MINUTES OF THE TWENTY-NINTH (29TH) ANNUAL GENERAL MEETING (AGM) OF THE COMPANY HELD AT 10:00 A.M. ON THURSDAY, 8 MAY 2014 AT KRISTAL HALL, TM CONVENTION CENTRE, MENARA TM, JALAN PANTAI BAHARU, 50672 KUALA LUMPUR.

PRESENT:

DIRECTORS

1. Dato’ Sri Dr Halim Shafie [Chairman]
2. Tan Sri Dato’ Sri Zamzamzairani Mohd Isa
   [Managing Director/Group Chief Executive Officer]
3. Datuk Bazlan Osman
   [Executive Director/Group Chief Financial Officer]
4. Dato’ Fauziah Yaacob
5. Tunku Dato’ Mahmood Fawzy Tunku Muhiyiddin
6. Dato’ Danapalan T.P Vinggrasalam
7. Datuk Zalekha Hassan
8. Dato’ Ibrahim Marsidi
9. Mr Davide Giacomo Benello @ David Benello
10. Datuk Seri Fateh Iskandar Tan Sri Dato’ Mohamed Mansor
11. Miss Gee Siew Yoong

ALTERNATE DIRECTOR

1. Encik Nik Rizal Kamil Tan Sri Nik Ibrahim Kamil
   [Alternate Director to Tunku Dato’ Mahmood Fawzy Tunku Muhiyiddin]

ABSENT WITH APOLOGIES

1. Dato’ Ir Abdul Rahim Abu Bakar

IN ATTENDANCE

1. Encik Idrus Ismail
2. Puan Hamizah Abidin 
   } Secretaries

SHAREHOLDERS AND PROXIES

A total of 2,519 members registered for TM’s 29th AGM as per the Attendance Record.

BY INVITATION

A total of 72 invitees were invited for TM’s 29th AGM as per the Attendance Record.
1.0 WELCOMING ADDRESS

1.1 Dato’ Sri Dr Halim Shafie being Chairman of TM, took the chair and commenced the proceedings of the meeting.

He welcomed the members, proxy holders and invitees to the 29th AGM and thanked them for their continuous support to TM. He then invited all present to give attention to the video presentation on the safety measures of the TMMC.

1.2 The Chairman then invited Tuan Haji Zainal Mokhtar Mat Lazim to recite the du’a.

[Recitation of du’a by Tuan Haji Zainal]

1.3 After thanking Tuan Haji Zainal, the Chairman expressed his hope that the registration process went on smoothly and informed the meeting that the Board has taken note of relevant issues that were raised at the last AGM.

A Customer Service HelpDesk was set up outside the meeting hall to attend to any queries from members and invitees. In addition, Bursa Malaysia Depository Sdn Bhd (“Bursa Depository”) has also set up its e-dividend counter at the Ground Floor to attend to new registration for e-dividend and new products from Bursa Depository. To-date, a total of 75.50% TM shareholders have registered for e-dividend.

1.4 The Chairman then introduced the directors and Company Secretaries who were present today and extended Dato’ Ir Abdul Rahim Abu Bakar’s apologies for not attending the meeting due to unforeseeable circumstances.

1.5 The Chairman went on to inform that since the date of the last AGM held on 7 May 2013, one of the Independent Non-Executive Directors (“INED”) of the Company, namely, Mr Quah Poh Keat has resigned from the Board on 30 September 2013. Whilst earlier on, another INED of the Company, Dato’ Nur Jazlan Tan Sri Mohamed also resigned to stand as a candidate in the General Election. The Board has appointed two (2) new INEDs to fill in the said vacancies namely Datuk Seri Fateh Iskandar Tan Sri Dato’ Mohamed Mansor on 2 October 2013 and Miss Gee Siew Yoong on 13 March 2014.

He confirmed that the existing TM Board composition complies with Paragraph 15.02 of the Main Market Listing Requirements (“Main LR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the Malaysian Code on Corporate Governance 2012; as seven (7) of the Independent Directors form a majority on the TM Board of twelve (12).

1.6 The Chairman further informed the Meeting that the Company’s 2013 Corporate and Financial Summary together with the 2013 Annual Report in CD-ROM have been despatched to shareholders on 15 April 2014, whilst the Circular to Shareholders were despatched on 23 April 2014. The highly interactive version of the 2013 Annual Report is also available for download from both the Apple App Store and Android Play Store. Digital versions of the 2013 Annual Report as well as the 2013 Sustainability Report is also available on the Company’s official website at www.tm.com.my.
2.0 **ADMINISTRATIVE DETAILS AND QUORUM**

2.1 The Secretary briefed on the administrative details of the Meeting and addressed the following matters:

2.1.1 For ease of administration and purpose of identification, Members and Proxies were provided with orange coloured wristbands upon registrations, and blue coloured wristbands were allocated to invitees and guests who are not entitled to vote.

Members and Proxies are invited to raise questions or seek clarifications relevant to the proposed resolutions and vote on the resolutions tabled at the Meeting.

2.1.2 TM has appointed an Independent Scrutineers, Messrs PricewaterhouseCoopers (“PwC”), for the 29th AGM and Extraordinary General Meeting (“EGM”). The Scrutineers are stationed throughout the Meeting Hall to count and validate the votes in respect of the resolutions considered at the Meeting.

2.1.3 All resolutions will be voted by way of show of hands unless a poll is demanded. For a resolution to be voted by way of a poll, the demand for the poll is to be made before or on the declaration of the result of the show of hands by the Chairman unless it has been demanded prior to a vote being taken on a show of hands.

Article 83 of the Company’s Articles of Association provides the mechanism for voting by poll, where, it may be demanded by either of the following persons:

i) The Chairman; or

ii) At least 3 members (personally present or by proxy); or

iii) Members representing not less than 10% of the total voting rights of all Members present at this Meeting.

2.2 The Secretary thereafter confirmed the presence of the requisite quorum of a minimum of two (2) members present in person or by proxy for the Meeting pursuant to Article 79 of the Company’s Articles of Association.

2.3 The Secretary reported that based on the Attendance Record issued by the Share Registrar, a total of 2,519 members have registered for the Meeting as at 10.00 a.m.

3.0 **NOTICE OF MEETING**

The Chairman proposed that the Notice of the AGM be taken as read and Mr Gursharan Singh A/L Khajansingh, a shareholder, seconded his proposal.

4.0 **OPENING REMARKS BY CHAIRMAN**

4.1 The Chairman then declared the Meeting duly convened and thereafter summarised the key points of the Chairman’s Statement in the 2013 Annual
Report.

4.1.1 TM has delivered another commendable performance in 2013. For the fourth (4th) consecutive years, TM has surpassed all three (3) of its Headline Key Performance Indicators.

4.1.2 The 2013 Group revenue at RM10.63 billion crossed the RM10 billion mark for the first time since the demerger in 2008. The revenue growth rate of 6.4% exceeded the 6% target. TM Group Earnings Before Interest and Tax (EBIT) grew at 18.2% to RM1.36 billion against the target of 3%, and Customer Satisfaction Measure based on the TRI*M index was more than 72, above the global average of 68.

4.1.3 TM recorded Group Profit Before Tax (PBT) of RM1.05 billion compared to RM1.07 billion in 2012, TM incurred a net foreign exchange (forex) loss of RM105.2 million due to the strengthening of the US Dollar against Ringgit.

4.1.4 TM also recorded its highest Group Profit After Tax and Minority Interest (PATAMI) thus far at RM1.04 billion. Reported PATAMI stood at RM1.01 billion against RM1.26 billion in 2012 again due to forex loss and lower tax incentives of RM191.1 million compared to RM481.2 million in 2012.

4.1.5 Based on the good performance, TM will again fulfill its annual dividend commitment, to pay either RM700 million or up to 90.0% of normalised PATAMI to shareholders, whichever is higher.

4.1.6 The Board of Directors has recommended a final single-tier dividend of 16.3 sen per share amounting to RM583.1 million, on top of the interim dividend of 9.8 sen per share paid in September 2013. The total dividend payout will be 26.1 sen per share or RM933.7 million, the highest payout to-date.

4.1.7 TM has also maintained its position as the trusted broadband provider for the nation, as evidenced by 7.2% growth in the customer base to 2.2 million customers. Demand for high speed broadband (“HSBB”) service, UniFi, remain strong with 41% or close to 900,000 of customers are on HSBB packages of 4Mbps and above.

4.1.8 TM has also been at the forefront of every major telecommunication milestone in the country, and a trusted partner in nation-building. Today, TM is supporting the Government’s Economic Transformation Programme (“ETP”), where Information and Communication Technology (“ICT”) infrastructure and services, are key catalysts for growth of many of the sectors identified in the National Key Economic Areas, such as Healthcare, Tourism, Greater KL, Business Services, and Communications and Content Infrastructure.

4.1.9 In 2013, TM launched the following three (3) initiatives:

a) My1Hub - a neutral one-stop hub enabling connectivity from Malaysia to the rest of the world

b) Iskandar International Gateway which will position Nusajaya as the preferred hub of ICT network reachability and for data centre integration in South East Asia.
c) TM’s first privately-owned submarine cable system, Cahaya Malaysia Submarine Cable System which will further boost Malaysia’s position as a regional and international neutral hub.

4.1.10 TM has also played a key role in realising the Integrated Government Network (1GovNet), bringing government services closer to citizens via online channels.

4.1.11 TM looks forward to implementing the second phase of the HSBB Project, HSBB2, in support of the Government’s plan to further expand high speed broadband into new areas.

4.1.12 In the past few years, TM has built various communication infrastructures to provide an Information Exchange platform for the country. Moving forward, TM are focusing more on creating an environment for innovation in the area of content and applications, which renowned as the “Innovation Exchange”, to meet the demands of TM’s customers based on TM brand tagline “Life Made Easier”.

4.1.13 In terms of corporate governance and integrity, TM continues to instill these values throughout the organisation. In 2013, TM established an Enterprise, Ethics and Integrity Unit specifically to create more awareness on integrity framework not only among TM employees but the Company’s suppliers as well. TM hopes to strengthen the integrity culture so as to enhance risk management in TM.

4.2 On behalf of the Board, the Chairman expressed his sincere appreciation to all parties who have contributed to building TM to what it is now. The appreciation was also extended to the shareholders, media, regulators, Government as well as TM’s employees nationwide who have continued to believe in and support TM.

5.0 PRESENTATION BY THE GROUP CEO

5.1 The Chairman informed that TM has received questions from the Minority Shareholders’ Watchdog Group (“MSWG”) on 29 April 2014 and the answers have been provided to MSWG on 6 May 2014.

5.2 The Chairman then invited Tan Sri Dato’ Sri Zamzamzairani Mohd Isa (“Tan Sri Zam”), TM’s Group CEO to present TM’s responses to MSWG’s questions.

5.3 Tan Sri Zam presented TM’s replies to the questions raised by MSWG and the Company’s updates and financial highlights as per the presentation slides.

5.4 The members were also briefed on the recent news on broadband speed affecting TM:

a) A media report stated that Malaysia’s broadband speed is slower than neighbouring countries, specifically, Cambodia and Vietnam. TM refuted these findings as the analysis did not recognize several other factors such as penetration rate, average download speed, national policy and market dynamics.
b) The transaction of TM’s acquisition of Packet One Network (Malaysia) Sdn Bhd (“P1”) is subject to various conditions and is expected to be completed in Quarter 3, 2014.

[Presentation by Tan Sri Zam commenced from 10.20 a.m. to 10.45 a.m.]

5.5 In concluding his presentation, Tan Sri Zam thanked all present and relevant stakeholders for their attention and support to TM.

5.6 The Chairman thanked Tan Sri Zam for his presentation. He then invited MSWG’s representative, Puan Lya Rahman to say a few words.

5.7 Puan Lya thanked the Board for presenting MSWG’s questions and TM’s replies at the AGM and made the following comments and/or observations:

5.7.1 She commended the Board and the Management on the following:

- TM’s good performance in 2013 and continuous improvement in good corporate governance and practices.
- Disclosure of individual directors’ remuneration and fees in the Annual Report 2013 which is in line with the best practices.
- Appointment of an additional INED woman director on the Board showed a better Board diversity and a much appreciated commendable effort by TM.
- TM’s nomination as one of the top 5 companies in the Asean Corporate Governance Overall Assessment for 2013.

5.7.2 She expressed the hope for TM to continuously maintain high standard of corporate governance and be a good example to other listed companies in Malaysia.

5.8 The Chairman thanked Puan Lya for her kind words and observations. On behalf of the Company, he apologised to all shareholders for the slight discomfort in the Meeting Hall which was due to faulty air-conditioner compressor earlier in the morning.

6.0 RECEIPT OF AUDITED FINANCIAL STATEMENTS AND REPORTS OF DIRECTORS AND AUDITORS FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2013

6.1 The Chairman explained that beginning 2013, the Board has agreed to a new format in which the Audited Financial Statements for the financial year ended 31 December 2013 together with the Reports of the Directors and Auditors will not be put to vote. This is in line with the provision of Section 169(1) of the Companies Act 1965 which does not require the financial statements and reports to be formally approved by the shareholders.

Nonetheless, shareholders were welcomed to raise questions and seek clarifications on the Audited Financial Statements and Reports as normally practiced in the past AGMs.

6.2 The Meeting was informed that the auditors, Messrs PricewaterhouseCoopers (“PwC”), who were present today, were of the opinion that the financial statements have been properly drawn up and present a true and fair view of the financial position of the Company and Group as at 31 December 2013.
6.3 Thereafter, the Chairman welcomed the members’ questions regarding the presentation by Tan Sri Zam and TM’s 2013 Annual Report.

**Pertinent Questions and Answers During Meeting Proceedings** *(The Board’s and Advisors’ answers are in italic)*

6.3.1 2013 Financial Performance

a) Mr Muthu Kumaran, a shareholder, congratulated the Board, Management and staff for the Company’s good financial performance as well as achieving RM10 billion revenue in 2013. TM’s continuous efforts have been recognised nationally and internationally and such is evidenced by the various awards and recognition received by TM Group in 2013.

He further advised the Board and Management in ensuring that attractive compensation package (bonus, increment and salary) is awarded to TM Group employees in view of the high living cost.

b) Mr Gursharan Singh A/L Khajansingh (“GS”), a shareholder, also commended the Board and Management for the performance recorded in 2013. He further queried on the relevance of having cash flow statement in the financial statement/Annual Report?

_In respect of the cash flow, Dato’ Mohammad Faiz Azmi from PwC clarified the disclosure of the cash flow statement in the Annual Report is in compliance to the requirements of the Malaysian Accounting Standards Board. It is intended to reflect the realised and unrealised profit made by the Company and movements of cash and provide some insights to shareholders and investors the actual cash available in the Company and source of its income._

c) GS further suggested for the performance summary of major subsidiaries to be disclosed in the Annual Report/Financial Statements. A single-line reporting to reflect the performance of the major subsidiaries would be sufficient for shareholders’ information and for good governance practices.

_Datuk Bazlan Osman (“DBO”) responded that there is no requirement to disclose the profit and loss of major subsidiaries in the Annual Report/Financial Statements. The new Financial Reporting Standard (FRS) 12 provided the requirement to disclose summarised financial information of material subsidiaries with non-controlling interest such as Fiberail Sdn Bhd and Fibrecomm Network (M) Sdn Bhd which are disclosed on pages 353 to 355 of the Annual Report._

d) GS also commented that although the Earnings Per Share (EPS) was quite low, the proposed dividend payout was quite high which appeared to be paid out of reserves.

,DBO referred the Meeting to page 30 of the Annual Report and clarified that the EPS was higher than the dividend i.e. EPS of 28.3 sen per share as compared to dividend of 26 sen per share. The dividends are to be paid from retained earnings and not reserves.*
e) Mr Ho Yuen Wueng (“HYW”), a shareholder, commented that despite the increased revenue recorded in 2013, EPS has declined by 20% in 2013 as compared to 2012.

As stated in page 174 of the Annual Report, DBO explained that despite recording higher operating profit before finance cost in 2013, the Group’s profit before taxation was lower due to the impact of unrealised foreign exchange loss in 2013 which has impacted our profitability. As such, the profit attributable to equity holders was lower by 20% in 2013 following lower net tax income. Consequent thereto, the EPS declined in 2013.

Our taxable expense i.e. tax incentive in 2013 was also lower.

However, based on normalised PATAMI, excluding forex and tax incentives, our normalised EPS was higher as compared to 2012.

f) GS commented that although the Report of the Board Audit Committee (“BAC”) complied with relevant requirements of the Main LR, it should also have additional information on the audit findings made by BAC throughout the year.

g) GS further proposed for the list of properties to be disclosed in the Annual Report. The properties’ current value should also be disclosed although the accounting standard allows for historical value to be used.

DBO explained that the Company has obtained a waiver from Bursa Securities since 2001 from having to disclose detailed particulars of all properties in the annual report. Nonetheless, the details of the properties based on locations/states and the net book value of the land and buildings has been reflected in page 424 of the Annual Report.

h) GS commented on the increased receivables in 2013 as compared to 2012.

DBO informed that Management will ensure that the provision of doubtful debt is manageable. The percentage of doubtful debt for 2013 is less than 1%.

i) GS proposed that in managing the receivables, TM kiosks and TMpoint should also accept debit card for bill payment purposes.

The Chairman thanked GS for his suggestion and assured that TM will give due consideration to the proposal.

6.3.2 Audit Fees

GS questioned the rationale of the increased in the audit fees 2013 (RM5.2 million) compared to 2012 (RM4.1 million).

DBO responded that the increase in audit fees was due to the increase in scope of works arising from system changes and compliance with the new FRS 124.
6.3.3 Acquisition of P1

a) HYW queried on viability of TM's investment in P1. How would the acquisition impact TM's performance? And, are there expected reductions in capital expenditure from the acquisition of P1?

Tan Sri Zam responded that the LTE is TM’s long-term play strategically. This investment is TM’s best option given the current state of wireless technology evolution and will ensure customers will have access to better services including high speed internet access.

The partnership and collaboration between TM, Green Packet Berhad and SK Telecom Co Ltd in P1 is an important strategic step that would allow TM to develop and offer a full-suite of converged communications services using the LTE technology.

b) Mr Choo Mun Tuck enquired on the investment of up to RM1.65 billion and whether TM has overpaid in the P1 acquisition.

Tan Sri Zam responded that the purchase of P1 was done at fair value. The proposed investment has undergone strict evaluation based on the following points:

- Money invested in P1 does not derive from shareholders' fund; and
- Sufficient benchmarking was conducted before any decision on investment is made.

The acquisition cost is approximately RM560 million and not to be based on RM1.65 billion joint investment. The RM1.65 million is not a commitment by TM but is based on the proposed business plan for the next 3-5 years. TM's portion is only 57% of the amount which will be shared by the other shareholders of P1.

6.4 After attending to several other questions and suggestions posed by the members, the Chairman continued with the meeting proceedings.

[The Questions and Answers Session ended at 12.20 p.m.]

7.0 ORDINARY RESOLUTION 1:
DECLARATION OF A FINAL SINGLE-TIER DIVIDEND OF 16.3 SEN PER SHARE IN RESPECT OF THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

7.1 The Chairman proceeded with the Ordinary Resolution 1 on the approval for the declaration of the final single-tier dividend of 16.3 sen per share in respect of the financial year ended 31 December 2013.

The proposed final single-tier dividend together with the single-tier interim dividend of 9.8 sen per share paid on 27 September 2013, represented a total dividend payout to shareholders of RM933.7 million for the financial year ended 2013.
7.2 The Meeting was also informed that TM would introduce a Dividend Reinvestment Scheme which shall be deliberated at the EGM to be held after the conclusion of the AGM. Under this scheme, if approved, shareholders can opt either to be paid fully in cash, or in part with TM shares.

7.3 At this juncture, GS suggested that the Board declared and paid interim dividend based on TM’s financial performance without having to table the proposed final dividend for the approval of the shareholders at the AGM. Furthermore, shareholders’ approval is not required for payment of interim dividend.

7.4 The Chairman noted the suggestion and informed that the Board would consider such proposal accordingly.

7.5 DBO added that the approval from shareholders is mandatory for the proposed declaration of final dividend as it is a requirement of the Companies Act 1965.

7.6 Thereafter, Mr Jagdish Singh Dhaliwal proposed:

“THAT a final single tier dividend of 16.3 sen per share in respect of the financial year ended 31st December 2013 be hereby approved.”

7.7 Mr Wong Yook Kee seconded the motion, which was put to the Meeting and declared carried unanimously.

8.0 ORDINARY RESOLUTION 2:
RE-ELECTION OF DATUK SERI FATEH ISKANDAR TAN SRI DATO’ MOHAMED MANSOR RETIRING PURSUANT TO ARTICLE 98(2) OF THE COMPANY’S ARTICLES OF ASSOCIATION

8.1 The Meeting was informed that Ordinary Resolutions No. 2 to 7 were in respect of the re-election and re-appointment of the following Directors:

a) Datuk Seri Fateh Iskandar Tan Sri Dato’ Mohamed Mansor;
b) Ms Goh Siew Yoong;
c) Dato’ Sri Dr Halim Shafie;
d) Tan Sri Dato’ Sri Zamzamzairani Mohd Isa;
e) Mr Davide Benello Giacomo Benello @ David Benello; and
f) Dato’ Danapalan T.P Vinggrasalam.

8.2 The Chairman informed that Datuk Seri Fateh Iskandar Tan Sri Dato’ Mohamed Mansor (“Datuk Seri Fateh Iskandar”) and Ms Gee Siew Yoong were appointed during the year and were to retire pursuant to Article 98(2) of the Company’s Articles of Association. Whilst, he, Tan Sri Zam and Mr David Benello, being the Directors longest in office for the last three (3) years, would be retiring by rotation pursuant to Article 103 of the Company’s Articles of Association, under Ordinary Resolutions 3 to 6.

Further, under Ordinary Resolution 7, Dato’ Danapalan T.P Vinggrasalam, the Senior Independent Director, who has attained the age of 71, is to retire pursuant to Section 129(6) of the Companies Act 1965.

8.3 It was noted that all six (6) of the retiring Directors were present at the Meeting and have given their consents and offered themselves for re-election to the Board.
8.4 The Chairman further informed that the said Directors, save for Ms Gee Siew Yoong (who was recently appointed), had undergone the Board Effectiveness Evaluation ("BEE") and prior assessment by the Board Nomination and Remuneration Committee ("NRC").

Through BEE, the Directors were also annually appraised on their independence. From the findings, the NRC concluded that the Independent Directors have continued to be independent and are able to provide objective judgment to the Board. The NRC has also determined that there were no relationships or circumstances which could affect, or appear to affect, the Independent Directors' judgment.

8.5 For the past few years, TM has always voted on each resolution individually, a practice strongly supported by MSWG. As such, the Chairman thereafter sought the members’ agreement to continue with this practice of voting each resolution individually for purpose of transparency.

[At this juncture @ 12.25 p.m., Datuk Seri Fateh Iskandar and Ms Gee Siew Yoong excused themselves from the Meeting for the deliberation on and voting of Ordinary Resolutions 2 and 3.]

8.6 At this juncture, Puan Lya of MSWG referred to Datuk Seri Fateh Iskandar's profile in the Annual Report and noted that apart from being the Managing Director of Glomac Berhad, he also holds directorship in several other listed companies which may limit his time commitment to TM. She then sought the assurance from NRC Chairman on Datuk Seri Fateh Iskandar’s commitment as TM’s Independent Director and as to whether he is able to focus and provide his time commitment to TM.

8.7 YM Tunku Dato’ Mahmood Fawzy Tunku Muhiyiddin, as NRC Chairman, responded that the appointment of Datuk Seri Fateh Iskandar has added diversity to the Board by providing different views and fresh business perspective for the Board. Since his appointment as TM INED about six (6) months ago, Datuk Seri Fateh Iskandar has demonstrated his knowledge, good judgement and proven his commitment and dedication by allocating sufficient time in attending the Board, Board Committee meetings, as well as informal discussions with the Management. The NRC and the Board noted that it is quite a challenging effort but wished to provide assurances to the shareholders that the issue is not a matter of concern to-date. As such, the NRC and the Board strongly recommended the re-election of Datuk Seri Fateh Iskandar to the Board.

8.8 Mr Abraham David Thanaraj @ David proposed:

“THAT Datuk Seri Fateh Iskandar Tan Sir Dato’ Mohamed Mansor, who was appointed to the Board during the year and retires pursuant to Article 98(2) of the Company's Articles of Association, be hereby re-elected.”

8.9 Mr Woon Peng Wah seconded the motion, which was put to the Meeting and declared carried unanimously.
9.0 **ORDINARY RESOLUTION 3: RE-ELECTION OF MS GEE SIEW YOONG RETIRING PURSUANT TO ARTICLE 98(2) OF THE COMPANY’S ARTICLES OF ASSOCIATION**

9.1 The members were informed that with the appointment of Ms Gee Siew Yoong, TM has now three (3) women Directors on the Board, plus another one (1) Alternate Director.

9.2 Madam Rajalekshmi A/P Rama Chandram proposed:

“THAT Ms Gee Siew Yoong, who was appointed to the Board during the year and retires pursuant to Article 98(2) of the Company’s Articles of Association, be hereby re-elected as director.”

9.3 Mr Wong Yook Kee seconded the motion, which was put to the Meeting and declared carried unanimously.

[Datuk Seri Fateh Iskandar and Ms Gee Siew Yoong were invited back to the Meeting at 12.30 p.m.]

9.4 The Chairman congratulated Datuk Seri Fateh Iskandar and Ms Gee Siew Yoong on their re-appointment as Directors.

10.0 **ORDINARY RESOLUTION 4: RE-ELECTION OF DATO’ SRI DR HALIM SHAFIE RETIRING PURSUANT TO ARTICLE 103 OF THE ARTICLES OF ASSOCIATION OF THE COMPANY**

10.1 The Chairman informed that he, Tan Sri Zam and Mr David Benello were due for re-election under Resolutions 4, 5 and 6 and would like to excuse themselves from the Meeting during the deliberation and voting of these resolutions.

10.2 The Chairman proposed that Dato’ Danapalan, the Senior Independent Non-Executive Director, to take over the chair for the next 3 resolutions. Mr Woon Peng Wah seconded the motion.

10.3 Dato’ Danapalan thanked the Chairman and chaired the Meeting for the next 3 Ordinary Resolutions 4 to 6.

[At this juncture @ 12.30 p.m., Dato’ Sri Dr Halim Shafie, Tan Sri Zam and Mr David Benello left the Meeting in order for Ordinary Resolutions 4, 5 and 6 to be discussed and voted upon.]

10.4 Dato’ Danapalan informed the meeting that in accordance with Article 103 of the Articles of Association of the Company, Dato’ Sri Dr Halim Shafie being one of the directors longest in the office for the last 3 years shall retire at this Meeting and being eligible, has offered himself for re-election. Based on Dato’ Sri Dr Halim Shafie’s qualification and experiences, the NRC and the Board has recommended for his re-election.

10.5 Mr Woon Peng Wah proposed:

“THAT Dato’ Sri Dr Halim Shafie, who retires by rotation pursuant to Article 103 of the Company’s Articles of Association, be hereby re-elected.”
10.6 Mr Abraham David Thanaraj @ David seconded the motion, which was put to the Meeting and declared carried unanimously.

11.0 ORDINARY RESOLUTION 5:
RE-ELECTION OF TAN SRI DATO’ SRI ZAMZAMZAIRANI MOHD ISA RETIRING PURSUANT TO ARTICLE 103 OF THE COMPANY’S ARTICLES OF ASSOCIATION

11.1 In accordance with Article 103 of the Articles of Association of the Company, Tan Sri Zam being one of the directors longest in the office for the last 3 years shall retire at this Meeting and being eligible, has offered himself for re-election.

11.2 Mr Woon Peng Wah proposed:

“THAT Tan Sri Dato’ Sri Zamzamzairani Mohd Isa, who retires by rotation pursuant to Article 103 of the Company’s Articles of Association, be and hereby re-elected.”

11.3 Mr Cheah Phaik Tuan seconded the motion, which was put to the Meeting and declared carried unanimously.

[Dato’ Sri Dr Halim Shafie rejoined the meeting at 12.33 p.m.]

12.0 ORDINARY RESOLUTION 6:
RE-ELECTION OF MR DAVIDE GIACOMO BENELLO @ DAVID BENELLO RETIRING PURSUANT TO ARTICLE 103 OF THE ARTICLES OF ASSOCIATION OF THE COMPANY

12.1 In accordance with Article 103 of the Articles of Association of the Company, Mr David Benello, being one of the directors longest in office for the last 3 years shall retire at this Meeting and being eligible, has offered himself for re-election.

12.2 Mr Vaithilinsam Pillai A/L Munian proposed:

“THAT Mr David Benello, who retires by rotation pursuant to Article 103 of the Company’s Articles of Association, be and hereby re-elected.”

12.3 Madam Rajalekshmi A/P Rama Chandram seconded the motion, which was put to the Meeting and declared carried unanimously.

[At this juncture @ 12.35 p.m., Tan Sri Zam and Mr David Benello were invited back to the Meeting.]

12.4 Dato’ Danapalan congratulated the respective Board members on their re-election and re-appointment. Thereafter, he handed over the chair to Dato’ Sri Dr Halim.

12.5 The Chairman thanked Dato’ Danapalan for chairing the Meeting for Ordinary Resolutions 4 to 6. He also thanked the shareholders for the continued support and confidence given to him and the re-elected directors.
13.0 ORDINARY RESOLUTION 7:
RE-APPOINTMENT OF DATO’ DANAPALAN T.P. VINGGRASALAM PURSUANT TO
SECTION 129 OF THE COMPANIES ACT, 1965

13.1 The Chairman then informed the Meeting that the re-appointment of Dato’
Danapalan, who has attained the age of 70 years, as Director of the Company to
hold office until the conclusion of the next AGM, shall take effect if the resolution
is passed by a majority of not less than three-fourths (3/4th) members voting at
this meeting.

[Being an interested director under Resolution 7, Dato’ Danapalan left the
meeting room at 12.37 p.m.]

13.2 The NRC and Board recommended the re-appointment of Dato’ Danapalan based
on his continued invaluable contributions to the Board and the Group. He
continues to be committed to TM and has provided invaluable contributions and
insightful views at the Board and respective Board committees.

13.3 Mr Jagdish Singh Dhaliwal proposed:

“THAT Dato’ Danapalan T.P Vinggrasalam, who retires pursuant to Section 129
of the Companies Act, 1965, be and hereby re-appointed.”

13.4 Mr Woon Peng Wah seconded the motion, which was put to the Meeting and
declared carried unanimously.

[At this juncture @ 12.40 p.m Dato’ Danapalan was invited back to the Meeting.]

13.5 The Chairman congratulated Dato’ Danapalan for his re-election as director.

14.0 ORDINARY RESOLUTION 8:
RE-APPOINTMENT OF MESSRS PRICEWATERHOUSECOOPERS (“PwC”) AS
AUDITORS OF THE COMPANY

14.1 The Meeting was informed that PwC has consented to act as Auditors of the
Company for the financial year ending 31 December 2013. Further to that, the
BAC and the Board have agreed that PwC has met the suitability criteria
stipulated in Paragraph 15.21 of the Main LR, amongst others, adequacy of the
experience and resources, number of persons and experience of supervisory and
professional staff assigned in view of the size and complexity of TM Group.

14.2 The BAC and Board have also assessed the independence of the auditors and
recommended the re-appointment of PwC as the Company’s Auditors after taking
into considerations all these facts.

14.3 Madam Rajalekshmi A/P Rama Chandram proposed:

“THAT Messrs. PricewaterhouseCoopers who has consented to act as Auditors
of the Company for the financial year ending 31 December 2013 be hereby re-
appointed Auditors of the Company and to hold office until the conclusion of the
next Annual General Meeting at a fee to be determined by the Directors.”

14.4 Mr Woon Peng Wah seconded the motion, which was put to the Meeting and
declared carried unanimously.
15.0 **PAYMENT OF DIRECTORS’ FEES**

15.1 The Chairman explained that at the previous AGM held on 7 May 2013, the shareholders have approved the increase of directors’ fees effective January 2012. Since there is no revision to the fees, the approval at the 28th AGM remains. As such, the payment of Directors’ Fees of RM1,791,596.75 made to Directors for the financial year ended 31 December 2013 is only tabled today for noting. Nonetheless, shareholders were invited to raise questions and seek clarifications on this matter.

15.2 The total fees and remuneration paid to the individual Directors in 2013 are disclosed in the Statement of Corporate Governance on pages 112 and 113 of the Annual Report.

15.3 Mr Woon Peng Wah commented that the directors’ fees should be increased taking into consideration the commendable performance of TM Group.

15.4 At this juncture, Puan Lya of MSWG suggested that TM should go beyond the tenets of laws and regulations. She advised for the resolution on directors’ fees to be tabled for shareholders’ approval annually although prior shareholders’ approval has been obtained at last year’s AGM for the increase in fees. In addition to that, based on the Asean Corporate Governance Scorecard, company is advised not only to seek shareholders’ approval for the fees payable to directors but also the remuneration payable for the year. As an exemplary Company, TM is advised to be the first company to table the directors’ remuneration for shareholders’ approval.

15.5 The Chairman duly noted the said proposal and informed that the Board will study the suggestion in the context of the Asean Corporate Governance Scorecard.

16.0 **SPECIAL RESOLUTION 9: SECTION 132D OF THE COMPANIES ACT, 1965**

16.1 The Chairman informed that the last item in the agenda of the AGM is the authorisation under Section 132D of the Companies Act 1965 which provides the Directors to exercise any power to allot and issue new shares in the Company. The approval, once given, shall continue to be in full force until the conclusion of the next AGM, unless revoked or varied in an earlier general meeting.

This resolution is a new mandate for Directors to issue and allot new shares of up to 10% of the issued and paid up capital of the Company, for such purposes as the directors deem fit, in the best interest of the Company including for any possible fund raising activities for the Company’s working capital requirements, and strategic investments in view of large cash outlays for new projects and acquisitions made or to be made in 2014. Should the need arise for capital injection, directors may be able to raise fund without delay.

16.2 The Chairman informed that based on the presentation by the Group CEO earlier, there may be opportunities to invest strategically for growth projects particularly for Global and Wholesale and ICT-BPO, as well as for enhancement of customer experience. TM’s capex over revenue ratio is approximately 22% (excluding major projects such as HSBB2 and P1).
In managing the capital structure, several options have been considered and evaluated to preserve the credit rating and/or dividend commitment. The Board has agreed for TM to embark on the Proposed Dividend Reinvestment Plan (DRP), which allows TM to preserve its dividend commitment to shareholders, and reduce its overall cash dividend payout by providing option to shareholders to reinvest their dividends in TM shares at a discounted price to market.

Apart from the Proposed DRP which is to be tabled at the EGM later, TM may explore other alternatives to raise further debts and new equity. These proposals would be made upon considering all factors thoroughly. And as such, this proposal shall provide flexibility to TM Board to allot new shares in case the Proposed DRS is not able to meet our entire Balance Sheet requirement.

16.3 Mr Abraham David Thanaraj @ David proposed:

“THAT, subject always to the CA 1965, the Articles of Association of the Company and the approvals of the relevant governmental and/or regulatory authorities, where such approval is necessary, the Directors be and are hereby authorised to issue and allot shares in the Company pursuant to Section 132D of the CA 1965, to any person other than a Director or major shareholder of the Company or person connected with any Director or major shareholder of the Company, at any time until the conclusion of the next annual general meeting, in such number and to such person and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed ten percent (10%) of the issued and paid up share capital of the Company for the time being AND THAT the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued and AND FURTHER THAT such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next annual general meeting of the Company”.

16.4 Dato’ Dr Lim Thuang Seng seconded the motion, which was put to the Meeting and declared carried unanimously.

**CLOSURE**

Since there was no other business for which due notice has been given, the proceedings of the 29th AGM ended at 12.45 p.m. with a vote of thanks to the Chair.

**CONFIRMED AS CORRECT,**

**DATO’ SRI DR HALIM SHAFIE**
**CHAIRMAN**