

MAXIS BERHAD (“MAXIS” OR “COMPANY”)

PROPOSED EXECUTION OF THE FINALISED ACCESS AGREEMENT BETWEEN DIGITAL NASIONAL BERHAD (“DNB”) AS AN ACCESS PROVIDER AND MAXIS BROADBAND SDN BHD (“MAXIS BROADBAND”), A WHOLLY-OWNED SUBSIDIARY OF MAXIS, AS AN ACCESS SEEKER FOR MAXIS BROADBAND TO SUBSCRIBE FOR 5G PRODUCTS AND SERVICES PROVIDED ON A WHOLESALE BASIS BY DNB, INCLUDING THE NATIONAL 5G WHOLESALE NETWORK PRODUCT (“ACCESS AGREEMENT”) (“PROPOSED TRANSACTION”)

1. INTRODUCTION

On 2 November 2022, Maxis announced that it will be seeking shareholders’ approval for the proposed entry into the Access Agreement with DNB. Subsequent to that, Maxis appointed RHB Investment Bank Berhad (“**RHB Investment Bank**”) as the Principal Adviser for the Proposed Transaction on 8 December 2022.

On 20 January 2023, Maxis announced its decision to postpone the seeking of shareholders’ approval to execute the Access Agreement with DNB until after the 5G¹ network implementation policy has been finalised by the Government of Malaysia (“**Government**”).

On 3 May 2023, the Government announced that they had agreed that the implementation of the 5G network in Malaysia will continue through DNB until it reaches 80% coverage in populated areas by the end of 2023 under its initial rollout phase whilst the transition to a dual network model will be implemented based on conditions in line with global practices. Following this announcement, Maxis believes that it is in the best interest of the Company to enter into the Access Agreement with DNB.

On behalf of the Board of Directors of Maxis (“**Board**”), RHB Investment Bank wishes to announce that Maxis Broadband intends to execute the Access Agreement for Maxis to gain access to the 5G products and services provided on a wholesale basis by DNB, based on the terms and conditions as set out in the Access Agreement (“**5G Products and Services**”).

2. DETAILS OF THE PROPOSED TRANSACTION

On 31 May 2021, DNB was appointed by the Government as the single neutral wholesale network provider to undertake the deployment of 5G infrastructure and network nationwide.

As mentioned in Section 1 of this announcement, on 3 May 2023, the Government announced that the implementation of the 5G network in Malaysia will continue through DNB until it reaches 80% coverage in populated areas by the end of 2023 under its initial rollout phase. Thereafter, the single wholesale network model shall transition to a dual network model where a new entity will be established to develop the second 5G network in Malaysia.

Maxis Broadband has to enter into the Access Agreement to gain access to the 5G Products and Services.

The Access Agreement contains the terms and conditions for the 5G Products and Services, of which are mainly set out in the reference access offer published by DNB on DNB’s official website (“**DNB RAO**”). These terms and conditions may be updated or replaced from time to time, amongst others, to comply with the Malaysian Communications and Multimedia Commission (“**MCMC**” or the “**Commission**”)’s regulatory framework.

¹ Fifth-generation technology standard for cellular networks conforming to the collaborative organisation that develops and maintains standards for mobile telecommunications (“**Third Generation Partnership Project**”).

Maxis is seeking its shareholders' approval (including to assent to any future condition, variation, modification and/or amendments to be made in the draft Access Agreement and/or executed Access Agreement and the DNB RAO) for the Proposed Transaction at the extraordinary general meeting to be convened ("**EGM**") pursuant to Section 223 of the Companies Act 2016 ("**Act**") and Paragraph 10.07 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Listing Requirements**"). This is after taking into consideration, amongst others, the following:

- (i) Maxis Broadband is required to enter into the Access Agreement to gain access to the 5G Products and Services for Maxis to provide 5G services to its customers as DNB is the only entity that radiates 5G as at 30 June 2023, being the latest practicable date before the date of this announcement ("**LPD**");
- (ii) the financial commitment to be incurred pursuant to the Proposed Transaction represents the largest financial commitment by Maxis and its subsidiaries ("**Maxis Group**") as at the LPD. Please refer to Section 7 of this announcement for details on the operating expenses to be incurred by Maxis Broadband for the base product under the Access Agreement ("**National 5G Wholesale Network Product**")². As at the LPD, there is no other product that has been made available by DNB, save for the National 5G Wholesale Network Product;
- (iii) Maxis remains bound by the terms and its corresponding financial commitment if Maxis Broadband executes the Access Agreement. The terms of the Access Agreement include the right of Maxis Broadband to terminate the Access Agreement if there is a regulatory instrument or determination which establishes that DNB is no longer a single neutral wholesale network provider of 5G services in Malaysia or another operator (excluding DNB) is entitled to re-deploy its existing spectrum³ to provide 5G services or is otherwise provided with or acquires spectrum to provide 5G, whether on a wholesale or retail basis; and
- (iv) save in the limited circumstances described in paragraph (iii) above where no early termination fee is payable, early termination of the Access Agreement would result in Maxis Broadband being liable to make good by paying to DNB the net present value of the payments for the minimum capacity that an access seeker must purchase for the National 5G Wholesale Network Product throughout the minimum service term (i.e. 10 years under the Access Agreement) ("**Minimum Service Term**") ("**Target Capacity**") for the remainder of the Minimum Service Term, which would be a substantial financial commitment.

If there are any material amendments or developments to the terms and conditions of the Access Agreement subsequent to Maxis' shareholders' approval, Maxis will make the necessary announcements to Bursa Securities as part of its continuing disclosure obligations.

² An access seeker must subscribe to the National 5G Wholesale Network Product to gain access to any other 5G Products and Services provided by DNB on the DNB network used to provide cellular network services on a wholesale basis for 5G ("**DNB 5G Access Network**")

³ The continuous range of electromagnetic wave frequencies up to and including a frequency of 420 terahertz, as defined in the Communications and Multimedia Act 1998.

2.1 Basis and justification in arriving at the pricing

All access seekers who enter into the Access Agreement for the National 5G Wholesale Network Product are required to pay DNB based on the rates determined by DNB. The rates may be subject to the following review:

- (i) periodic reviews conducted by MCMC on facilities and services in the Access List⁴ which may include the pricing as set out in the DNB RAO under the applicable law (“**MSAP Review**”); and
- (ii) a review of the pricing by DNB for the National 5G Wholesale Network Product pursuant to the terms of the Access Agreement (“**Price Review**”).

Save for the National 5G Wholesale Network Product, DNB has yet to incorporate the pricing and/or parameters for the future 5G Products and Services in the Access Agreement. Please refer to Section 4 of Appendix 1 of this announcement for further pricing and fees in the Access Agreement and Section 1 of Appendix I of this announcement for further details on the rollout of the 5G Products and Services by DNB.

Notwithstanding that the rates for the National 5G Wholesale Network Product are determined by DNB, the Board believes that it is in the best interest of Maxis to offer 5G services to its customers, after considering the following:

- (i) as at the LPD, there is no alternative wholesale network providers undertaking the deployment of 5G infrastructure and network;
- (ii) the rationale and benefits of the Proposed Transaction as set out in Section 4 of this announcement; and
- (iii) the prospects of Maxis Group for the Proposed Transaction as set out in Section 5.4 of this announcement.

2.2 Source of funding

Maxis Broadband will pay the rates of the National 5G Wholesale Network Product (including any rates of such other 5G Products and Services that may be subscribed by Maxis Broadband in the future) under the Access Agreement wholly in cash and will be funded via internally generated funds and/or bank borrowings, the proportion of which has not been fixed as at the LPD. Maxis will determine such proportion after taking into consideration, amongst others, Maxis Group’s gearing level, interest costs and cash reserves of Maxis Group at that juncture.

2.3 Liabilities to be assumed by Maxis Group

Maxis Group will not incur contingent liabilities or assume any other liabilities and/or guarantees from the Proposed Transaction, save for the obligations and liability to pay DNB the rates of the National 5G Wholesale Network Product determined by DNB (including any rates of such other 5G Products and Services that may be subscribed by Maxis Broadband in the future) under the Access Agreement.

2.4 Additional financial commitment

Maxis does not expect to incur any additional material financial commitment upon execution of the Access Agreement, save for the financial commitments to be incurred under the Access Agreement.

⁴ A list of facilities and services as determined and published by MCMC under the Commission Determination on Access List, Determination No. 6 of 2021 dated 2 December 2021 (“**Access List**”).

3. INFORMATION ON DNB

DNB was incorporated in Malaysia under the Act as a private company limited by shares under the name of MKD Sejahtera Sdn Bhd on 23 February 2017, and subsequently changed to its present name on 19 March 2021.

As set out in the Ministerial Direction No. 3 of 2021 dated 31 May 2021, the Government has appointed DNB to be the single neutral party to undertake the deployment of 5G infrastructure and network nationwide, and to provide wholesale 5G services. Following thereto, MCMC has granted both the network facilities provider individual licence and network service provider individual licence to DNB.

As at the LPD, DNB is principally involved in the business of owning, building and operating a 5G network and infrastructure exclusively and providing access to its network to licensed telecommunications service providers in Malaysia.

Further, as at the LPD:

- (i) the issued share capital of DNB is RM500,000,000 comprising 500,000,000 ordinary shares;
- (ii) the directors of DNB are Datuk Johan Mahmood Merican, Ma. Sivanesan Marimuthu and Dr Anand Raghawa Prasad; and
- (iii) DNB is wholly-owned by the Minister of Finance (Incorporated).

4. RATIONALE AND BENEFITS FOR THE PROPOSED TRANSACTION

The rationale and benefits of the Proposed Transaction are further elaborated below:

4.1 Commitment to realising Malaysia's digital ambitions

As the leading integrated telecommunications company in Malaysia, Maxis provides a variety of high-quality digital services encompassing voice, data, and solutions to its customers. Maxis believes in the benefits that 5G will bring to businesses, customers, and the Government in strengthening Malaysia's competitiveness. Therefore, Maxis is committed to the 5G development in Malaysia and will place significant importance on developing innovative products and solutions powered by 5G. Maxis' aim is to accelerate industry-wide 5G adoption while realising the Government's objectives for digitalisation.

DNB remains the single neutral wholesale network provider to undertake the deployment of 5G infrastructure and network nationwide as at the LPD. Therefore, the entry into the Access Agreement with DNB will enable Maxis to provide the 5G services to its customers.

4.2 Enhance Maxis' converged network solutions

5G will be part of Maxis' converged network connectivity incorporating mobile, fibre and satellite technology, enabling Maxis to fulfil the "Rangkaian Menyeluruh" commitment to ensure Malaysians remain connected in every possible way, in all situations, at all times.

In addition, Maxis' announced formation of one of the largest 5G alliance programme in Malaysia to co-create, commercialise and scale 5G use cases and innovative solutions across industries to drive digital transformation and innovation in the country will benefit from the Proposed Transaction as it allows Maxis to offer solutions using the 5G network. This may in turn accelerate the industry-wide 5G adoption in the country.

5. REGULATORY REGIME AND PROSPECTS

5.1 Regulatory regime

As 5G network service is a regulated facility and/or service on the Access List, DNB as the single neutral wholesale network provider is required under the Communications and Multimedia Act 1998 (“**CMA 1998**”) to provide access to the 5G network to access seekers who make a written request for access. Further, Section 149(2) of the CMA 1998 imposes an obligation on DNB to provide access to its 5G network on an equitable and a non-discriminatory basis to all access seekers.

The provision of access to 5G network service by DNB is governed by the Commission Determination on the Mandatory Standard on Access, Determination No. 1 of 2022 dated 21 September 2022 (“**MSA 2022**”) that came into force on 1 November 2022, which sets out the general principles as well as mandatory regulated terms on key rights and obligations concerning access to regulated facilities and services.

Accordingly, DNB is required to ensure that the terms and conditions of access to its 5G network service is made available to the public in the form of a reference access offer (i.e. the DNB RAO). In this regard, the latest DNB RAO for the provision of 5G network service made available by DNB and published on DNB’s official website is dated 31 March 2022.

As the DNB RAO was published before the effective date of the MSA 2022 and there are revisions to the DNB RAO since its publication, it is envisaged for DNB to amend and replace the DNB RAO accordingly.

On pricing, the latest prescribed maximum prices for the provision of certain facilities and services in the Access List (as determined and published by MCMC from time to time) (“**MSAP**”) issued by MCMC, being the ‘Commission Determination on the Mandatory Standard on Access Pricing, Determination No .1 of 2023’ dated 16 February 2023 which came into effect on 1 March 2023 has yet to regulate the pricing for the 5G network service. As such, if MSAP is further revised to address 5G network service, it is possible that the pricing for the 5G network service in the DNB RAO may be revised in the future.

For the Access Agreement, Section 150 of the CMA 1998 requires for the Access Agreement to be registered with MCMC after execution.

5.2 Prospects of Maxis Group for the Proposed Transaction

Maxis believes that the access to the 5G Products and Services is necessary for Maxis to remain competitive in the telecommunications industry. The demand of data continues to increase, and Maxis intends to use 5G capabilities to help deliver and fulfil the demand with improved customer experience. Further, Maxis has a good track record of offering mobile and fibre converged services to its customers and hence, if the shareholders approve the Proposed Transaction, Maxis will be able to commercially launch its 5G-related products and services to its customers soon after.

(Source: Management of Maxis)

6. RISK FACTORS

Maxis Group will continue to be exposed to inherent business, operational and financial risks in the telecommunications sector following the execution of the Access Agreement.

Notwithstanding the above, based on Maxis' assessment, Maxis wishes to highlight the specific risks associated with the Proposed Transaction as set out below:

6.1 Delivery risks

(i) Performance of DNB 5G Access Network

DNB has indicated it has built in redundancies and contingencies in delivering the **DNB 5G Access Network**, however Maxis cannot assure its shareholders that should issues arise, they will not adversely affect its customers' experience or quality of service to its customers as Maxis has no control over operation of the DNB 5G Access Network, which may in turn affect its operations and profitability.

Further, DNB has, as part of its obligations under the Access Agreement and/or the DNB RAO, committed to certain service levels and key performance indicators ("**KPIs**") for the DNB 5G Access Network. However, there is only one service level, being Network Availability⁵, which has the consequence of service credit (which is an access seeker's sole and exclusive remedy) that is payable by DNB, if such Network Availability is not met. Other service levels are not subject to KPIs.

As such, the quality of 5G service to Maxis' customers could be affected, which may in turn affect its operations and profitability.

Maxis will work closely with DNB and engage with the relevant stakeholders and respond accordingly.

(ii) Potential delay in rollout

DNB has, as part of its obligations under the Access Agreement and/or the DNB RAO, committed to Network Availability and aspires to achieve a target coverage of 7,509 sites, which is targeted to achieve 80% coverage of the nation's populated areas under its initial rollout phase.

If the duration taken by DNB to achieve the initial rollout of the 7,509 Sites is significantly delayed, such circumstances may delay Maxis' ability to offer 5G services to its customers according to its business plans. Maxis will work closely with DNB and engage with relevant stakeholders and respond accordingly.

⁵ The indicator of the availability of the DNB 5G Access Network calculated by measuring the daily uptime percentage of each network site that makes up the DNB 5G Access Network required to receive and transmit radio signals for cellular voice and data transmission, comprising transmitters, receivers, power amplifiers, a digital signal processor, a power supply and network interface modules (based on applicable site category) that is then averaged across the relevant calendar month and across all sites that transmit commercial traffic (being user data or traffic carried on the DNB 5G Access Network that DNB determines is chargeable to an access seeker) based on a formula in Access Agreement) ("**Network Availability**").

6.2 Contractual risks

(i) Termination

The entry into the Access Agreement by Maxis Broadband is essentially a 10-year commitment (i.e. the Minimum Service Term), under which the Access Agreement may not be terminated by an access seeker save for:

- (a) a change in regulatory environment relating to the single wholesale network position by 31 December 2027; or
- (b) early termination after the sixth contract year would result in Maxis Broadband being liable to DNB for the net present value of the Target Capacity payments for the remainder of the Minimum Service Term; or
- (c) customary termination events such as licensing/spectrum issues, material breach, insolvency or force majeure.

Given this is a 10-year commitment and if there are any future changes on the decision made by the Government in relation to implementation of dual network framework, it will be challenging for Maxis Broadband to terminate the Access Agreement if any of the delivery risks identified in Section 6.1 of this announcement materialises.

Such delivery risks will have a detrimental impact to the overall quality of the 5G Products and Services provided by DNB as DNB is the single neutral wholesale network provider to undertake the deployment of 5G infrastructure and network nationwide.

(ii) Warranties

Maxis Broadband will be giving warranties in favour of DNB and will be subject to the relevant obligations under the Access Agreement. In this respect, Maxis Broadband may be subject to claim under the Access Agreement for the breach of any warranties given or obligations and therefore may be required to compensate DNB for such claim. There can be no assurance that such claim amount will not materially impact the financial performance of Maxis Group.

DNB will similarly be giving warranties in favour of Maxis Broadband and will be subject to its relevant obligations under the Access Agreement. If DNB fails to perform any of its obligations under the Access Agreement, it could adversely affect Maxis' ability to provide 5G services to its customers which may in turn affect its operations and profitability. Further, DNB's non-performance may give rise to a default or termination under other contracts which Maxis has entered into with third parties or under related indebtedness.

Maxis will endeavour to ensure compliance with Maxis Broadband's obligations under the Access Agreement and work closely with DNB with regards to its obligations under the Access Agreement to minimise the risk of any breach of the warranties given or obligations.

6.3 Changes to pricing for the 5G Products and Services

Maxis Broadband is a price taker for the 5G Products and Services. As mentioned in Section 2 of this announcement, the pricing for the National 5G Wholesale Network Product is set by DNB and is subject to MSAP Review and Price Review. Until such review, Maxis has to accept the pricing terms specified by DNB. Accordingly, there is no assurance that the price to be paid by Maxis after the MSAP Review will not have material adverse impact on Maxis' operational and financial performance. Further, the pricing and/or parameters for future 5G Products and Services to be rolled-out by DNB have not yet been set by DNB and where applicable, MCMC. Maxis will keep abreast on the changes in laws and regulations and respond accordingly to changes in pricing for the 5G Products and Services with a view to reduce any adverse impact on Maxis' operations and financial performance from such changes.

6.4 Amendments to the terms of the Access Agreement and/or the DNB RAO

There may be amendments to the Access Agreement and/or the DNB RAO by DNB subsequent to Maxis' shareholders' approval which Maxis Broadband may be bound to accept as DNB is the single neutral wholesale network provider appointed by the Government to undertake the deployment of 5G infrastructure and network nationwide, and to provide the 5G Products and Services. However, where parties are unable to agree on the proposed amendments, a dispute is deemed raised and either party may initiate dispute resolution procedures. Maxis will work closely with DNB and MCMC on reviewing any amendments to be made to the Access Agreement and/or the DNB RAO and will respond to any subsequent changes accordingly.

6.5 Changes in laws and regulations in Malaysia

The Proposed Transaction may be affected by any changes in the legal and regulatory environment in Malaysia. Such risks include, but are not limited to, changes in statutory laws, regulations or Government policies including changes in the applicable legislation issued by MCMC. There can be no assurance that any unfavourable development in the prevailing law and regulatory environment will not have any impact on the Proposed Transaction.

Maxis will continue to monitor any changes or developments in the legal and regulatory environment in Malaysia and engage with the relevant stakeholders and respond accordingly.

7. EFFECTS OF THE PROPOSED TRANSACTION

The impact to Maxis' (i) consolidated earnings and earnings per share ("**EPS**") and (ii) net assets ("**NA**") per share and gearing is mainly subject to Maxis' actual capacity utilisation of the National 5G Wholesale Network Product and the available capacity of the DNB 5G Access Network. Accordingly, the information on the proforma effects may not represent the actual impact to Maxis' (i) consolidated earnings and EPS and (ii) NA per share and gearing.

Please refer to Appendix 1 (Sections 4 and 5) of this announcement for further details on the Target Capacity, and the pricing and fees.

7.1 Issued share capital and substantial shareholders' shareholdings

The Proposed Transaction will not have any effect on Maxis' issued share capital and substantial shareholders' shareholdings as it does not involve any issuance of new Maxis Shares.

7.2 Earnings and EPS

Maxis Group is expected to incur operating expenses of approximately RM360 million per annum for the National 5G Wholesale Network Product.

Maxis' consolidated earnings and EPS may be further reduced due to additional interest expense if the operating expenses for the National 5G Wholesale Network Product are funded via bank borrowings. However, the impact from the operating expenses and any interest expense on consolidated earnings and EPS of Maxis Group is expected to be partially offset by (i) future cost savings from the cessation of Maxis' existing 4G⁶ network and (ii) incremental income that is expected to be generated through the provision of 5G services by Maxis Group.

⁶ Fourth-generation technology standard for cellular networks conforming to Third Generation Partnership Project.

7.3 NA per share and gearing

Maxis' future consolidated NA and NA per share are expected to be reduced as and when the operating expenses set out above are incurred by Maxis Broadband. In addition, Maxis' future consolidated gearing may also increase if the operating expenses for the National 5G Wholesale Network Product are funded via bank borrowings. As at the LPD, Maxis is unable to reasonably estimate the impact to Maxis' gearing as the proportion of internally generated funds and/or bank borrowings to fund the rates of the National 5G Wholesale Network Product has not been determined at this juncture.

8. PERCENTAGE RATIO

The highest percentage ratio applicable to the Proposed Transaction pursuant to Paragraph 10.02(g) of the Listing Requirements is approximately 56.52%. This is computed based on the total financial commitment for the Minimum Service Term of RM3.60 billion (computed based on the Target Capacity as estimated by Maxis) compared with Maxis' consolidated NA of RM6.37 billion as at 31 December 2022.

9. APPROVALS REQUIRED

The Proposed Transaction is subject to the following approvals being obtained:

- (i) the approval of shareholders of Maxis for the Proposed Transaction at the EGM to be convened; and
- (ii) any other relevant authority and/or party, if required.

10. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

None of the Directors, major shareholders of Maxis and/or persons connected with them have any interest, whether direct or indirect, in the Proposed Transaction.

11. RECOMMENDATION BY THE DIRECTORS

The Board, having considered the lack of alternative wholesale network provider, the benefits that 5G will bring to businesses, customers, and the Government to strengthen Malaysia's competitiveness, and that the provision of 5G services will have a long-term value to Maxis Group, believes that the Proposed Transaction is in the best interest of Maxis and recommends that Maxis' shareholders vote in favour of the resolution pertaining to the Proposed Transaction to be tabled at the EGM to be convened.

12. ADVISERS

RHB Investment Bank has been appointed as Principal Adviser to Maxis for the Proposed Transaction.

13. SUBMISSION TO THE RELEVANT AUTHORITIES AND ESTIMATED TIME FRAME FOR COMPLETION

Barring any unforeseen circumstances:

- (i) the submission to the relevant authorities for the Proposed Transaction is expected to be made within two months from the date of this announcement; and
- (ii) the Access Agreement is expected to be executed by Maxis Broadband after Maxis has obtained approval of its shareholders at the EGM to be convened. The EGM is expected to be convened in the third quarter of 2023.

14. DOCUMENTS AVAILABLE FOR INSPECTION

The draft Access Agreement will be made available for inspection at the registered office of Maxis at Level 21, Menara Maxis, Kuala Lumpur City Centre, Off Jalan Ampang, 50088 Kuala Lumpur, Malaysia during normal business hours from Mondays to Fridays (except public holidays) for a period of three months from the date of this announcement.

This announcement is dated 14 July 2023.

SALIENT TERMS OF THE ACCESS AGREEMENT

The salient terms and conditions of the Access Agreement are set out below:

No	Matter	Indicative Term
1.	5G Products and Services	<p>(i) Types of 5G Products and Services set out in the DNB RAO:</p> <p><u>Base product</u></p> <p>(a) National 5G Wholesale Network Product</p> <p>(1) Maxis Broadband is required to subscribe to the National 5G Wholesale Network Product as a base product (and commit to the corresponding Target Capacity set out in item 4 below) to gain access to any other services in the DNB RAO.</p> <p>(2) The National 5G Wholesale Network Product will be made up of progressive deployments of polygons (i.e., 5G network coverage area which is referenced to the administrative division ('daerah' or districts) in Malaysia, made up of site(s) where the DNB 5G Access Network is or will be made available) ("Polygons") intended to provide 80% coverage in populated areas within Malaysia, including access to in-building hotspots in up to 250 buildings as determined by DNB in consultation with MCMC.</p> <p><u>5G Products and Services that have yet to be launched</u></p> <p>(b) National 5G Wholesale In-Building Network Product</p> <p>It will be launched via Polygons in buildings or areas that have been selected for indoor coverage by DNB in consultation with access seekers.</p> <p>(c) Bespoke 5G Coverage Network Product</p> <p>It will be offered at specific areas, buildings or venues that require 5G coverage. DNB can deliver the upcoming 5G Products and Services which DNB intends to offer in the DNB RAO to complement its National 5G Wholesale Network Product based on the terms and conditions as set out in the Access Agreement for network coverage that is unique to an access seeker's needs.</p> <p>(d) Other upcoming 5G Products and Services which DNB intends to offer in the DNB RAO.</p>
2.	Term	<p>The Access Agreement commences on the date the last party to the Access Agreement executes the Access Agreement ("Commencement Date") and continues until the expiry of the later of:</p> <p>(a) the Minimum Service Term; and</p> <p>(b) such longer period mutually agreed between the parties in the Access Agreement,</p> <p>unless renewed or terminated earlier.</p>

SALIENT TERMS OF THE ACCESS AGREEMENT

No	Matter	Indicative Term													
3.	Registration of Access Agreement	The CMA 1998 requires for the Access Agreement to be registered with MCMC after execution.													
4.	Target Capacity for the National 5G Wholesale Network Product	Maxis Broadband is required under the Access Agreement to purchase National 5G Wholesale Network Product (i.e. the base product) at the minimum capacity that an access seeker must purchase for the National 5G Wholesale Network Product throughout the Minimum Service Term (" Target Capacity ") as set out in the Access Agreement.													
5.	Pricing and fees	<p>(i) DNB's commercial model is based on a cost recovery principle at its weighted average cost of capital ("WACC"). The WACC for the pricing is set at 8% per annum ("WACC Rate"), which is intended to reflect, among others, the cost of capital incurred by DNB and the broader viability of the DNB business.</p> <p>(ii) The pricing, terms and conditions set out in the DNB RAO apply to all access seekers who enter into an Access Agreement with DNB.</p> <p>(iii) At this juncture, DNB had only set out the pricing for the National 5G Wholesale Network Product in the DNB RAO and the Access Agreement as follows:</p> <table border="1" data-bbox="588 956 1386 1603"> <tbody> <tr> <td>Available Capacity</td> <td>The lesser of: 1. 9,600 gigabyte per second ("Gbps"); or 2. capacity available to access seekers on the DNB 5G Access Network within the initial rollout by DNB of the first 7,509 sites which is targeted to achieve 80% coverage of populated areas within Malaysia.</td> </tr> <tr> <td>Incremental Capacity</td> <td>Capacity made available beyond Available Capacity at the period on and from the date the DNB 5G Access Network reaches an Available Capacity of 9,600 Gbps, delivered through: 1. optimisation, upgrades, or other enhancements to existing sites; or 2. the addition of new sites to Polygons.</td> </tr> </tbody> </table> <p>(iv) The table below sets out the rates to be paid by all of the access seekers (including Maxis Broadband) for the National 5G Wholesale Network Product, not inclusive of other mandatory contributions and taxes:</p> <table border="1" data-bbox="588 1776 1386 2011"> <thead> <tr> <th>Usage (Gbps)</th> <th>Rate (per Gbps per month)</th> <th>Commitment</th> </tr> </thead> <tbody> <tr> <td>Usage up to the Target Capacity</td> <td>Base Rate – RM30,000</td> <td>Yes</td> </tr> <tr> <td>Usage above the Target Capacity</td> <td>Volume Discount Rate – RM 22,000</td> <td>No</td> </tr> </tbody> </table>	Available Capacity	The lesser of: 1. 9,600 gigabyte per second (" Gbps "); or 2. capacity available to access seekers on the DNB 5G Access Network within the initial rollout by DNB of the first 7,509 sites which is targeted to achieve 80% coverage of populated areas within Malaysia.	Incremental Capacity	Capacity made available beyond Available Capacity at the period on and from the date the DNB 5G Access Network reaches an Available Capacity of 9,600 Gbps, delivered through: 1. optimisation, upgrades, or other enhancements to existing sites; or 2. the addition of new sites to Polygons.	Usage (Gbps)	Rate (per Gbps per month)	Commitment	Usage up to the Target Capacity	Base Rate – RM30,000	Yes	Usage above the Target Capacity	Volume Discount Rate – RM 22,000	No
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SALIENT TERMS OF THE ACCESS AGREEMENT

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6.	MSAP Review and Price Review	<p>(i) MCMC will conduct the MSAP Review. The MSAP Review process may result in an adjustment to the fees and pricing payable by an access seeker from the MSAP Effective Date¹.</p> <p>(ii) In addition, DNB agrees to commence a Price Review at the MSAP Review Midpoint² provided that MCMC does not itself express an intention to conduct a review of such pricing in the same calendar year. If DNB determines at its sole and absolute discretion (subject to approval by MCMC) to adjust the Base Rate as a result of the Price Review, DNB will adjust the Target Capacity to maintain the value (RM) of the commitment amount applicable to the period where the DNB 5G Access Network reaches an Available Capacity of 9,600 Gbps.</p> <p>(iii) As part of the Price Review process, DNB agrees:</p> <p>(a) to appoint an independent third party to validate the Price Review conducted by DNB; and</p> <p>(b) to invite each access seeker to participate in a consultation and grant the access seekers the opportunity to provide DNB with feedback on the outcome of the Price Review.</p>
7.	Service levels	<p>(i) Network Availability service level target</p> <p>The service level target of the Network Availability ranges from 99.3% to 99.8% depending on the category of the sites.</p> <p>(ii) If in any calendar month Network Availability falls below the Network Availability service level target (such event being a “Service Level Failure”), Maxis Broadband will be eligible to request to receive service credit(s) ranging from 0.5% to 5% calculated against the monthly average fees depending on the severity of the Service Level Failure and category of the sites.</p> <p>(iii) Payment of service credit(s) is the sole and exclusive remedy to Maxis Broadband for a Service Level Failure.</p>
8.	Liability and limitation of liability	<p>(i) Save for a list of limited exceptions where the limitation of liability would not apply, the liability of either party arising under or in connection with the DNB RAO, the Access Agreement or the provision of the 5G Products and Services is capped at RM20 million per claim for any incident or occurrence.</p> <p>(ii) To the maximum extent permitted by law, a party shall not be liable for:</p> <p>(a) any consequential loss from or in connection with the DNB RAO, the Access Agreement or the provision of the 5G Products and Services;</p> <p>(b) damage to property due to hacking and the transmission of malicious and/or programs by third parties (other than its personnel) provided that the relevant party has put in place security measures and controls.</p>

¹ The effective date of the pricing in any applicable MSAP published by MCMC.

² A date to be determined by DNB based on guidance and/or indicative timelines provided by MCMC, provided that such date must be no later than 15 months after the most recent MSAP Effective Date (“**MSAP Review Midpoint**”).

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No	Matter	Indicative Term
		(iii) DNB has no obligation with respect to any Maxis Broadband customer.
9.	Indemnities	<p>(i) Each party ("Indemnifying Party") indemnifies the other party ("Indemnified Party") for any claim or loss which an Indemnified Party pays, suffers, incurs or is liable for in connection with:</p> <ul style="list-style-type: none"> (a) any breach of confidentiality provisions; (b) any breach of warranties; (c) any breach of anti-bribery and anti-money laundering provisions; (d) any fraud, fraudulent misrepresentation or wilful misconduct by the Indemnifying Party; (e) personal injury or death of any person; and (f) loss of, damage to, or loss of use of, any tangible property, except to the limited extent that the claim or loss or liability is directly attributable to the act or omission of an Indemnified Party. <p>(ii) The liability of Indemnifying Party to indemnify the Indemnified Party against all losses from or in connection with the following events are subject to the limitation of liability set out above:</p> <ul style="list-style-type: none"> (a) any infringement of a third party's intellectual property rights in connection with the use of any intellectual property rights in any material licensed by DNB; and (b) any breach by the Indemnifying Party of the data security requirements set out in the DNB RAO.
10.	Termination by DNB	<p>DNB may terminate the Access Agreement by providing notice to Maxis Broadband if:</p> <ul style="list-style-type: none"> (a) DNB or Maxis Broadband is no longer licensed under the CMA 1998 or DNB is otherwise unable to secure the spectrum necessary to provide the 5G Products and Services; (b) Maxis Broadband has materially breached the Access Agreement and Maxis Broadband fails to remedy its breach by the end of 30-day notice period; (c) Maxis Broadband has become subject to a winding up order or ceases to trade or becomes insolvent or a receiving order is made against it or subject of any form of distress or execution or any analogous insolvency event; or (d) a force majeure event has continued for a period of more than three consecutive calendar months.

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No	Matter	Indicative Term
11.	Termination by Maxis Broadband	<p>(i) Maxis Broadband may only terminate the Access Agreement:</p> <ul style="list-style-type: none"> (a) if DNB is no longer licensed under the CMA 1998 or DNB is otherwise unable to secure the spectrum necessary to provide the 5G Products and Services; (b) if DNB has materially breached the Access Agreement and DNB fails to remedy its breach by the end of 30-day notice period; (c) if DNB has become subject to a winding up order or ceases to trade or becomes insolvent or a receiving order is made against it or subject of any form of distress or execution or any analogous insolvency event; (d) if a force majeure event that substantially affects the provision of the 5G Products and Services by DNB and deprives Maxis Broadband of the benefit of the 5G Products and Services has continued for a period of more than three consecutive calendar months; or (e) if MCMC (or any government agency with the relevant authority) determines that: <ul style="list-style-type: none"> (1) DNB will no longer be the single wholesale provider of 5G services in Malaysia; or (2) another operator (excluding DNB) is entitled to re-deploy its existing spectrum to provide 5G services or is otherwise provided with or acquires spectrum to provide 5G services, whether on a wholesale or retail basis, <p>provided that the above termination right is subject to the following conditions:</p> <ul style="list-style-type: none"> (1) any such termination must not take effect until the date any such determination by MCMC (or any government agency with the relevant authority) becomes effective; and (2) this right to terminate under item 11(e) will cease to be exercisable by Maxis Broadband: <ul style="list-style-type: none"> (A) if Maxis Broadband has not exercised its right to terminate within (the later of): (i) 90 days after the date of any such determination by MCMC (or any government agency with the relevant authority) becomes effective; or (ii) 30 days after the date another operator first makes 5G services available; or (B) on and from 1 January 2028; or (f) after the commencement of the sixth contract year, for convenience; <p>in each case, by providing DNB with written notice.</p> <p>(ii) For consequences of termination, please see item 13.</p>

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No	Matter	Indicative Term
12.	Notice before termination or suspension	<p>(i) Before terminating the Access Agreement or suspending access to any facilities and/or the 5G Products and Services, a party ("Terminating Party") must provide the other party ("Non-Terminating Party") and MCMC with 30 days' prior notice in writing of the action the Terminating Party proposes to take and the reasons why it considers such action is appropriate.</p> <p>(ii) The Terminating Party:</p> <p>(a) shall only give effect to the proposed termination or suspension with MCMC's written consent and subject to any conditions which MCMC may specify; and</p> <p>(b) shall take all steps practicable to minimise disruptions and inconvenience to the customers of the Non-Terminating Party (where the Non-Terminating Party is the access seeker).</p>
13.	Consequences of termination	<p>(i) Upon termination or expiry of the Access Agreement, for whatever reason, Maxis Broadband must, amongst others:</p> <p>(a) immediately cease using all of the 5G Products and Services;</p> <p>(b) no later than six months after the termination or expiry of the Access Agreement, disconnect and offboard from the DNB 5G Access Network; and</p> <p>(c) comply with any reasonable directions given by DNB.</p> <p>(ii) In the case of termination under items 10(b), 10(c), 11(i)(f) or due to breach of anti-bribery and anti-money laundering provisions (where Maxis Broadband is the defaulting party) only, Maxis Broadband is required to pay to DNB an amount equal to the net present value of the Target Capacity payments (using a discount rate to determine the net present value equal to the then-applicable WACC Rate) that would have been payable for the National 5G Wholesale Network Product throughout the remainder of the Minimum Service Term.</p> <p>(iii) Other than the termination events listed above, Maxis Broadband is allowed to terminate the Access Agreement (including termination due to regulatory changes as prescribed in item 11(i)(e)) without liability.</p>
14.	Warranties	<p>(i) Warranties on licences to carry out business, no litigation affecting ability to perform its obligations and no insolvency event matters of Maxis Broadband.</p> <p>(ii) Warranties on licences to carry out business and no insolvency event matters of DNB.</p> <p>(iii) Other warranties customary for a transaction of this nature such as capacity and authority, execution by authorised representative, no-conflict and compliance with laws.</p>

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No	Matter	Indicative Term
15.	Change in law	<p>(i) Where continued operation of the Access Agreement or access to the 5G Products and Services is or will be unlawful, parties to meet within five business days of becoming aware to review and mutually agree whether the relevant 5G Products and Services may be provided by DNB on different terms and conditions that comply with the relevant law as changed.</p> <p>(ii) If the parties cannot agree, either party may request resolution of the dispute pursuant to the dispute resolution procedures.</p>
16.	Changes to the Access Agreement or DNB RAO	<p>(i) Any change to the Access Agreement must be agreed in writing and executed by both parties, or be permitted under the DNB RAO.</p> <p>(ii) DNB may change the 5G Products and Services by providing Maxis Broadband with written notice if that change is:</p> <ul style="list-style-type: none"> (a) necessary to comply with any applicable law or reasonably necessary or otherwise desirable to comply with or respond to a regulatory event; (b) in response to a direction or determination made by the Minister relating to the subject matter of the DNB RAO; (c) if MCMC issues a direction or determination relating to subject matter of the DNB RAO; (d) if the CMA 1998 is amended in relation to the subject matter of the DNB RAO; or (e) if a condition of DNB's licence is amended or deleted or a new condition is imposed in relation to the subject matter of the DNB RAO. <p>(iii) DNB may change the DNB RAO from time to time subject to:</p> <ul style="list-style-type: none"> (a) DNB first consulting with the access seekers; (b) following the completion of that period of consultation, providing the access seekers 30 days' notice of any changes to the DNB RAO; and (c) obtaining approval from MCMC and publishing the updated DNB RAO on the DNB Website. <p>Where parties are unable to agree on the proposed amendments, a dispute is deemed raised and either party may initiate dispute resolution procedures.</p>