

**AXIATA GROUP BERHAD (242188 H)**

(Incorporated in Malaysia)

**MINUTES OF TWENTY-FIRST ANNUAL GENERAL MEETING OF AXIATA GROUP BERHAD HELD AT THE GRAND BALLROOM, 1ST FLOOR, SIME DARBY CONVENTION CENTRE, 1A JALAN BUKIT KIARA 1, 60000 KUALA LUMPUR ON THURSDAY, 23 MAY 2013 AT 10.00 A.M.**

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**PRESENT**

1. Tan Sri Dato' Azman Haji Mokhtar  
(**"Chairman"**) - *Chairman*
2. Dato' Sri Jamaludin Ibrahim  
(**"President & GCEO"**) - *Managing Director/President & Group Chief Executive Officer*
3. Tan Sri Ghazzali Sheikh Abdul Khalid  
(**"TSG"**)
4. Datuk Azzat Kamaludin (**"DAK"**)
5. Dato' Abdul Rahman Ahmad (**"DAR"**)
6. David Lau Nai Pek (**"DL"**)
7. Juan Villalonga Navarro
8. Ann Almeida (**"AA"**)
9. Kenneth Shen (**"KS"**)

**IN ATTENDANCE**

- Suryani Hussein (**"Group Cossec"**) - *Group Company Secretary*

**SHAREHOLDERS PRESENT**

*As per the attendance list [Total :1,796 representing 6,786,346,558 Ordinary shares of RM1.00 each (**"Axiata Shares"**)]*

**PROXIES PRESENT**

*As per the attendance list [Total : 567 representing 6,781,244,167 Axiata Shares of which of 1,956,444,224 represented by Chairman]*

## 1.0 OPENING

The Chairman called for the recitation of the 'Doa'. Thereafter, he welcomed all shareholders, proxies and invitees present at the Meeting and introduced members of the Board who were present to the floor.

The Chairman recorded appreciation to Dr Muhamad Chatib Basri, Independent Non-Executive Director ("**INED**") who left Axiata Group Berhad ("**Axiata**" or "**Company**") on 14 June 2012. The Chairman welcomed Dato' Abdul Rahman and Ann Almeida who were appointed as INEDs on 17 January 2013 and 21 January 2013 respectively.

## 2.0 QUORUM AND ADMINISTRATIVE MATTERS

The presence of quorum was confirmed by the Group Cossec pursuant to Article 71 of the Articles of Association ("**Articles**") of Axiata.

The Group Cossec briefed on the voting procedures and procedures for a demand for a poll. Unless a poll is demanded, all resolutions will be voted by way of a show of hands. The independent scrutineers appointed, Messrs PricewaterhouseCoopers, would be responsible to determine the voting capacity and facilitate the administration of the voting process.

## 3.0 NOTICE

The Chairman with the permission of the Meeting declared the Notice of 21st Annual General Meeting ("**21st AGM**") dated 2 May 2013 and despatched together with the 2012 Annual Report ("**AR2012**") to be taken as read.

## 4.0 PRESENTATION BY PRESIDENT & GCEO

- 1) The Chairman, prior to inviting the President & GCEO to give a presentation, informed the Meeting that Axiata had responded to queries received from the Minority Shareholder Watchdog Group ("**MSWG**") vide its letter dated 16 May 2013 ("**MSWG Letter**"). Axiata's reply letter dated 20 May 2013 had been distributed to the attendees before the Meeting.
- 2) The President & GCEO thanked the shareholders for their attendance and made a brief presentation covering the following:-
  - i) Axiata's journey in becoming a 'Regional Champion' since its listing in 2008,
  - ii) Axiata Group's 2012 performance; and
  - iii) Q113 Unaudited Financial Results.
- 3) At the end of the presentation, he touched briefly on a few queries raised by MSWG particularly on Axiata being shortlisted by the Government of Myanmar for the 2 telecommunication licenses, in-country consolidation and strategic merger of Hello and Latelz.

- 4) The Chairman then invited the Chief Executive Officer of MSWG, Rita Benoy Bushon to say a few words. Rita commented on the following:-
- i) Highlighted on MSWG's initiatives on corporate governance scorecards for public listed companies in Malaysia benchmarked against other ASEAN companies. In relation thereto, she suggested that the minutes of AGM of Axiata be made available on the company's website;
  - ii) In acknowledging the recent appointment of Ms Almeida, suggested for further enhancement of Board gender diversity by appointing more female Board members, preferably 50%. This could be achieved through appointment of additional Directors; and
  - iii) Stressed on the importance of time commitment; particularly, in respect of attendance at Board meetings. In this regard, distance should not be a deterrent especially for Axiata as it has access to various advanced technologies.
- 4) The Chairman thanked Madam Rita and responded as follows:-
- i) In respect of the publication of the AGM minutes on the website, the same would be implemented from this AGM onwards;
  - ii) On Board Gender Diversity and composition of the Board, Axiata remained committed to achieving the right balance. He shared that the challenge was in finding the right candidate which remained a priority for the Board. The size and composition of the Board has to be balanced with the complexities and new business lines of Axiata Group. At this point, the Board viewed that it has a good mix of skills and experience to face the challenges; and
  - iii) With regard to Board meeting attendance, the Chairman acknowledged the high standards expected of Axiata Board. He shared some discussions the Board had related to the findings of the recently concluded 2012 Board Effectiveness Evaluation ("**2012BEE**") including effectiveness of meetings. Axiata Board on average met 8-10 times annually (including Board Retreats) and sometimes scheduling issues did become a problem. While technology might facilitate Board meetings, the same could not replace actual face-to-face discussions.

## **5.0 AUDITED FINANCIAL STATEMENTS ("AUDITED FINANCIAL STATEMENTS") FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 ("FYE2012") TOGETHER WITH THE REPORT OF THE DIRECTORS AND THE AUDITORS ("REPORTS") THEREON**

[Ordinary Resolution 1]

- 1) The Chairman tabled the Audited Financial Statements and Reports. The motion on the receipt of Audited Financial Statements was proposed by Mootha Kumaran a/l Bass, a shareholder and seconded by Goh Swee Hong, also a shareholder. With the permission of the Meeting, the Chairman declared the Auditors' Report to be taken as read.
- 2) The Chairman invited comments and/or queries from shareholders/proxies and the summary of proceedings were as follows:-
  - i) Chiew Sing Cheong, a shareholder, enquired on the expected ratio of

revenue/PAT contribution from Axiata Group's foreign operations in 2015 and the source of financing for Axiata Group's capital requirements in view of heavy investments in the next 2-3 years.

President & GCEO responded that while currently revenue/PAT contribution was predominantly from Axiata's operations in Malaysia, the Management expected the scenario to change whereby more than half of Axiata's profit would be generated from foreign operations. However, in year 2015, in which Axiata aspires to become a Regional Champion, the current revenue ratio is expected to continue. The EBITDA level in Indonesia, a fast growing market, was at the same level as Malaysia and expected to surpass Malaysia's in the next 5-7 years. In this regard, Malaysia operations were expected to perform better but relatively lower in terms of contribution to the overall performance of Axiata Group. On funding of Axiata Group's capital requirements, particularly for CAPEX, it would be funded from internally generated funds.

- ii) Mootha Kumaran a/l Bass, a shareholder, enquired on the following:-
- a) Whether Axiata Group pays taxes in countries in which it operates;
  - b) '1Malaysia' Board composition;
  - c) Clarification on non-audit fees paid to PricewaterhouseCoopers ("**PwC**") as disclosed on page 93 of the AR2012.

In respect of the tax, the Chairman confirmed that as a good corporate citizen, Axiata pays taxes in the countries in which it operates. The President & GCEO shared the amount of taxes (including income and spectrum tax) paid by Axiata Group for 5-year period; namely, Celcom (RM3.8 billion), XL (RM3.5 billion), Dialog (RM1.8 billion) and Robi (RM3.1 billion).

On Board composition, it was again shared that while the Board would continue to enhance its composition, it is a gradual process which needs to be balanced with the Board's continuity, diversity and changing demands of skillsets and knowledge required.

With regard to the audit fees, David Lau Nai Pek, Chairman, Board Audit Committee ("**BAC**") clarified that 70% of audit fees paid/payable to PricewaterhouseCoopers ("**PwC**") were for audit related fees in all of its subsidiaries. Key items for non-audit fees were related to tax advisory; particularly in the Malaysian context and tax optimisation advice. Other non-audit items included due diligence exercises which were awarded based on competitive pricing and having the requisite skill-sets/expertise.

- 3) At the end of the question and answer session, the Chairman put the motion to vote by show of hands.

**RESOLVED:**

**THAT** the Audited Financial Statements for the FYE2012 and the Reports be and are hereby received.

**6.0 DECLARATION OF FINAL TAX EXEMPT DIVIDEND UNDER SINGLE TIER SYSTEM OF 15 SEN PER ORDINARY SHARE FOR THE FYE2012**

[Ordinary Resolution 2]

- 1) The motion on the declaration of Final Dividend tabled at the Meeting was proposed by Mootha Kumaran a/l Bass, a shareholder and seconded by Khoo Cheng Kee, also a shareholder.
- 2) Shareholders' approval was sought for payment of final dividend of 15 sen per share under single-tier system in respect of FYE2012. The Final Dividend would be paid to the shareholders on 14 June 2013 based on entitlement date of 31 May 2013 as provided in the Notice on Dividend Entitlement and Payment dated 2 May 2013.
- 3) The motion was put to vote by show of hands.

**RESOLVED:-**

**THAT** the declaration of final tax exempt dividend under single tier system of 15 sen per Ordinary Share for the FYE2012 be and is hereby approved.

**7.0 DECLARATION OF SPECIAL TAX EXEMPT DIVIDEND UNDER SINGLE TIER SYSTEM OF 12 SEN PER ORDINARY SHARE FOR THE FYE2012**

[Ordinary Resolution 3]

- 1) The motion on the declaration of Special Dividend tabled at the Meeting was proposed by Mootha Kumaran a/l Bass, a shareholder and seconded by Khoo Cheng Kee, also a shareholder.
- 2) Shareholders' approval was sought for payment of Special Dividend of 12 sen per share under single-tier system in respect of FYE2012. The Special Dividend would be paid to the shareholders on 14 June 2013 based on entitlement date of 31 May 2013 as provided in the Notice on Dividend Entitlement and Payment dated 2 May 2013.
- 3) Mohammad Shariff Abdullah, a proxy, expressed his view that Axiata could further improve its tax position and suggested that a taskforce be formed to look into a more efficient tax position for the Group.

The Chairman highlighted that Axiata has always taken tax planning seriously and strived to attain an efficient/optimum tax structure. The President & GCEO added that tax experts were in fact engaged for this purpose. From a bigger perspective, Axiata has been a very good corporate citizen in the country in which it operates and contributed to the wealth of the country to ensure the Group's sustainability in these countries in the long-run. Telecommunication is a highly regulated industry; hence, it is crucial for Axiata to remain as a good corporate citizen while at the same time maintaining the delicate balance of defending its rights/positions against excessive tax imposed by regulators.

- 4) The motion was put to vote by show of hands.

**RESOLVED:-**

**THAT** the declaration of special tax exempt dividend under single tier system of 12 sen per Ordinary Share for the FYE2012 be and is hereby approved.

**8.0 RE-ELECTION OF DIRECTORS RETIRING BY ROTATION PURSUANT TO ARTICLE 93 OF THE ARTICLES**

a) Re-election of DSJI

[Ordinary Resolution 4]

- 1) The motion on the re-election of DSJI tabled at the Meeting was proposed by Mootha Kumaran a/l Bass, a shareholder and seconded by Mohammad Shariff Abdullah, a proxy.
- 2) The motion was put to vote by show of hands.

**RESOLVED:-**

**THAT** Dato' Sri Jamaludin Ibrahim who retires in accordance with Article 93 of the Articles of Association of the Company and who being eligible offered himself for re-election, be and is hereby re-elected as Director of the Company.

b) Re-election of TSG

[Ordinary Resolution 5]

- 1) The motion on the re-election of TSG tabled at the Meeting was proposed by Mohammad Shariff Abdullah, a proxy and seconded by Faizah Mohamad Yusop, also a proxy.
- 2) The motion was put to vote by show of hands.

**RESOLVED:-**

**THAT** Tan Sri Ghazzali Sheikh Abdul Khalid who retires in accordance with Article 93 of the Articles and who being eligible offered himself for re-election, be and is hereby re-elected as Director of the Company.

**9.0 RE-ELECTION OF DIRECTORS APPOINTED DURING THE YEAR 2013 AND RETIRING PURSUANT TO ARTICLE 93(ii) OF THE ARTICLES**

a) Re-election of DAR

[Ordinary Resolution 6]

- 1) The motion on the re-election of DAR tabled at the Meeting was proposed by Mootha Kumaran a/l Bass, a shareholder and seconded by Faizah Mohamad Yusop, a proxy.
- 2) The motion was put to vote by show of hands.

**RESOLVED:-**

**THAT** Dato' Abdul Rahman who retires in accordance with Article 99 (ii) of the Articles and who being eligible offered himself for re-election, be and is hereby re-elected as Director of the Company.

b) Re-election of AA

[Ordinary Resolution 7]

- 1) The motion on the re-election of AA tabled at the Meeting was proposed by Mootha Kumaran a/l Bass, a shareholder and seconded by Chu Eng Hock, also a shareholder.
- 2) The motion was put to vote by show of hands.

**RESOLVED:-**

**THAT** Bella Ann Almeida who retires in accordance with Article 99 (ii) of the Articles and who being eligible offered herself for re-election, be and is hereby re-elected as Director of the Company.

**10.0 PAYMENT OF DIRECTORS' FEES OF RM1,680,000.00 FOR THE FYE2012 ("PAYMENT OF DIRECTORS' FEES")**

[Ordinary Resolution 8]

- 1) The motion on the payment of Directors' Fees tabled by the Chairman was proposed by Mootha Kumaran a/l Bass, a shareholder and seconded by Khoo Cheng Gaik, also a shareholder.
- 2) Lya Rahman of MSWG suggested for Axiata, in line with international best practices and in the spirit of transparency, to seriously consider disclosing individual Director's remuneration instead of disclosure by way of bands as prescribed under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Main LR**"). The Chairman agreed to look into the same.
- 3) The motion was put to vote by show of hands.

**RESOLVED:-**

**THAT** the payment of Directors' fees of RM1,680,000.00 for the FYE2012 be and is hereby approved.

**11.0 PAYMENT OF DIRECTORS' FEES FOR NON-EXECUTIVE CHAIRMAN OF RM30,000.00 PER MONTH AND EACH NON-EXECUTIVE DIRECTORS OF RM20,000.00 PER MONTH WITH EFFECT FROM 1 JANUARY 2013 UNTIL THE NEXT ANNUAL GENERAL MEETING**

[Ordinary Resolution 9]

- 1) The above motion tabled at the Meeting was proposed by Chu Eng Hock, a shareholder

and seconded by Chiew Sing Cheong, also a shareholder.

- 2) The Chairman explained that as disclosed on page 85 of the Annual Report, Directors' Fees for Non-Executive Chairman was RM30,000.00 per month and each of the Non-Executive Directors ("**NEDs**") was RM20,000.00 per month. There was no increase in the amount of fees proposed.
- 3) The Chairman further clarified on the reasons the approval was sought which were for practical purpose to enable payment of Directors' Fees to be made monthly rather than in arrears after every AGM. The President & GCEO added that the proposal was debated by the Board and it was viewed as fair as the intention was to ensure that the NEDs were paid on time rather than after serving the Board for a considerable period.
- 4) Mohammad Shariff Abdullah, a proxy, suggested for the numbering of each of the Agenda Items to be aligned with the corresponding resolutions. The Chairman agreed with this proposal.
- 5) The motion was put to vote by show of hands. The Chairman acknowledged that the Employees' Provident Fund Board had voted against the proposal as a matter of policy.

**RESOLVED:-**

**THAT** the payment of Directors' fees of RM30,000.00 per month for Non-Executive Chairman and RM20,000.00 per month for Non-Executive Director with effect from 1 January 2013 until the next AGM of the Company be and is hereby approved.

**12.0 RE-APPOINTMENT OF MESSRS. PRICEWATERHOUSECOOPERS TO ACT AS AUDITORS OF THE COMPANY FOR THE FINANCIAL YEAR ENDING 2013 ("RE-APPOINTMENT OF AUDITORS") AND TO AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION**

[Ordinary Resolution 10]

- 1) The motion on the re-appointment of PwC tabled at the Meeting was proposed by Mootha Kumaran a/l Bass, a shareholder and seconded by Lun Phik Kuan, a proxy.
- 2) Chiew Sing Cheong, a shareholder, raised his concern on the amount of Auditors' fees of RM11.3 million for FYE2012 and enquired whether the Board should ask for a reduction.

DL explained that not all the fees paid to PwC were related to audit and the fees proposed by PwC were being challenged quite rigorously. James Maclaurin, Group Financial Controller explained that Axiata took a very tough and objective view on the process of reviewing its auditors including the degree of non-audit works awarded to its auditors. Non-audit related works were also outsourced to others. Overall, Management was pleased with PwC's performance and worked closely with the BAC.

- 3) In response to enquiry from Mohammad Shariff Abdullah, a proxy, on whether PwC also provided consultancy and advisory services in addition to audits related to compliance, performance, operational and risk audits to justify the fees, DL advised that PwC also provided tax advisory services which formed part of the RM11.3 million fees paid.
- 4) The motion was put to vote by show of hands.



**RESOLVED:-**

**THAT** Messrs PricewaterhouseCoopers be and is hereby re-appointed as Auditors of the Company for the FYE2013 until the conclusion of the next annual general meeting **AND THAT** the Directors be and are hereby authorised to fix their remuneration.

**13.0 PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS ("RRPT") OF REVENUE OR TRADING NATURE ("RRPT MANDATE")**

[Ordinary Resolution 11]

- 1) Khazanah, the major shareholder of Axiata was deemed interested in the RRPT Mandate. The Chairman and KS are representatives of Khazanah on the Board of Axiata.
- 2) In view of the above, the Chairman handed over the chair of the Meeting to DL to preside and put the resolution on the RRPT Mandate to vote.
- 3) The motion on the RRPT Mandate tabled at the Meeting was proposed by Mootha Kumaran a/l Bass, a shareholder and seconded by Goh Swee Hong, also a shareholder.
- 4) The motion was put to vote by show of hands.

**RESOLVED:-**

**THAT**, in accordance with paragraph 10.09 of the Main LR, approval be and is hereby given for Axiata Group Berhad ("**Company**") and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature, as set out in 'Appendix II' of the Circular to Shareholders dated 2 May 2013 despatched together with the Company's 2012 Annual Report, which are necessary for the day-to day operations in the ordinary course of the business of the Company and/or its subsidiaries on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company;

**THAT** such approval will continue to be in force and effect until:-

- i) The conclusion of the next Annual General Meeting of the Company at which time the authority will lapse, unless the authority is renewed by a resolution passed at such general meeting;
- ii) The expiration of the period within which the Company's next Annual General Meeting is required to be held under Section 143(1) of the Companies Act, 1965 (but must not extend to such extension as may be allowed pursuant to Section 143(2) of the Companies Act, 1965); or
- iii) Revoked or varied by resolution passed by the shareholders of the Company in general meeting, whichever is earlier;

**AND THAT** the Directors of the Company be and are hereby authorised to complete and do all such acts, deeds and things (including without limitation, to execute such documents under the common seal in accordance with the provisions of the Articles of Association of the Company,

as may be required) to give effect to the aforesaid shareholders' mandate and transaction contemplated under this resolution.

- 5) At the conclusion of the agenda item, DL handed over the chair of the Meeting to the Chairman.

#### **14.0 PROPOSED GRANT OF ENTITLEMENTS TO, AND ALLOTMENT AND ISSUE OF ORDINARY SHARES TO DATO' SRI JAMALUDIN IBRAHIM ("PROPOSED GRANT")**

[Ordinary Resolution 12]

- 1) The motion on the Proposed Grant was proposed by Mootha Kumaran a/l Bass, a shareholder and seconded by Chu Eng Hock, also a shareholder.
- 2) The Chairman explained that as highlighted in the explanatory notes of the Notice of AGM in relation to this resolution on page 332 of the Annual Report, Ordinary Resolution 12, if approved, would allowed the President & GCEO to participate further under Axiata Share Scheme and be eligible for grants of up to 3.6 million additional Axiata Shares.
- 3) The Chairman added that the Company had done very well since its inception and believed that the introduction of the Long Term Incentive Plan has helped to better align the interest of Management and the shareholders. However, subsequent to its introduction, the value of Axiata shares had been diluted with the Rights Issue in 2009 and impacted the monetary value of the shares resulting with higher number of shares granted than initially projected.
- 4) The new Restricted Share Plan ("RSP") was designed to be aligned even more closely with shareholders' interest by making the plan very performance driven. For Senior Management, even after being granted RSP shares, they must meet not only their individual performance targets by the company must also meet certain Total Shareholder Returns ("TSR") target over 3 years in order to be allowed to vest for a particular grant. No shares would be vested if the company did not meet the performance level for the shares to vest; however, if the company did very well and met stretched targets which was extremely challenging to achieve, up to 4 times of the base grant would be vested.
- 5) For the President & GCEO to continue to participate in the RSP, an additional 3.6 million shares had to be allocated for him. Pursuant to the provisions of the Main LR, pertaining to allotment of shares to Directors, approval from shareholders on the issuance of 3.6 million Axiata Shares, being the maximum amount, was required regardless whether all of these would eventually be vested or not.
- 6) There were sufficient shares from the original approved total allocation to the Company to cover the 3.6 million shares sought for President & GCEO out of which a total of 1.28 million shares had already been granted in 2012 and 2013. Being above the grant of Axiata shares and/or options to be granted to him as approved by the shareholders at the 19th AGM held in 2011, the earlier grants were also subjected to shareholders' approval.
- 7) The President & GCEO had abstained from all deliberation and voting on this resolution at the Board of Directors' Meetings. The Chairman reminded that any persons connected with the President & GCEO who were present at the meeting to abstain from

voting on the resolution.

- 8) The Chairman opened the floor for questions and answers and shareholders/proxies sought clarification on inter-alia, conditions for granting and vesting, benchmarking of the scheme, price of the shares awarded and TSR concept all of which were general questions pertaining to the scheme. This was explained by the Chairman and other Board members particularly the members of Board Remuneration Committee in accordance with the Chairman's opening paragraphs above.
- 9) The Chairman further stated that the share award formed part of the President & GCEO's overall remuneration components and the most aligned to shareholders' interest.
- 10) The motion was put to vote by show of hands (The President & GCEO left the Meeting during the voting of the motion).

**RESOLVED:-**

**THAT**, the proposed Proposed Grant of Entitlements to, and allotment and issue, up to 3.6 million new ordinary shares of nominal value of RM1.00 each in the Company ('**New Axiata Shares**') to Dato' Sri Jamaludin Ibrahim, Managing Director/President & Group Chief Executive Officer of the Company, subject always to the terms and conditions of the Bye-Laws of the Axiata Share Scheme and/or any adjustment which may be made in accordance with the provisions of the Bye-Laws of the Axiata Share Scheme be hereby approved.

**THAT** in order to implement, complete and give full effect such grant, allotment and issuance, approval be hereby given to the Directors of the Company to do or procure to be done all acts, deeds and things and to execute, sign and deliver on behalf of the Company, all such documents as they may deem necessary, expedient and/or appropriate, with full powers to assent to any condition, modification, variation and/or amendment thereto as the Directors of the Company may deem fit and in the best interest of the Company.

**15.0 TERMINATION OF MEETING**

- 1) The Group Cosec confirmed that there was no notice received for any other business to be conducted at the 21st AGM.
- 2) The Chairman concluded the Meeting and thanked all present. The Meeting was terminated at 12.20 p.m.

**CONFIRMED AS A CORRECT RECORD**

**CHAIRMAN**

**Date:**