

**TELEKOM MALAYSIA BERHAD**(Company No. 128740-P)
(Incorporated in Malaysia)**NOTICE OF ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN THAT the Thirty-second (32nd) Annual General Meeting (AGM) of the Company will be held at Kristal Hall, TM Convention Centre, Menara TM, Jalan Pantai Baharu, 50672 Kuala Lumpur, Malaysia on **Wednesday, 26 April 2017 at 10:00 a.m.** for the following purposes:

As Ordinary Business

- To receive the Audited Financial Statements for the financial year ended 31 December 2016 together with the Reports of the Directors and Auditors thereon.
Please refer to Explanatory Note A
- To re-elect the following Directors, who retire pursuant to Article 98(2) of the Company's Articles of Association and being eligible offer themselves for re-election:
 - Tunku Afwida Tunku Dato' A.Malek **(Ordinary Resolution 1)**
 - Balasingham A. Namasiwayam **(Ordinary Resolution 2)***Please refer to Explanatory Note B*
- To re-elect the following Directors, who retire by rotation pursuant to Article 103 of the Company's Articles of Association and being eligible offer themselves for re-election:
 - Datuk Seri Fateh Iskandar Tan Sri Dato' Mohamed Mansor **(Ordinary Resolution 3)**
 - Ms Gee Siew Yoong **(Ordinary Resolution 4)**
 - Tan Sri Dato' Seri Dr Sulaiman Mahbob **(Ordinary Resolution 5)***Please refer to Explanatory Note C*
- To approve the payment of the following Directors' fees:
 - RM23,000 per month for the Non-Executive Chairman (NEC), RM15,000 per month for each Non-Executive Director (NED) and RM2,250 per month for Senior Independent Director (SID) of the Company with effect from the 32nd AGM until the next AGM; and
 - RM11,500 per month and RM7,500 per month for NEC and NEDs respectively, of Tier 1 Subsidiaries with effect from 31 January 2017 until the next AGM.*Please refer to Explanatory Note D* **(Ordinary Resolution 6)**
- To approve the payment of benefits payable to NEC and NEDs of the Company up to an amount of RM2,350,000 from 31 January 2017 until the next AGM.
Please refer to Explanatory Note E **(Ordinary Resolution 7)**
- To re-appoint Messrs. PricewaterhouseCoopers (PwC), having consented to act as Auditors of the Company, for the financial year ending 31 December 2017 and to authorise the Board of Directors to fix their remuneration.
Please refer to Explanatory Note F **(Ordinary Resolution 8)**

As Special Business

- To consider and if thought fit, to pass the following Resolutions:
 - 7.1 Authority to Issue and Allot Shares pursuant to Section 75 of the Companies Act, 2016 (CA 2016)**
THAT subject always to the CA 2016, the Articles of Association of the Company and the approvals of the relevant government and/or regulatory authorities, where such approval is necessary, authority be and is hereby given to the Directors to issue and allot shares in the capital of the Company pursuant to Section 75 of the CA 2016, 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 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 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. **(Ordinary Resolution 9)**
 - 7.2 Proposed Renewal of the Authority for Directors to Allot and Issue New Ordinary Shares in the Company (TM Shares) in relation to the Dividend Reinvestment Scheme (DRS)**
THAT pursuant to the DRS approved at the Extraordinary General Meeting held on 8 May 2014, approval be and is hereby given to the Company to allot and issue such number of new TM Shares for the DRS until the conclusion of the next annual general meeting, upon such terms and conditions and to such persons as the Directors may, in their absolute discretion, deem fit and in the interest of the Company **PROVIDED THAT** the issue price of the said new TM Shares shall be fixed by the Directors at not more than ten percent (10%) discount to the adjusted five (5)-day volume weighted average market price (VWAMP) of TM Shares immediately prior to the price-fixing date, of which the VWAMP shall be adjusted ex-dividend before applying the aforementioned discount in fixing the issue price and not less than the par value of TM Shares at the material time;
AND THAT the Directors and the Secretary of the Company be and are hereby authorised to do all such acts and enter into all such transactions, arrangements and documents as may be necessary or expedient in order to give full effect to the DRS with full power to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed or agreed to by any relevant authorities or consequent upon the implementation of the said conditions, modifications, variations and/or amendments, as they, in their absolute discretion, deemed fit and in the best interest of the Company. **(Ordinary Resolution 10)**
 - 7.3 Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature (Proposed Renewal of Shareholders' Mandate)**
THAT in accordance with paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature as set out in Appendix 1 of the Company's Circular to Shareholders dated 4 April 2017, dispatched together with the Company's Integrated Annual Report 2016, which are necessary for the day-to-day operations **PROVIDED THAT** such transactions are entered into in the ordinary course of business of the Company and/or its subsidiaries, are carried out on terms not more favourable to the related party than those generally available to the public and are not detrimental to the minority shareholders of the Company;
THAT such approval shall continue to be in full force and effect until:
 - 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;
 - the expiration of the period within which the Company's next annual general meeting is required to be held under Section 340(1) of the Companies Act, 2016 (CA 2016) (but shall not extend to such extension as may be allowed under Section 340(4) of CA 2016); or
 - revoked or varied by resolution passed by the shareholders of the Company at a general meeting, whichever is the earlier;**AND THAT** the Board of Directors of the Company be and is hereby empowered and authorised to do or procure to be done all acts, deeds and things (including executing 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 Proposed Renewal of Shareholders' Mandate. **(Ordinary Resolution 11)**

8. To transact any other ordinary business for which due notice has been given in accordance with Section 340(1) of the CA 2016.

FURTHER NOTICE IS HEREBY GIVEN THAT for the purpose of determining a Member who shall be entitled to attend, speak and vote at this 32nd AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd (Bursa Depository) in accordance with Article 74(3)(a) of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act 1991 (SICDA) to issue a General Meeting Record of Depositors (ROD) as at 18 April 2017. Only a depositor whose name appears on the Register of Member/ROD as at 18 April 2017 shall be entitled to attend the said meeting or appoint proxies to attend, speak and vote on his/her behalf.

By Order of the BoardHamidah Abidin (LS0007096)
Zaiton Ahmad (MAICSA 7011681)
Secretaries
Kuala Lumpur
4 April 2017**NOTES:****Proxy and/or Authorised Representatives**

- A Member entitled to attend, speak and vote at the Meeting is entitled to appoint a proxy to attend, speak and vote in his/her stead. A proxy or representative may but need not be a Member of the Company. A Member may appoint any person to be his/her proxy without restriction to the proxy's qualifications.
- A Member shall not be entitled to appoint more than two (2) proxies to attend, speak and vote at the Meeting provided that where a Member of the Company is an authorised nominee as defined in accordance with the provisions of SICDA, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares in the Company standing to the credit of the said securities account. Where a Member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account (omnibus account), there shall be no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- Where a Member appoints two (2) proxies, the appointments shall be invalid unless the proportions of the holdings to be represented by each proxy are specified.
- The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly appointed under a Power of Attorney or if such appointer is a corporation, either under its common seal or under the hand of an officer or attorney duly appointed under a Power of Attorney, if the proxy form is signed under the hand of an officer duly authorised, it should be accompanied by a statement reading "signed as authorised officer under an Authorisation Document which is still in force, and no notice of revocation has been received". If the proxy form is signed under the attorney duly appointed under a Power of Attorney, it should be accompanied by a statement reading "signed under a Power of Attorney which is still in force, and no notice of revocation has been received". A copy of the Authorisation Document or the Power of Attorney, which should be valid in accordance with the laws of the jurisdiction in which it was created and is exercised, should be enclosed with the proxy form.
- A corporation which is a Member, may by resolution of its Directors or other governing body authorise such person as it thinks fit to act as its representative at the Meeting, in accordance with Article 92 of the Company's Articles of Association.
- The instrument appointing the proxy together with the duly registered Power of Attorney referred to in Note 4 above, if any, must be deposited at the office of the Share Registrar, Symphony Share Registrars Sdn Bhd (378993-D), Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor, Malaysia not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof. The Share Registrar will also provide a box at the ground floor of its office building for drop-in of proxy forms.
- Explanatory Note A**
The audited financial statements are for discussion only as it does not require shareholders' approval pursuant to the provisions of Section 340(1)(a) of CA 2016. Hence, it is not put forward for voting.
- Explanatory Notes B and C**
Tunku Afwida Tunku Dato' A.Malek, Mr Balasingham A. Namasiwayam, Ms Gee Siew Yoong, Datuk Seri Fateh Iskandar Tan Sri Dato' Mohamed Mansor and Tan Sri Dato' Seri Dr Sulaiman Mahbob are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at this 32nd AGM.
The Board has conducted an assessment on the independence of the NEDs who are seeking re-election at this 32nd AGM, inclusive of their skills, experience, character, integrity, competency and contribution. As stated in the Statement Accompanying Notice of the 32nd AGM, the profiles of the retiring Directors are set out in the profile of Directors on pages 94 to 101 inclusive of the Integrated Annual Report (IAR) 2016.
Details of the assessment of all directors standing for re-election, are provided on pages 126 to 127 inclusive, of the Corporate Governance Statement in the IAR 2016.
- Explanatory Notes D and E**
Section 230(1) of CA 2016 which came into effect on 31 January 2017, provides amongst others, that "fees" of the directors and "any benefits" payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. Pursuant thereto, shareholders' approval is sought for the payment of fees and benefits payable to NEC and NEDs, in two (2) separate resolutions as follows:
 - Ordinary Resolution (OR) 6 on the payment of Directors' fees for the Company from the date of the 32nd AGM until the next AGM and Tier 1 Subsidiaries from 31 January 2017 until the next AGM; and
 - OR 7 on the payment of benefits payable to the NEC and NEDs from 31 January 2017 until the next AGM (Stipulated Period).

OR 6: Directors' Fees

The shareholders had at the 31st AGM held on 28 April 2016, approved the payment of directors' fees with effect from the 31st AGM until the 32nd AGM of the Company. The fees for the NEDs were last reviewed and approved at the 28th AGM held on 7 May 2013 following an independent review conducted by an external consultant in 2013. Despite the recommendation pursuant to Clause 6.11 of the Board Charter to review the Directors' remuneration at least once every three years, the Board is not proposing for any change to the existing directors' fees as it is still competitive and at par with the prevalent market.

TM has also in place a Subsidiaries' Remuneration Framework (SRF) in which subsidiaries are categorised into tiers based on its strategic, revenue and impact levels to TM, as well as focus of business. The NEC and NEDs appointed on the boards of the Tier 1 Subsidiaries are entitled to directors' fees of RM11,500 per month and RM7,500 per month, respectively. Shareholders' approval is sought for the payment of this directors' fees from 31 January 2017 until the next AGM.

OR 7: Benefits Payable

Benefits Payable applicable to NEC and NEDs pursuant to the Board Charter comprise meeting fee, emoluments and claimable benefits as stipulated below:

(i) Meeting fee structure for Board and Board Committees:

	TM Board (RM)	Board Audit Committee (RM)	Nomination & Remuneration Committee (RM)	Board Tender Committee (RM)	Board Risk Committee (RM)	Board Investment Committee (RM)	LTIP Committee (RM)
Chairman	3,500	3,250	2,500	3,250	2,500	2,500	2,500
NED	3,000	2,500	2,000	2,500	2,000	2,000	2,000

(ii) Pursuant to the SRF, the NEC and NEDs appointed on the boards of TM subsidiaries are entitled to the following meeting fees:

Category of TM Subsidiaries	Meeting Fee (RM)		Committee Fee	
	NEC	NED	Chairman Meeting Fee (RM)	Member Meeting Fee (RM)
Tier 1 Subsidiaries	1,500	1,000	500	300
Tier 2 Subsidiaries	1,500	1,000	Nil	Nil

(iii) Customary benefits such as claimable benefits on annual overseas business development trips, leave passage, business equipment, telecommunication bills, insurance and medical coverage.

In determining the estimated amount of benefits payable for the NEC and NEDs, the number of scheduled meetings for the Board, Board Committees and Boards of subsidiaries as well as the number of NEDs involved in these meetings were considered. The estimated amount of RM2,350,000 for the Stipulated Period is derived from a total of RM1,776,500 for the financial year 2017 and approximately one-fourth (1/4) of the said amount equivalent to RM573,500 for the period from 1 January 2018 until the next AGM in 2018.

Subject to the shareholders' approval of OR 6 and OR 7, the payment of fees and benefits throughout the Stipulated Period will be made by the Company and its subsidiaries on a monthly basis and/or as and when incurred. The Board opined that it is just and equitable for the NEC and NEDs to be paid such payment on such basis upon them discharging their responsibilities and rendering their services to the Company and its subsidiaries.

10. Explanatory Note F

The Board Audit Committee and the Board have considered the re-appointment of PwC as Auditors of the Company and recommended the re-appointment of PwC for shareholders' approval based on the evaluation result of the Request for Proposal conducted by the Company in 2016. It was also agreed that PwC has met the relevant criteria prescribed by Paragraph 15.21 of the Main LR of Bursa Securities.

EXPLANATORY NOTES ON SPECIAL BUSINESSES

- The Company has not issued any new shares under the general mandate for issuance and allotment of shares up to 10% of the Issued and paid-up capital of the Company, which was approved at the 31st AGM held on 28 April 2016 and which shall lapse at the conclusion of the 32nd AGM to be held on 26 April 2017.
The proposed OR 9 is a renewal of the general mandate obtained from the shareholders of the Company at the previous AGM. In accordance with Section 75 of CA 2016, a renewal is sought from shareholders for Directors to issue and allot new shares in the Company of up to an amount not exceeding 10% of the issued and paid up share capital of the Company for such purposes as the directors may 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.
This resolution if approved, will give the Company and its Directors the mandate and flexibility to issue and allot new shares in the Company for possible fund raising activities without the need to seek shareholders' approval via a general meeting subsequent to this 32nd AGM, which may delay the capital raising initiatives and incur relevant cost in organising the general meeting.
The authorisation, unless revoked or varied by the Company at a general meeting, will be valid until the next AGM of the Company.
- The proposed OR 10 is for the proposed renewal of the authority for Directors to allot and issue new ordinary shares in the Company in respect of dividends to be declared, if any, under the DRS, until the conclusion of the next AGM.
- The proposed OR 11, if passed, will authorise the Company and/or its subsidiaries to enter into recurrent related party transactions with related parties in the ordinary course of business which are necessary for the Group's day-to-day operations and are on normal commercial terms not more favourable to the related parties than those generally available to the public and shall lapse at the conclusion of the next AGM unless authority for its renewal is obtained from shareholders of the Company at a general meeting.