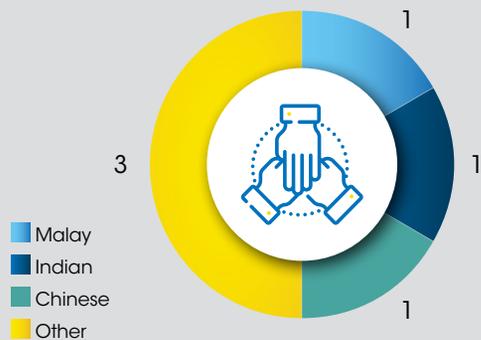
**Board Balance and Composition**



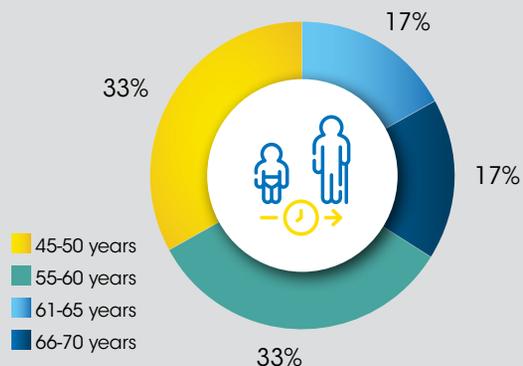
**Female Representative**



**Ethnic Diversity**



**Age Diversity**



## Corporate Governance Overview Statement

## Board Skills and Diversity

The Board is diverse in demographics, skills and experience. The Board has members with a broad range of skills that can help create value in the interests of all stakeholders.

### Industry Background

- Telecommunications

### International Experience

- Global
- Regional

### Functional Experience

- Information Technology
- Logistics
- Oil and Gas
- Banking
- Leadership
- Sales and Marketing
- Legal and Regulatory
- Operations
- Merger and Acquisitions
- Audit
- Corporate Governance, Risk Management and Internal Control
- Accounting and Finance
- Taxation
- Sustainability
- Human Resource
- Project Management/Engineering
- Strategy Development

### Length of Service

<b>50%</b>	0 to less than 4 years <b>3 Directors</b>
<b>33%</b>	4 to less than 7 years <b>2 Directors</b>
<b>17%</b>	7 to less than 9 years <b>1 Director</b>

## Board Roles and Responsibilities

The roles of the Chair of the Board and CEO are separated and held by different individuals. Whilst the Chair of the Board provides leadership of the Board, the CEO heads the Management Team for the day-to-day management of the business. The CEO has been delegated certain powers to execute transactions that are guided by the CEO's charter and in accordance with the authority limits as defined and formalised.

The following Board Committees have been established to assist the Board in its oversight function with reference to specific responsibility areas:

- Audit and Risk Committee (ARC)
- Nomination Committee (NC)
- Remuneration Committee (RC)

The Board Committees review matters within their Terms of Reference (TOR) and make recommendations to the Board for approval, where relevant. The Board is kept apprised of the activities of the Board Committees through circulation of minutes of meetings of the Board Committees and update on meeting deliberations and outcomes by the respective chairpersons of the Board Committees at meetings.

## Overview of the roles of the Board

### Chair of the Board

- Leads and manages the Board's effectiveness with a keen focus on strategy, governance, risk and compliance;
- Leads Board meetings, 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 on operational matters; and
- Ensures effective communication with shareholders.

### Non-Executive Directors

- Contribute to developing Digi's strategies; and
- Scrutinise and constructively challenge the performance of Management in the execution of Digi's strategies.

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### Senior Independent Non-Executive Director (Sr INED)

- Provides a sounding board to the Chair and appraises his performance;
- Acts as intermediary for other Directors, if needed; and
- Responds to shareholders' concerns as and when other channels are exhausted.

### Matters reserved for the Board

- Review, approve and adopt Digi Group's strategic plans and annual targets;
- Overseeing and evaluating the conduct and performance of Digi Group's business;
- Declaration of dividends, approval of financial statements, annual and quarterly reports of Digi and ensure integrity of financial and non-financial reporting;
- Strategic investment, mergers and acquisition, divestment and any corporate exercises;
- Material acquisitions and disposition of assets not in the ordinary course of business;
- Reviewing the adequacy and integrity of Digi Group's internal control system;
- Changes in Digi Group's policies, procedures and delegated authority limits; and
- Identifying and managing principal risks affecting Digi.

### Key features of the Board

- Separation of roles between the Chair of the Board and CEO;
- The Chair of the NC and ARC are Independent Non-Executive Directors;
- Meets Board Diversity requirements, in particular gender diversity with three (3) women serving as members of the Board (50% female representation);
- Management do not sit on the Board; and
- The Chair of the ARC is not the Chair of the Board.

To further strengthen our board governance, we will review the roles and responsibilities of the Chair of the Board and the Board Committees, to ensure the Chair of the Board's independence by not being a member of any Board Committees. This is to prevent self-review and risks impairing objectivity in boardroom deliberations on the observations and recommendations given by the Board Committees.

### Board Access to Management, Company Secretaries, Information and External Experts

The Board has direct access to the Management Team to arrive at informed decisions with unrestricted and immediate access to information relating to Digi's business affairs.

The Board also has full access to the qualified Company Secretaries, who are equipped with the skills and expertise to provide comprehensive support, appropriate governance and advice, to ensure adherence to corporate governance issues and compliance with relevant policies and procedures, and laws and regulatory requirements, in addition to corporate secretarial matters.

Meeting materials are provided to the Board and Board Committees via a secured electronic Board portal at least seven (7) days prior to the meetings to accord the Directors' sufficient time to assess and review the proposals or information. Materials are disseminated digitally and instantly. Board calendars and structured agendas are set in advance and all Directors are expected to attend the scheduled Board meetings and relevant Board Committees meeting in addition to the Annual General Meeting (AGM).

Where there is an urgent need for ad hoc meetings, the Company Secretary in consultation with the Chair of the Board, will arrange for such meetings as and when necessary.

Other than the aforesaid internal resources, the Board and Board Committees have at their disposal access to external information and expert advice by engaging independent external experts at the expense of the Company, if they deem it necessary in facilitating the performance of their duties.

Detailed description of these roles can be found on the Board Charter inclusive of the Terms of References of the Board Committees online at <https://www.digi.com.my/our-company/our-governance>.

### Board Meetings

The Board held eleven (11) meetings during the year. Senior Management were invited, when appropriate to attend Board meetings. The CEO and CFO attended all Board meetings.

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Directors	Board Meetings	
	Attendance	%
Haakon Bruaset Kjoel (Chair of the Board)	11/11 	100
Vimala V.R. Menon	11/11 	100
Yasmin Binti Aladad Khan	11/11 	100
Lars Erik Tellmann	10/11 	90.91
Wenche Marie Agerup	11/11 	100
Datuk Iain John Lo <sup>1</sup>	6/6 	100
Tan Sri Saw Choo Boon <sup>2</sup>	5/5 	100
Randi Wiese Heirung <sup>3</sup>	6/6 	100

Notes:

<sup>1</sup> Appointed as Director on 24 May 2021

<sup>2</sup> Retired as Director on 18 May 2021

<sup>3</sup> Resigned as Director on 30 June 2021



## 26 hrs

Total hours of the Board meetings



## 98.86%

Overall % of the Board meetings attended by Directors



## 43 hrs

Total hours of the Board and Board Committee meetings

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities. At present, none of the Directors hold more than five directorships in any other public listed companies at any point of time.

### Board Activities

During the financial year 2021, the Board focused on several specific areas in line with Digi's strategic goals and principal risks as outlined below:

#### Strategy



- Reviewed and approved Digi's Group Strategy plan, ambitions, and targets
- Oversaw the implementation of Digi's Group strategic and business plan through quarterly updates with the CEO
- Reviewed and discussed Digi's Group Corporate structure
- Reviewed the proposed merger exercise between Digi and Celcom Axiata Berhad
- Reviewed steps and actions taken in view of the Covid-19 pandemic for employees, business and operations

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### Financial Performance



- Approved the Quarterly Digi's Group performance
- Approved the Quarterly Financial Results
- Approved the Quarterly Interim Dividend and solvency position
- Approved the Audited Financial Statements for Financial Year Ended 31 December 2020
- Reviewed and approved Digi's Group ambitions and targets
- Reviewed and approved Digi's Group Capital expenditure
- Approved the Recurrent Related Party Transactions by Digi Group

### Risk and Internal Controls



- Reviewed the Enterprise Risk and Opportunities status update
- Reviewed Digi's risk assessment encompassing financial and non-financial aspects
- Reviewed the Cyber security risks status and updates
- Reviewed the landscape risks impacting the business
- Reviewed the Anti-Corruption risks
- Reviewed the Business partners, distributors, credit and management risks
- Reviewed the implementation of appropriate internal controls and mitigation measures
- Reviewed the risk oversight on Management's implementation of risk management policies and procedures
- Reviewed the Audit Status Report
- Approved the Internal Audit Plan 2021
- Approved the Statement on Risk and Internal Control for the Integrated Annual Report (IAR)

### Governance



- Reviewed Digi's compliance with the MCCG, Companies Act 2016 and the Main Market Listing Requirements of Bursa Malaysia (MMLR)
- Discussed the MCCG gap assessment and implementation of the action plans
- Approved the 2020 IAR Statements
- Approved the CG Report to Bursa Malaysia
- Recommended the draft Circular to shareholders in relation to the Proposed Renewal Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading nature and amendments of Articles of Association for shareholders' approval
- Approved Board and Board Committee restructuring
- Approved the remuneration package of the CEO and renewal of CEO's contract
- Established and identified the Succession Plans for Management Team
- Analysed the Performance Evaluation for Board and Board Committee members
- Approved Digi's revised Code of Conduct
- Reviewed Digi's Anti-Corruption and compliance updates

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## Governance



- Approved Digi's Board Calendar and Meeting plans 2022
- Reviewed and approved Digi's CEO Short Term Incentive 2020 payout and Scorecard
- Reviewed and approved the revised Board Charter and TOR of the Board Committees
- Received the Minutes of Meeting of the Board Committees
- Recommended the payment of Directors' fees and benefits payable to Independent Non-Executive Director for shareholders' approval
- Approved to convene the 24<sup>th</sup> Virtual AGM
- Recommended the Directors standing for re-election at the AGM
- Reviewed the tenure of Directors

## Sustainability



- Reviewed Digi's 2021 ESG performances, taking discussions on future outlooks and setting priorities for 2022
- Strategy workshop on Climate and Environment to assess Digi's readiness and commitment to decarbonisation and plans to adopt the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations
- Reviewed Digi's 2021 material matters as part of the Materiality Assessment exercise conducted with external and internal stakeholders

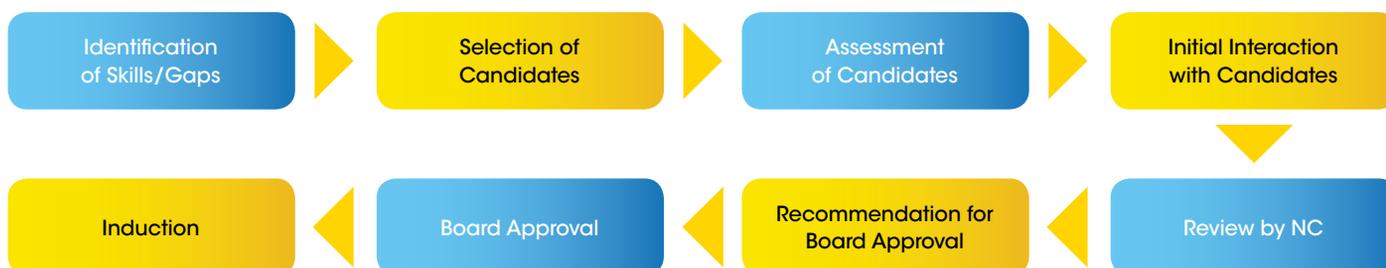
## Board Appointment Process

Digi practices a transparent and rigorous process on the appointment of new Directors. Nomination of Non-Independent Non-Executive Directors (NINED) is made by Telenor, being the major shareholder of the Company. The search for potential Independent Non-Executive Director (INED) is made through engagement of professional recruitment firm or recommendations from existing Board members in identifying suitable qualified candidates to fill the vacant positions based on the identified selection criteria approved by the NC. The NC will shortlist candidates for engagement sessions to review the suitability of the candidate prior to recommending to the Board for approval. All potential candidates are first considered by the NC, taking into account mix of skills, competencies, experience, integrity, personal attributes, and time commitment. Diversity in terms of age and gender are also considered during the selection criteria.

During the year under review, Digi had engaged a professional recruiting firm to assist in the search for a new INED and taking into account the mix of skills, competencies, experience, integrity, personal attributes, and time commitment. Datuk Iain John Lo was appointed as INED on 24 May 2021.

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### Process Flow for Appointment of a Director



### Board Re-election and Re-appointment

Article 98(A) of the Company's Constitution provides that one-third of the remaining Directors are required to retire by rotation and all Directors must submit themselves for re-election at the AGM at least once in every three (3) years.

Article 98(E) of the Company's Constitution provides that any new Director appointed by the Board during the year is required to stand for re-election at Digi's next AGM.

In assessing the candidates' eligibility for re-election, the NC considers their competencies, commitment, contribution, performance based on the annual assessment and their ability to act in the best interest of Digi. The NC is satisfied with the performance, contribution and effectiveness of the Directors. The Board at its meeting held on 11 March 2022 endorsed the recommendation of the NC for the following Directors to be considered for re-election pursuant to Article 98(A) and 98(E) of the Company's Constitution at the Twenty-Fifth (25<sup>th</sup>) AGM and they have given their consent for re-election. The re-election of each Director will be voted as a separate resolution during the 25<sup>th</sup> AGM.

#### Article 98(A)

- Haakon Bruaset Kjoel
- Lars Erik Tellmann

#### Article 98(E)

- Datuk Iain John Lo

As at the date of this report, all of the INEDs of the Company have not exceeded the cumulative terms of nine (9) years. During the NC and Board Meetings held on 9 March 2022 and 11 March 2022 respectively, the NC and Board, through their annual assessment, have reviewed and recommended the retention of Puan Yasmin Binti Aladad Khan (Puan Yasmin) who will serve the Board for more than nine (9) years on 23 July 2022 as an INED of the Company to the shareholders for approval at the forthcoming AGM based on the following justifications:

- She fulfilled the criteria under the definition of Independent Director as stated in the MMLR;
- Puan Yasmin's vast experience enables her to provide the Board with a diverse set of experience, expertise, skills and competence. She has good understanding of the industry and the Company's business operations which enables her to participate actively and contribute effectively for robust discussion at the ARC, NC, RC and Board Meetings without compromising her independence and objective judgement;
- She has exercised due care and promotes good corporate governance practices during her tenure as INED of the Company and carried out her duties in the best interest of the Company; and
- Sufficient time is required by the Company to find a suitable successor for Puan Yasmin as an INED, who is also the Chair of the NC and a member of the ARC, and RC to ensure an orderly succession plan.

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## Board Performance Evaluation

Every year, under the purview of the NC, the Board performance evaluation is undertaken to assess the effectiveness of the following:

- The Board as a whole and the Board Committees
- Contribution of each individual Director
- Independence of INED
- Performance evaluation of the CEO and CFO

During the year, the Board performance evaluation was conducted internally through an online platform, focuses on maximising the effectiveness and performance of the Board and its Committees in the best interest of Digi. The Board performance evaluation results were compiled by an independent external secretarial firm to facilitate the Board evaluation. The Board has also engaged an external consultant during the year to conduct Board Effectiveness Evaluation (BEE) exercise to bring a more outside-in view and deeper understanding of current Board performance and identified potential focus areas.

Based on the 2021 Board evaluation findings, the Board is satisfied and acknowledged that the Board has continued to carry their duties well and amicably with most areas rated in the range of "3" (Moderate/Developing), "4" (Good/Competent) to "5" (Strong/Outstanding). The respective Board Committees had performed their responsibilities diligently and efficiently. The Board evaluation also assesses the effectiveness of the Board Committees, particularly in the elements on function, composition, skills & competencies, meeting administration and ESG management.

All Board Committees received positive response with no areas of concern indicating that the Committee members have discharged their duties and responsibilities well with professionalism to uphold the interest of Digi and other stakeholders and to meet the needs of Digi Group.

Self and Peer Evaluation are conducted to assess each Director's professional competency, attributes, and personality. Directors' Peer Evaluation overall results continued to be high in 2021. The assessment also includes the evaluation of the performance of the Board in addressing the company's material sustainability risks and opportunities. Within the assessment the Board has also assessed the Senior Management (for CEO and CFO) on overall sustainability management in meeting Digi's sustainability targets.

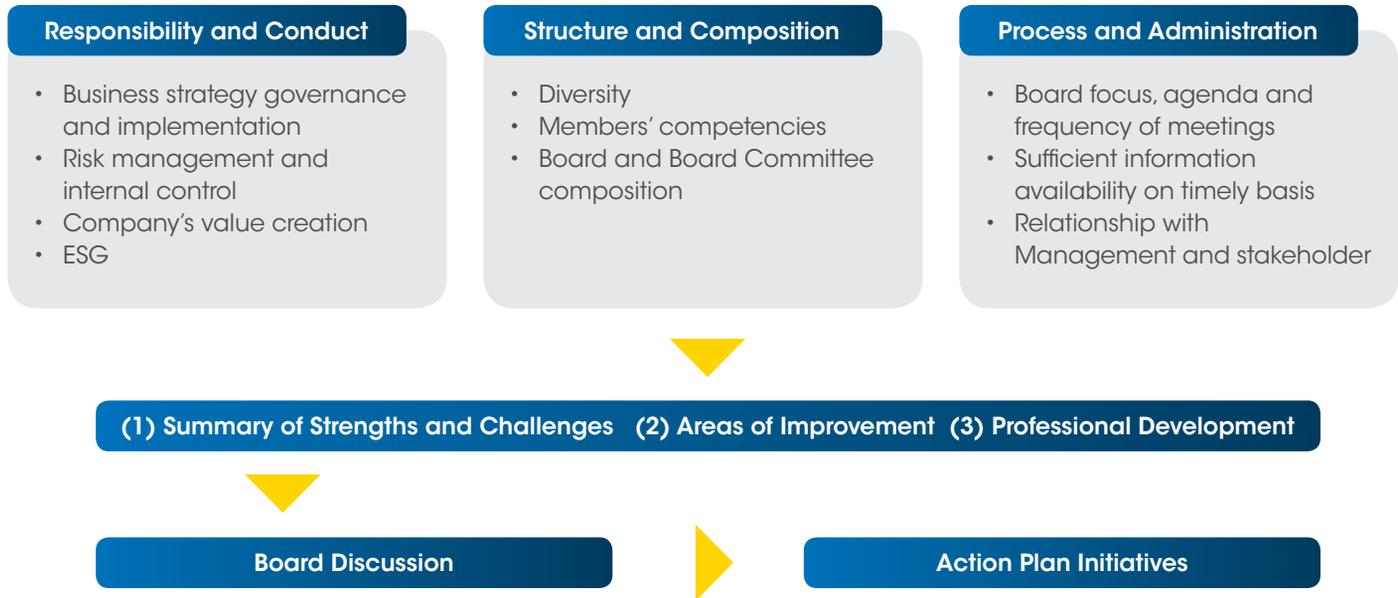
## 2022 Priorities

Based on the 2021 results and moving forward, the Board continues to navigate a complex, unsettling environment following a year of geopolitical turmoil, social unrest, economic volatility, and the ongoing Covid-19 pandemic. The Board has identified the following priorities for 2022:

- Strategy and risk
- Crisis management
- 5G technology and networks
- Growth and performance
- Human capital and workforce issues
- Corporate purpose and ESG matters

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The Board evaluation questionnaires towards an effective Board covers the following parameters:



# More information on the Board Performance Evaluation process can be found in the Corporate Governance Report on our website at [www.digi.com.my/annualreport/index.html](http://www.digi.com.my/annualreport/index.html)

## Induction and Continuous Professional Development

An induction programme is conducted for newly appointed Directors via a briefing session by the Senior Management Team to provide the necessary information and to assist them in understanding the operations of Digi Group, current issues and corporate strategies. All Directors have completed the Mandatory Accreditation Programme. Datuk Iain John Lo, who was appointed as INED on 24 May 2021 has attended the induction programme organised by Digi.

All Directors are encouraged to attend continuous education programmes, talks, seminars, workshops and conferences to enhance their skills and knowledge and to ensure that they are kept abreast with the new developments in the business environment and corporate governance.

Despite the Covid-19 pandemic, all Directors ensured continuous participation in virtual trainings and development programmes. Details of the trainings and programmes attended by the Directors during the financial year are outlined below:

Name of Director	Training Programme/Conference/Seminar
Haakon Bruaset Kjoel	<ul style="list-style-type: none"> <li>• First module on the International Directors Programme from INSEAD</li> <li>• Telenor Research: The Business of 5G - today and tomorrow</li> <li>• Digi Strategy and Capex Workshops</li> </ul>

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Name of Director	Training Programme/Conference/Seminar
Vimala V.R. Menon	<ul style="list-style-type: none"> <li>• Nomination &amp; Remuneration Committee – Beyond Box Ticking</li> <li>• Data and AI insights – Driving Growth in a Digital World</li> <li>• Conversations in Global Finance</li> <li>• Asian Economic Forum</li> <li>• Understanding Board Decision Making Process</li> <li>• Strategy and Capex Workshops</li> <li>• Economic Insights Q4 2021</li> <li>• Securities Commission Audit Oversight Board conversation with audit committee</li> <li>• Telenor Research: The Business of 5G - today and tomorrow</li> <li>• Digi Strategy and Capex Workshops</li> </ul>
Yasmin Binti Aladad Khan	<ul style="list-style-type: none"> <li>• Information Security Awareness</li> <li>• 2020 Leadership Profile and Assessment</li> <li>• DPDHL Data Privacy Policy</li> <li>• Certified Logistics Leadership</li> <li>• Certified Data Protection</li> <li>• Advanced Competition Compliance</li> <li>• Securities Commission Audit Oversight Board conversation with audit committee</li> <li>• Telenor Research: The Business of 5G - today and tomorrow</li> <li>• Digi Strategy and Capex Workshops</li> </ul>
Wenche Marie Agerup	<ul style="list-style-type: none"> <li>• Telenor Research: The Business of 5G - today and tomorrow</li> <li>• Digi Strategy and Capex Workshops</li> <li>• Governance in Groups arranged by Iclif Executive Education</li> </ul>
Lars Erik Tellmann	<ul style="list-style-type: none"> <li>• Telenor Research: The Business of 5G - today and tomorrow</li> <li>• Digi Strategy and Capex Workshops</li> </ul>
Datuk Iain John Lo (Appointed on 24 May 2021)	<ul style="list-style-type: none"> <li>• FIDE - Financial Institution Directors Education by Iclif ABS</li> <li>• RHB - MACC Section 17A and Adequate Procedures</li> <li>• SIDC - Capital Markets Training Modules</li> <li>• RHB - MFRS17 Insurance Contracts, Ernst &amp; Young</li> <li>• ASB Implementing changes in MCCG</li> <li>• FTI Consulting Defending your company and keeping up with key Cybersecurity risks</li> <li>• ASB Risk Management Committee - Banking Sector</li> <li>• Shell &amp; Malaysian Dutch Business Council - The tree, the sky, the sun - a pathway towards Malaysia's carbon neutral future</li> <li>• RHB Internal Capital Adequacy Assessment Process by Stamford Academy</li> <li>• UN Global Compact ESG &amp; Leadership, Formula for a Sustainable Future</li> <li>• PWC Task Force on Climate-Related Financial Disclosures Annex</li> <li>• Securities Commission Audit Oversight Board conversation with audit committee</li> <li>• Telenor Research: The Business of 5G - today and tomorrow</li> <li>• Digi Strategy and Capex Workshops</li> </ul>

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## Nomination Committee (NC) Report

Committee membership	Meetings attended	Responsibilities
Yasmin Binti Aladad Khan (Chair)	2/2 	<ul style="list-style-type: none"> <li>Regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board</li> <li>Review the succession planning for Directors and Digi Management Team</li> <li>Responsible for identifying and nominating for the approval of the Board, candidates to fill Board's vacancies as and when they arise</li> </ul>
Haakon Bruaset Kjoel	2/2 	
Datuk Iain John Lo (Appointed on 24 May 2021)	-	
Tan Sri Saw Choo Boon (Retired on 18 May 2021)	1/1 	

The NC consists of a majority of INED in compliance with the requirement of the MMLR of Bursa Malaysia, which provides that the NC must comprise exclusively Non-Executive Directors, a majority of whom must be Independent.

## Main Activities of the NC for 2021

- Annual assessment and review of composition of Board and Board Committees
- Facilitated the 2021 BEE and validated the results thereof
- Reviewed the tenure of INED
- Reviewed the Directors' training requirements
- Reviewed the Board's Skills and Experience Matrix
- Recommended the appointment of Datuk Iain John Lo as INED and re-designation of Ms Vimala V.R. Menon as Sr INED
- Conducted induction programmes for newly appointed Director assisted by the Company Secretary
- Assessed the independence and time commitment of each INED
- Conducted annual review on the NC's Terms of Reference and Board Diversity Policy
- Reviewed Performance Planning and Key Performance Indicators for CEO
- Assessed and recommended to the Board on the re-election of Directors
- Reviewed the NC Report for inclusion in the 2020 Integrated Annual Report

## Corporate Governance Overview Statement

## Key Matters Reported to the Board

The Chair of NC updated the Board on matters of major importance deliberated at the NC meetings and its recommendations. The copies of confirmed minutes of each NC meeting were also circulated to the Board for notation. Among the key matters considered by the NC during 2021 were the following:

## Significant matters

Engaged an external consultant during the year to conduct BEE exercise

## Description

Bringing in a more outside-in view and deeper understanding of current Board performance and identify potential focus areas

## Outcome

The findings and key areas were identified and formed as priorities for 2022

## Priorities for 2022

- To evaluate the effectiveness and efficiency of Board meetings
- To evaluate the effectiveness of the Company Secretary department
- To develop a well-defined strategic agenda
- To enhance Director onboarding program and Directors' trainings

## Remuneration Committee (RC) Report

Committee membership	Meetings attended	Responsibilities
Haakon Bruaset Kjoel (Chair)	4/4 	<ul style="list-style-type: none"> <li>• Ensure the remuneration package of Non-Executive Directors are well-structured and able to attract, retain and motivate Directors</li> <li>• Implement remuneration policies and procedures</li> </ul>
Yasmin Binti Aladad Khan	4/4 	
Wenche Marie Agerup	4/4 	

The 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.

## Main Activities of the RC for 2021

- Discussed the proposed fee and benefits payable for the INEDs
- Conducted annual review on RC's Terms of Reference and Non-Executive Directors' Remuneration Policy
- Recommended the proposed remuneration package of the CEO
- Recommended the CEO's Short-Term Incentive 2020 payout and 2021 scorecard

## Corporate Governance Overview Statement

## Directors' Remuneration

The Board remuneration approach is aligned to our strategic objectives, allowing us to attract, motivate and retain high caliber talent. The design of the Board's remuneration structure embraces market practices and trends and includes attractive benefits payable to the INEDs.

Each of the INEDs abstain from deliberating and voting on his or her own remuneration. The NINEDs receive their remuneration from their employing companies within the Telenor Group and do not receive any form of remuneration from Digi.

The breakdown of the Directors' remuneration paid in 2021 is as follows:

Independent Non-Executive Directors	Directors' Fees (RM)		Benefit-in-kind (RM)	TOTAL (RM)
	Company	Subsidiaries	Company	
Vimala V.R. Menon	275,000	19,350	5,300	299,650
Yasmin Binti Aladad Khan	312,742	Nil	300	313,042
Datuk Iain John Lo (Appointed on 24 May 2021)	163,306	Nil	4,499	167,805
Tan Sri Saw Choo Boon (Retired on 18 May 2021)	110,699	12,212	300	123,211
Total	861,747	31,562	10,399	903,708

## Senior Management's Remuneration

The remuneration packages for Senior Management Team are set based on industry standards, reflecting the senior management's roles, responsibilities, level of skills and experience, and motivates performance. The reward matrix is assessed based on the Company's performance indicators under our three (3) strategic pillars.

### Priorities for 2022

- To review and refresh performance conditions on benefits payable for the INEDs
- To review and propose the remuneration package of the CEO

# Please refer to our website at <https://www.digi.com.my/our-company/our-governance> for the Non-Executive Directors' Remuneration Policy, and Remuneration Policy and Procedure for Senior Management

## Corporate Governance Overview Statement

**PRINCIPLE B - ACCOUNTABILITY AND EFFECTIVE AUDIT AND RISK MANAGEMENT****Audit and Risk Committee Report****Composition and Terms of Reference**

In line with the requirements of Paragraph 15.09(1)(a) and (b) of the Main Market Listing Requirements of Bursa Malaysia (MMLR), the composition of the Audit and Risk Committee (ARC) and attendance of each member at the ARC meetings are as follows:

Committee membership	Meetings attended	Responsibilities
Vimala V.R. Menon (Chair, Senior Independent Non-Executive Director)	6/6 	<ul style="list-style-type: none"> <li>To ensure that ARC meetings run efficiently, and each agenda item is thoroughly and thoughtfully discussed by all members of the Committee</li> <li>To provide oversight of the financial reporting process, the audit and risk management process, the system of internal controls and compliance with laws and regulations</li> </ul>
Yasmin binti Aladad Khan (Independent Non-Executive Director)	6/6 	
Datuk Iain John Lo (Independent Non-Executive Director) <i>(Appointed on 24 May 2021)</i>	3/3 	
Lars Erik Tellmann (Non-Independent Non-Executive Director) <i>(Appointed on 30 June 2021)</i>	2/2 	
Tan Sri Saw Choo Boon (Senior Independent Non-Executive Director) <i>(Retired on 18 May 2021)</i>	3/3 	
Randi Wiese Heirung (Non-Independent Non-Executive Director) <i>(Resigned on 30 June 2021)</i>	4/4 	

## Corporate Governance Overview Statement

The ARC held six (6) meetings during the financial year ended 31 December 2021.

No alternate Directors were appointed as members of the ARC.

Vimala V.R. Menon is a Fellow of the Institute of Chartered Accountants in England and Wales, and a member of the Malaysian Institute of Accountants. The ARC, therefore, meets the requirement of Paragraph 15.09(1)(c)(i) of the MMLR, which requires at least one (1) member of the ARC to be a qualified accountant.

The duties and responsibilities of the ARC are set out in its Terms of Reference which is accessible in the Corporate Governance section of Digi's website at <https://www.digi.com.my/our-company/our-governance>.

There is a cooling-off period of at least 3 years before a former partner of an external audit firm can be appointed as a member of the ARC.

The CEO, CFO and Head of Internal Audit attend the ARC meetings as permanent invitees. The Chair of the ARC may also invite other Board members and/or Management to participate in the meetings, when necessary.

The external auditors were invited to the ARC meetings to present their annual audit plan and to discuss the quarterly unaudited financial results and annual audited financial statements, as well as other matters deemed relevant. Both the internal and external auditors have unfettered access to members of the ARC including the Chair of ARC, throughout the year.

All deliberations during the ARC meetings, including the issues tabled and rationale adopted for decisions were properly recorded. Minutes of the ARC meetings were tabled for confirmation at the following ARC meeting and subsequently presented to the Board for notation. The Chair of the ARC reported to the Board on the activities and significant matters discussed at each ARC meeting.

### Summary of Activities of the ARC

The ARC carried out the following major activities during the year:

### Risk Management and Internal Control

- (a) Reviewed Digi's top risk profiles and deliberated on the significant threats and opportunities on a quarterly basis, including progress and adequacy of mitigation strategies.
- (b) Discussed improvements to the Enterprise Risk Management process to ensure proactive and holistic risk identification and monitoring of mitigation actions to reduce risk impact to an acceptable level.
- (c) Evaluated the overall adequacy and effectiveness of internal controls through review of the work performed by both internal and external auditors, other assurance providers within Digi, and discussions with Management.

### Internal Audit

- (a) Deliberated and provided input to the risk-based Internal Audit Plan to ensure adequate scope and coverage of Digi's strategic ambitions, goals and activities prior to recommending to the Board for approval. Monitored the progress of the approved Internal Audit Plan and approved changes to the Internal Audit Plan (if any) in response to changes in the organisation's business, risks, operations, systems and controls.
- (b) Reviewed and deliberated on internal audit reports, audit recommendations and adequacy of Management's response to these recommendations. Significant issues were discussed at length with the presence of relevant Management team members to ensure satisfactory and timely remediation actions have been committed by Management to address identified risks.
- (c) Monitored the implementation of action plans agreed by Management on outstanding audit findings on a quarterly basis, to ensure that all actions have been implemented based on the committed timelines until the ARC is satisfied that adequate controls are in place.
- (d) Provided guidance on ad hoc matters arising from on-going internal audit activities.
- (e) Evaluated the effectiveness of the Internal Audit function through evaluation of its performance and competencies, as well as monitoring the sufficiency of resources and total costs, to ensure that it has the required expertise to discharge its duties.
- (f) Reviewed and approved updates to the Internal Audit Charter.

## Corporate Governance Overview Statement

- (g) Reviewed and deliberated on investigation findings and Management recommendations on remedial actions covering disciplinary and/or corrective actions. Extensive discussions were conducted with the Management on the root cause of the incidents and risk exposure before the remedial actions were endorsed. Periodic updates are furnished to the ARC to ensure adequate and timely closure of the remedial actions.
- (h) Reviewed the revisions made to the Investigation Manual.

### Compliance Programme

- (a) Monitored the status of internal misconduct cases reported to the Board and the ARC on a quarterly basis, including on-going investigations, in accordance with Digi's Code of Conduct and Governing documents.
- (b) Deliberated on the results of compliance cases and directed Management to implement and/or enhance controls to prevent recurrence, including conducting education programmes to increase awareness.
- (c) Reviewed the status of the planned mitigation actions developed from the results of the Compliance risk assessment performed in 2020.
- (d) Reviewed the annual compliance programme which includes risk assessment activities, monitoring activities, policy review initiatives, training and awareness programmes for Digi employees.
- (e) Reviewed the revised Compliance department structure, comprising 3 units, namely Governance, Risk & Monitoring and Knowledge.
- (f) Reviewed and deliberated on the compliance monitoring activities, risk assessment activities and case resolutions undertaken by Compliance and ensured timely implementation of proposed remediation and control measures by Management across functions in Digi.

### Financial Reporting

- (a) Reviewed Digi's unaudited quarterly financial results and audited annual financial statements, and related announcements, before recommending them for the Board's approval, including:
  - (i) Deliberation on significant audit and accounting matters highlighted, comprising Management's judgments, estimates or assessments made and sufficiency of disclosures in the financial statements; and

- (ii) Discussion of significant financial matters at length to ensure compliance with internal accounting policies and Malaysian Financial Reporting Standards (MFRS), focusing on MFRS 16.

### External Audit

- (a) Reviewed the scope of work of the external auditors confirming their independence and objectivity.
- (b) Reviewed external auditors' Management Letter together with Management's responses, to ensure that appropriate actions have been taken.
- (c) Monitored on a quarterly basis, all non-audit services and fees incurred in which the external auditors were engaged, taking into account external auditors' independence and objectivity. The amount incurred by Digi and on group basis in respect of audit fees and non-audit related fees for services rendered by the external auditors is disclosed in Note 7 to the financial statements and in the Additional Compliance Information in this Integrated Annual Report.
- (d) Met privately with the external auditors at the ARC meetings held on 26 January 2021 and 18 October 2021 to ensure there were no restrictions to the scope of their audit and to discuss significant matters that arose during the course of audit.
- (e) Evaluated the performance of the external auditors and made recommendations to the Board on their re-appointment, subject to the approval of Digi's shareholders at the general meeting.

### Related Party Transactions

- (a) Reviewed the annual mandate compiled for recurrent related party transactions.
- (b) Reviewed related party transactions as disclosed in the financial statements and performed quarterly monitoring of the mandate for recurrent related party transactions to ensure compliance with the MMLR and Digi's policies and procedures.
- (c) Reviewed and deliberated on any new related party transactions to ensure that the terms and conditions of the transactions are commercially based and at arm's length.

## Corporate Governance Overview Statement

### Other Activities

- (a) Reviewed and recommended to the Board; the ARC Report, Directors' Responsibility Statement and Statement on Risk Management and Internal Control, for inclusion into the Integrated Annual Report.
- (b) Reviewed and recommended the revised Terms of Reference of ARC for Board's approval.
- (c) Reviewed the proposed dividend payout on a quarterly basis, taking into consideration the cash flow requirements before recommending for the Board's approval.
- (d) Reviewed and made the appropriate recommendations the Board on the proposed merger of Celcom Axiata Berhad and Digi.

### Internal Audit Function

The Internal Audit Department reports functionally to the ARC, to ensure impartiality and independence in executing its role. Its primary responsibility is to provide risk-based and objective assurance, advice and insight to the Board and Management on Digi's internal control, risk management and governance system.

The Internal Audit Department comprising seven (7) members is led by Serena Chin, who has 15 years of audit experience in various industries such as property development, education, capital markets, banking and insurance. She also has eight (8) years of project management experience and spent two (2) years in an operational role within the capital markets regulatory environment. She holds a Bachelor of Business (Accountancy) degree from RMIT University and is a member of the Malaysian Institute of Accountants. To further preserve the independence of the Internal Audit function, the performance of the Head of Internal Audit is appraised by the Chair of the ARC.

The Internal Audit function is guided by the provisions of its Internal Audit Charter, which is reviewed and approved by the ARC annually. The internal audit function's activities conform to the Institute of Internal Auditors International Standards for the Professional Practice of Internal Auditing, set forth by the Institute of Internal Auditors.

The Head of the Internal Audit, reporting directly to the ARC, is responsible for enhancing the quality assurance and improvement programme of the internal audit function.

Its effectiveness is monitored through continuous internal and external quality assessments and the results are presented to the ARC. The internal assessment is performed annually while the external assessment by a certified body is conducted once every five (5) years. The last external assessment was conducted in October 2020, and was performed by a qualified, independent assessor.

The Internal Audit Department executed a total of 15 reviews during the year, including advisory services. The reviews covered key risk areas and focused on the efficiency and effectiveness of governance and controls over the following: business division operations, management of network site electricity, dismantled technical inventory management, debt collection agency management, digital partnerships and digital payments, the newly implemented procurement sourcing tool, waivers and adjustment processes, including Pusat Internet Komuniti, i.e. community centres where free internet access is provided in underserved areas. In addition to the reassessment of controls over cyber security policies and procedures, a review was conducted to assess the strength of the SS7 Network Security Governance Policies pertaining to SS7/Diameter security and monitoring across Digi network as well as the ability to defend against malicious signaling traffic. The Internal Audit Department had also conducted internal investigations into allegations of misconduct and breach of the Code of Conduct by employees.

Internal Audit staff performed an annual declaration on their adherence to the Code of Ethics, and that they are free from any relationships or conflict of interest, which could impair their objectivity and independence. Any non-conformance and/or conflict of interest will be reported to either the Head of Internal Audit or to the Chair of the ARC. The total costs incurred for the Internal Audit Department in respect of the financial year ended 31 December 2021 amounted to RM1.99 million (2020: RM1.50 million).

### PRINCIPLE C - INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

#### Our Approach

We recognise that stakeholder engagement is an important component of good corporate governance.

## Corporate Governance Overview Statement

Digi places importance in providing the necessary access to all stakeholders to the same information and disclosures as part of our commitment of fulfilling our obligation to provide equal and credible information to all stakeholders. This is also in line with our practice to treat all shareholders equally, without any preferential treatments to institutional investors and other stakeholder groups. Our solid approach in stakeholder engagement is supported by Digi's Financial Disclosure Policy and Corporate Communication Policy which outlined a comprehensive approach to deliver open and clear communication in line with MMLR.

Nevertheless, additional details of Digi's stakeholder communication approaches in line with Practice 12.1 of MCCG can be found in the Key Relationships write-up under Section 3: Strategic Review on pages 30 to 32 of this report.

### Investor Relations (IR) in Digi

The IR unit, headed by the Head of Investor Relations who reports directly to the CFO, facilitates communication between the Company and the investment community. Adapting to Covid-19 business restrictions and the shift in way of work, the IR unit has effectively embraced digital communication tools to carry out all IR programmes, including digitising investors meetings, management roadshows and all the Company's events since 2020. The unit is highly committed to provide content-rich and credible information in times of uncertainty with open and transparent communications, to keep the community informed remotely. The quick adaptation to digital channels in a new normal has yielded the recognition by Malaysian Investor Relations Association (MIRA) as the Company with Best Innovation and Use of Technology in IR, awarded in December 2021.

In addition, the dedicated Investor Relations section on Digi's corporate website: <http://digi.listedcompany.com/> has been enhanced during the year under review with interactive infographics and digital formatting to include mobile-friendly features. As a result of our improved efforts, Digi was awarded with Best Investor Relations Website by MIRA which highlighted our continuous promise to provide comprehensive information enabling the investment community to make informed and strategic decisions, whilst ensuring equal access to valuable information.

Furthermore, we welcome feedback and enquiries from our stakeholders and the public on our reporting as part of our improvement journey to deliver high quality corporate

reports. Our IR team is available at all times and can be contacted via electronic mail at [invesrel@digi.com.my](mailto:invesrel@digi.com.my) or via the enquiry form as obtained on our IR websites.

### Conduct of General Meetings

The AGMs serve as the principal avenue for shareholders to engage the Board and Management Team in a constructive two-way dialogue. Shareholders are encouraged to actively participate during the AGMs by raising questions and providing feedbacks to the Board and Management Team.

In view of the COVID-19 pandemic situation and as per the Guidance Note and Frequently Asked Questions on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia, Digi had successfully convened its 24<sup>th</sup> AGM as a fully virtual meeting conducted via live streaming. All members participated the AGM online and voted electronically using the Remote Participation and Electronic Voting (RPEV) facilities. Meanwhile, shareholders and proxies of Digi were also able to submit their questions electronically via the virtual event platform before and during the AGM. The success of our virtual AGM was measured in a survey sent to all members post-event which highlighted our effectiveness to provide a solid virtual communication between Shareholders and the Company.

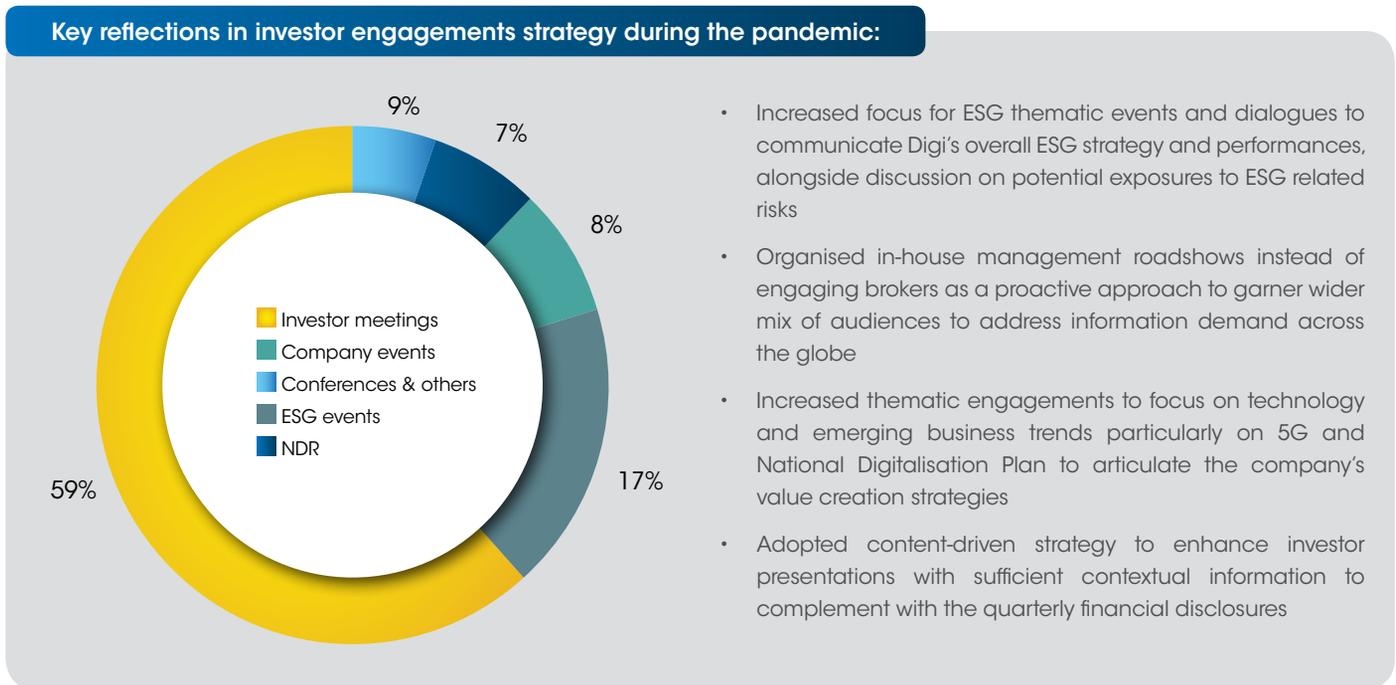
For the upcoming 25<sup>th</sup> AGM which is scheduled to be held on 13 May 2022, the notice of the AGM has been made available to shareholders for not less than twenty-eight (28) days prior to the meeting in order to accord shareholders with sufficient time to review the Company's financial and operational performance as well as the resolutions that are to be tabled during the 25<sup>th</sup> AGM.

The extended notice period is also intended to enable shareholders to make the necessary arrangements to attend the 25<sup>th</sup> AGM. Digi will continue to leverage on digital and video conferencing tools to conduct the upcoming 25<sup>th</sup> AGM virtually, with advanced features to allow participants to access Questions and Answers (Q&A) tabs. These technologies are backed with high cybersecurity features and will be critical to facilitate voting in absentia and remote shareholders' participation. Lastly, the AGM minutes and summary of Q&A dialogues will be published on our corporate websites for public viewing following the conclusion of the 25<sup>th</sup> AGM.

Corporate Governance Overview Statement

2021 Investor Calendar

Throughout the year, the team successfully organised six (6) Company events, five (5) non-deal roadshows (NDR), thirteen (13) ESG events, over forty (40) Investor meetings, seven (7) Conferences and others. The summary of the investor engagements was further illustrated below, while the full IR calendar can be found via [https://digi.listedcompany.com/financial\\_calendar.html](https://digi.listedcompany.com/financial_calendar.html).



Summary of Investor Discussion

The Head of Investor Relations plays a more central role to close information gaps and inform the market on broader material issues affecting the business’s results and prospects. Pertinent matters such as strategic developments, financial results and material ESG issues were often raised and discussed throughout the year, as summarised below:

Key topics raised	Our responses
Company’s efforts to drive operational recovery in a new normal	<ul style="list-style-type: none"> <li>All Digi Stores and retail frontliners are 100% fully vaccinated against Covid-19 virus</li> <li>Strict safety measures in place to provide a safe environment for customers and employees to engage</li> <li>Enhanced all digital and self-serve channels to drive digital self-serve channels and broaden customer reach</li> </ul>

## Corporate Governance Overview Statement

Key topics raised	Our responses
Prioritisation on network investment	<ul style="list-style-type: none"> <li>Rated as the fastest and most consistent network nationwide by Ookla as a testament of Digi's commitment to maximise best internet experience</li> <li>Maintained competitive network through consistent network and infrastructure spend by focusing at critical and key growth locations</li> <li>Increased nationwide 4G and 4G LTE network coverage and improved in-door coverage for urban and suburban areas in line with the targets set by Jalanan Digital Negara (JENDELA) initiative</li> <li>Completed nationwide 3G shutdown as part of the JENDELA initiative to enable 3G spectrum to be repurposed to enhance the 4G LTE network performance</li> </ul>
Industry development and market competition	<ul style="list-style-type: none"> <li>Joint industry effort to provide free data daily for productivity and education sites alongside zero-rated access to websites providing essential information</li> <li>Continued focus to provide customers with compelling product propositions and differentiated customer experiences</li> <li>Rewarded and incentivised customers with data bonuses and freebies</li> <li>Re-designed affordable bundle deals and segmented products to serve broader Malaysians, particularly youth and B40 groups to provide easy access to internet and connectivity</li> </ul>
Ensured sustained financial growth and shareholder returns	<ul style="list-style-type: none"> <li>Resilient performance on good underlying performances despite Covid-19 effects on roaming and migrant revenue reductions</li> <li>Delivered cost savings led by cost optimisation efforts and efficient bad debt risk management</li> <li>Recorded the highest return on equity over three years for Big Cap companies (RM10-40 billion market capitalisation) in Telecommunications and Media by The Edge Billion Ringgit Club 2021</li> </ul>
ESG performances particularly on environmental management and supply chain management	<ul style="list-style-type: none"> <li>Completed Climate Data Integrity exercise guided by an independent advisor to continuously improve climate data collection methodology and management approach</li> <li>Commendable ESG scores as rated by index providers</li> <li>Tightened internal controls and monitoring mechanisms to manage environmental impacts</li> <li>Strengthened ESG considerations across supply chain management and processes whilst fully digitalising the entire processes amid Covid-19 disruptions</li> </ul>

### Integrity in Corporate Reporting

In Digi, we have established formal and rigorous processes and strives to present shareholders with a balanced and comprehensive assessment of the Company's financial performance, challenges and outlook. This includes the annual Directors' Report and other reports in the Company's corporate reports portfolio released to the public.

## Corporate Governance Overview Statement

Key topics raised	Our responses
Financial reporting and disclosure	<p>To facilitate this, the Company implemented additional internal controls to ensure the integrity of corporate reporting systems, including the accuracy of financial reporting alongside the advisory and audit services by third party</p> <p>Prior to the release to public domain, quarterly financial reports and Management Discussion and Analysis (MD&amp;A) have been reviewed by the ARC, and ultimately approved by the Board. All financial statements are prepared in accordance with the requirements set out in the MFRS, the International Financial Reporting Standards (IFRS), MMLR and the Companies Act 2016</p>
Integrated Annual Report (IAR)	<p>This is Digi's third (3<sup>rd</sup>) Integrated Annual Report prepared in accordance with the principles prescribed by the International Integrated Reporting Council (IIRC) and twentieth (20<sup>th</sup>) Annual Report produced since our listing on Bursa Malaysia in 1997</p> <p>The report provides a comprehensive coverage of the Group's operations and financial performance in 2021, following meticulous process of reviewing and evaluating by our appointed Auditor, alongside the compulsory reviews by Senior Management Team</p> <p>Our Board will also be providing its final approval prior to the publication to the market to protect the integrity and accuracy of all information in our annual reports thus provide stakeholders with appropriate information to make informed decisions</p>

**Statement by the Board**

The Board has reviewed, deliberated and approved this Statement on 11 March 2022.

# More information on Digi's principles and practices for corporate governance can be found at the Governance section at <https://www.digi.com.my/our-company/our-governance>.