



**Our
Governance**

Corporate Governance Overview

The Board of Directors of Axiata Group Berhad (“Board” or “BOD”) strongly advocate and support the principles of good corporate governance. The Board has continually strived to enhance and strengthen the Group’s governance system and processes, to ensure that the highest levels of corporate governance is practised Group-wide. This Corporate Governance Overview Statement (“CG Overview Statement”) presents key governance highlights for the financial year 2018 outlining how Axiata complies with the three principles, 32 practices and four Step-ups of the Malaysian Code on Corporate Governance 2017 (“MCCG 2017”) during the year under review.

This statement has been made in accordance with the authority of the Board dated 21 February 2019 and finalised and updated until the date of the publication of the Integrated Annual Report (“IAR”) 2018 with delegated authority to the Board Annual Report Committee (“BARC”).

This statement is complemented with a Corporate Governance Report (“CG Report”) based on a prescribed format pursuant to paragraph 15.25 of the Main Market Listing Requirements (“Main LR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”). The CG Report is available on the Company’s website https://www.axiata.com/files/upload/corporate/Corporate_Governance_Report.pdf as well as via an announcement on the website of Bursa Securities. This statement should also be read in conjunction with the Statement on Risk Management and Internal Control (“SORMIC”) and the Board Audit Committee (“BAC”) Report as well as other information in the Governance and Audited Financial Statements 2018 (“GAFS”) and the Sustainability and National Contribution Report (“SNCR”) accompanying this IAR.

In pursuing its vision to become a New Generation Digital Champion by 2022, Axiata is implementing its Triple Core Strategy to develop its Digital Telco, Digital Businesses and Infrastructure Businesses, alongside its Digital Transformation Strategy aimed at digitising and modernising its internal and external value chains. In efforts to realise this vision, the Board is cognisant of upholding its duties according to the highest principles of accountability and transparency.

The Board maintains its commitment towards discharging its duties according to the highest standards of corporate governance, whilst pursuing its corporate objectives to enhance shareholders’ value and overall competitive positioning.

The Board recognises the importance of practicing the highest levels of governance and plays an active role in administering and reviewing the Group’s governance practices and framework to ensure its relevance and ability to meet future challenges. The Board prioritises the necessity to ensure that there is a robust and effective corporate governance system employed throughout the Group, in line with its governance commitments.

As one of the top 10 largest entities listed on the Main Board of Bursa Securities as at end of March 2019, the Board has always ensured that Axiata remains at the forefront of good corporate governance. Through the years, the Group has been consistently recognised for its high levels of disclosures, reporting and upholding the strongest principles of governance. Over the last many years, Axiata has consecutively received accolades at the Minority Shareholder Watch Group (MSWG) – ASEAN Corporate Governance Recognition Awards. In 2018, the Group received the following awards:



Axiata’s Corporate Governance Framework is developed based on the following:

| CORPORATE GOVERNANCE FRAMEWORK | | | |
|--------------------------------|-----------------------------|-----------|---|
| Companies Act 2016 (“CA 2016”) | Main LR of Bursa Securities | MCCG 2017 | Corporate Governance Guide: 3rd Edition issued by Bursa Malaysia Berhad |

 For complete details of the SORMIC, please refer to pages 23 to 32.
 For complete details of the BAC Report, please refer to pages 33 to 34.

Corporate Governance Overview

The culture of upholding strong corporate governance principles is embraced across the organisation and is led by the Board which sets the tone at the top. The release of the MCCG 2017 by the Securities Commission Malaysia in April 2017 brought about a review of Axiata's corporate governance practices with continuous efforts undertaken to identify and close the gaps. A major achievement through relentless effort in 2018 is to meet the requirement under Practice 4.5 to have at least 30% women representation on the Board with the appointment of Dr Lisa Lim Poh Lin and Khoo Gaik Bee on 8 June 2018 and 1 January 2019 respectively.

As at the date of this IAR, Axiata has applied all the practices in MCCG 2017 except for the following:

- **Practice 4.3 - Step-up**

The Board has a policy which limits the tenure of its independent directors to 9 years.

In 2016, Axiata had put in place a phased retirement plan for Independent Non-Executive Directors ("INEDs") where one INED reaching or completing the 9-year tenure will retire each year. This will stagger INEDs' retirement, most of whom were appointed in the same year, in order to maintain continuity and stability. The objective is to have a fully refreshed Board by year 2020. As the phased retirement plan is still ongoing, it is currently not possible for Axiata to adopt a 9-year term limit for INEDs. However, INEDs are not expected to serve as independent beyond 12 years.

- **Practice 7.2 and 7.3 - Step-up**

Practice 7.2 requires the disclosure of the remuneration of the top 5 named senior management while the Step-up in Practice 7.3 encourages disclosure for all members of senior management on a named basis.

The Board is of the view that due to the sensitivity of the information, disclosing the remuneration of senior management is not in the best interest of Axiata at this point in time. The Board will however re-evaluate this requirement for disclosure annually.

- **Practice 12.3**

Practice 12.3 requires companies with a large number of shareholders or which have meetings in remote locations to utilise technology to facilitate voting in absentia and remote shareholders' participation at General Meetings.

The availability and suitability of a reliable system able to provide the required services to facilitate voting in absentia and remote participation by shareholders will be explored.

More details and explanations for these departures are provided in the CG Report as well as the measures put in place to address such departures.

A summary of the Group's corporate governance practices with reference to the MCCG 2017 is described in the following manner:

GROUP'S CORPORATE GOVERNANCE PRACTICES

Principle A: Board Leadership and Effectiveness

Group Corporate Governance Structure, Board and Board Committees' Roles and Responsibilities, Board Composition, Effectiveness and Remuneration.



For complete details of Principle A, please refer to pages 62 to 77.

Principle B: Effective Audit and Risk Management

Board Audit Committee and Risk Management and Internal Control Framework.



For complete details of Principle B, please refer to pages 78 to 81.

Principle C: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

Communication with Stakeholders and Conduct of General Meeting.



For complete details of Principle C, please refer to page 82.

Corporate Governance Framework

COMPLIANCE



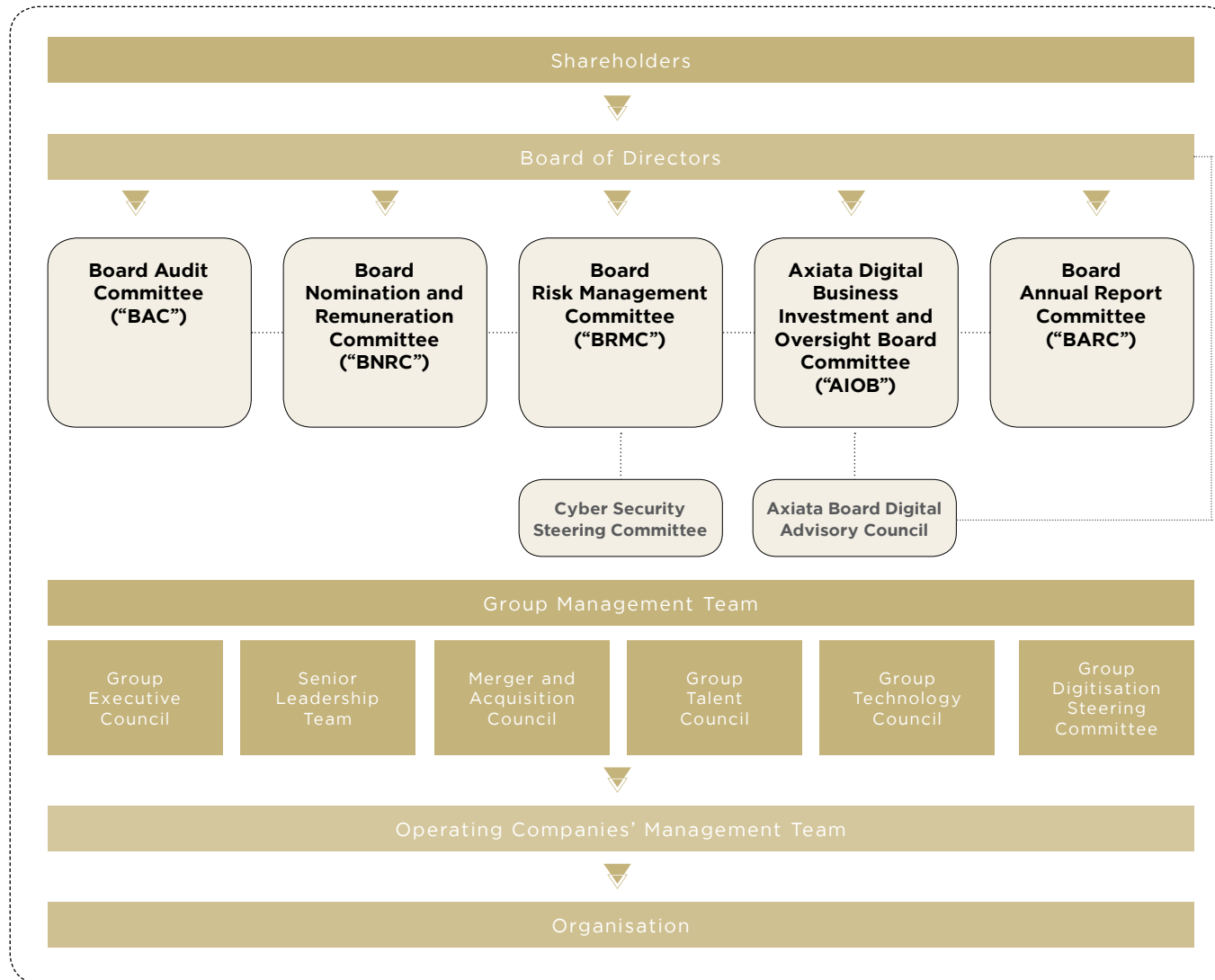
1 Main LR of Bursa Securities & Company Act 2016



2 MCGG 2017



3 Axiata's Corporate Governance Framework



ASSURANCE



1 Audit of financial data and review of social and environmental data (internal & external)



2 Facilitation and organisational audit (internal)



3 Quality audit and inspections (internal & external)

Board of Directors

Principle A: Board Leadership and Effectiveness

Structural Changes to Board Composition

The year 2018 and the early part of 2019 saw several changes to the Board composition as follows:

- Appointment of Tengku Dato' Sri Azmil Zahrudin Raja Abdul Aziz as Non-Independent Non-Executive Director ("NINED") replacing Kenneth Shen on 12 January 2018
- Retirement of Datuk Azzat Kamaludin as Senior Independent Non-Executive Director ("SINED") on 23 May 2018
- Appointment of Dr Lisa Lim Poh Lin as INED on 8 June 2018
- Resignation of Tan Sri Datuk Wira Azman Hj Mohktar as Chairman on 3 August 2018
- Appointment of Tan Sri Ghazzali Sheikh Abdul Khalid as Interim Chairman on 23 August 2018
- Redesignation of Tan Sri Ghazzali Sheikh Abdul Khalid as Chairman on 1 November 2018
- Appointment of David Lau Nai Pek as SINED on 1 November 2018
- Appointment of Khoo Gaik Bee as INED on 1 January 2019
- Redesignation of Dato' Mohd Izzaddin Idris as INED on 27 March 2019

For complete details of the Profiles of Directors, please refer to pages 4 to 7.



**TAN SRI GHAZZALI
SHEIKH ABDUL KHALID**

*Chairman
Independent Non-Executive Director*

| Age | Nationality | Gender |
|-------------------|-------------|--|
| 73 | Malaysian | Male |
| Length of Service | | Date of Appointment |
| 11 years | | 24 March 2008 <i>Appointed as Chairman on 1 November 2018</i> |



**TAN SRI JAMALUDIN
IBRAHIM**

*Managing Director/
President & Group Chief Executive Officer*

| Age | Nationality | Gender |
|-------------------|-------------|---------------------|
| 60 | Malaysian | Male |
| Length of Service | | Date of Appointment |
| 11 years | | 3 March 2008 |



DAVID LAU NAI PEK

Senior Independent Non-Executive Director

| Age | Nationality | Gender |
|-------------------|-------------|---------------------|
| 66 | Malaysian | Male |
| Length of Service | | Date of Appointment |
| 11 years | | 23 April 2008 |



**DATO' MOHD IZZADDIN
IDRIS**

Independent Non-Executive Director

| Age | Nationality | Gender |
|-------------------|-------------|---------------------|
| 56 | Malaysian | Male |
| Length of Service | | Date of Appointment |
| 2 years 4 months | | 24 November 2016 |

Board of Directors



**DATO DR NIK RAMLAH
NIK MAHMOOD**
Independent Non-Executive Director

| | | |
|-------------------------------------|---|-------------------------|
| Age 63 | Nationality Malaysian | Gender Female |
| Length of Service 2 years | Date of Appointment 21 March 2017 | |



DR DAVID ROBERT DEAN
Independent Non-Executive Director

| | | |
|---|--|-----------------------|
| Age 60 | Nationality British | Gender Male |
| Length of Service 1 year 3 months | Date of Appointment 11 December 2017 | |



**DR MUHAMAD CHATIB
BASRI**
Independent Non-Executive Director

| | | |
|-------------------------------------|--|-----------------------|
| Age 53 | Nationality Indonesian | Gender Male |
| Length of Service 4 years | Date of Appointment 25 February 2015 | |



**TENGGU DATO' SRI AZMIL
ZAHRUDDIN RAJA ABDUL AZIZ**
*Non-Independent Non-Executive Director
(Representative of Khazanah)*

| | | |
|---|---|-----------------------|
| Age 48 | Nationality Malaysian | Gender Male |
| Length of Service 1 year 3 months | Date of Appointment 12 January 2018 | |



DR LISA LIM POH LIN
Independent Non-Executive Director

| | | |
|--------------------------------------|---|-------------------------|
| Age 42 | Nationality Malaysian | Gender Female |
| Length of Service 9 months | Date of Appointment 8 June 2018 | |



KHOO GAIK BEE
Independent Non-Executive Director

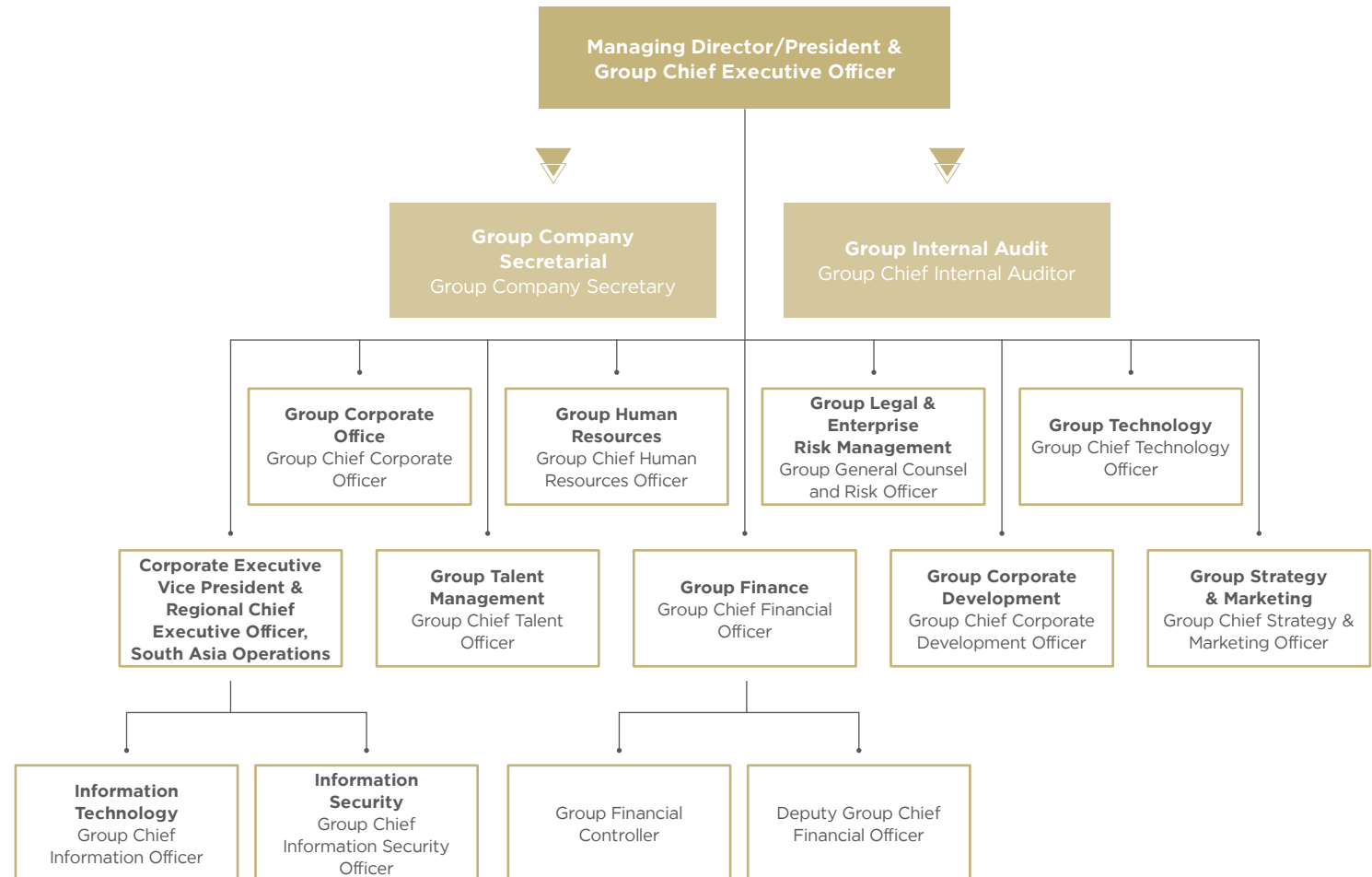
| | | |
|--------------------------------------|--|-------------------------|
| Age 61 | Nationality Malaysian | Gender Female |
| Length of Service 3 months | Date of Appointment 1 January 2019 | |

Group Organisational Chart

The Board places great importance in ensuring that Axiata has in place a strong and cohesive Senior Leadership Team (“SLT”) made up of capable individuals who are experts in their own respective fields.

Appointment of top key positions in the Group requires the recommendation of the BNRC and approval of Axiata Board of Directors. The members of the SLT comprise a healthy mix of Malaysians and other nationalities to ensure that local and regional knowledge and expertise are balanced with global perspectives.

In 2018 and early 2019, the SLT line up saw the appointments of the Group Chief Corporate Officer, the Deputy Group Chief Financial Officer and the Group Chief Internal Auditor. These appointments are of talent that were serving in other capacities in the Axiata Group and assumed roles on the SLT as part of the Axiata Talent Management Framework.



For complete details of the Profile of Group SLT, please refer to pages 11 to 15



Group Senior Leadership Team



TAN SRI JAMALUDIN IBRAHIM

*Managing Director/
President & Group Chief Executive Officer*

| | | |
|------------------|---------------------------------|-----------------------|
| Age 60 | Nationality Malaysian | Gender Male |
|------------------|---------------------------------|-----------------------|

Years of Service at Axiata
11 years

Date of Appointment to Current Position
3 March 2008



DR HANS WIJAYASURIYA

*Corporate Executive Vice President
& Regional Chief Executive Officer,
South Asia Operations*

| | | |
|------------------|----------------------------------|-----------------------|
| Age 50 | Nationality Sri Lankan | Gender Male |
|------------------|----------------------------------|-----------------------|

Years of Service at Axiata
25 years

Date of Appointment to Current Position
1 January 2017



VIVEK SOOD

Group Chief Financial Officer

| | | |
|------------------|------------------------------|-----------------------|
| Age 54 | Nationality Indian | Gender Male |
|------------------|------------------------------|-----------------------|

Years of Service at Axiata
2 years

Date of Appointment to Current Position
3 April 2017



AZWAN KHAN OSMAN KHAN

Deputy Group Chief Financial Officer

| | | |
|------------------|---------------------------------|-----------------------|
| Age 49 | Nationality Malaysian | Gender Male |
|------------------|---------------------------------|-----------------------|

Years of Service at Axiata
14 years

Date of Appointment to Current Position
1 November 2018



DATIN SRI BADRUNNISA MOHD YASIN KHAN

Group Chief Talent Officer

| | | |
|------------------|---------------------------------|-------------------------|
| Age 59 | Nationality Malaysian | Gender Female |
|------------------|---------------------------------|-------------------------|

Years of Service at Axiata
11 years

Date of Appointment to Current Position
1 June 2011



ASRI HASSAN SABRI

Group Chief Corporate Officer

| | | |
|------------------|---------------------------------|-----------------------|
| Age 52 | Nationality Malaysian | Gender Male |
|------------------|---------------------------------|-----------------------|

Years of Service at Axiata
3 years

Date of Appointment to Current Position
1 September 2018



Group Senior Leadership Team



HADI HELMI ZAINI SOORIA

Group Chief Internal Auditor

| | | |
|------------|--------------------|---------------|
| Age | Nationality | Gender |
| 49 | Malaysian | Male |

| | |
|-----------------------------------|--|
| Years of Service at Axiata | Date of Appointment to Current Position |
| 22 years | 15 October 2018 |



SURYANI HUSSEIN

Group Company Secretary

| | | |
|------------|--------------------|---------------|
| Age | Nationality | Gender |
| 53 | Malaysian | Female |

| | |
|-----------------------------------|--|
| Years of Service at Axiata | Date of Appointment to Current Position |
| 16 years | 1 April 2008 |



DARKE M SANI

Group Chief Human Resources Officer

| | | |
|------------|--------------------|---------------|
| Age | Nationality | Gender |
| 63 | Singaporean | Male |

| | |
|-----------------------------------|--|
| Years of Service at Axiata | Date of Appointment to Current Position |
| 7 years | 1 June 2011 |



DOMINIC P ARENA

Group Chief Strategy and Marketing Officer

| | | |
|------------|--------------------|---------------|
| Age | Nationality | Gender |
| 42 | Australian | Male |

| | |
|-----------------------------------|--|
| Years of Service at Axiata | Date of Appointment to Current Position |
| 3 years | 1 March 2016 |



ANNIS SHEIKH MOHAMED

Group Chief Corporate Development Officer

| | | |
|------------|--------------------|---------------|
| Age | Nationality | Gender |
| 47 | Malaysian | Male |

| | |
|-----------------------------------|--|
| Years of Service at Axiata | Date of Appointment to Current Position |
| 7 years | 1 July 2011 |



TAN GIM BOON

Group General Counsel and Risk Officer

| | | |
|------------|--------------------|---------------|
| Age | Nationality | Gender |
| 46 | Malaysian | Male |

| | |
|-----------------------------------|--|
| Years of Service at Axiata | Date of Appointment to Current Position |
| 15 years | 14 April 2014 |



ANTHONY RODRIGO

Group Chief Information Officer

| | | |
|------------|--------------------|---------------|
| Age | Nationality | Gender |
| 51 | Sri Lankan | Male |

| | |
|-----------------------------------|--|
| Years of Service at Axiata | Date of Appointment to Current Position |
| 8 years | 1 August 2017 |



YAP WAI YIP

Group Financial Controller

| | | |
|------------|--------------------|---------------|
| Age | Nationality | Gender |
| 62 | Malaysian | Male |

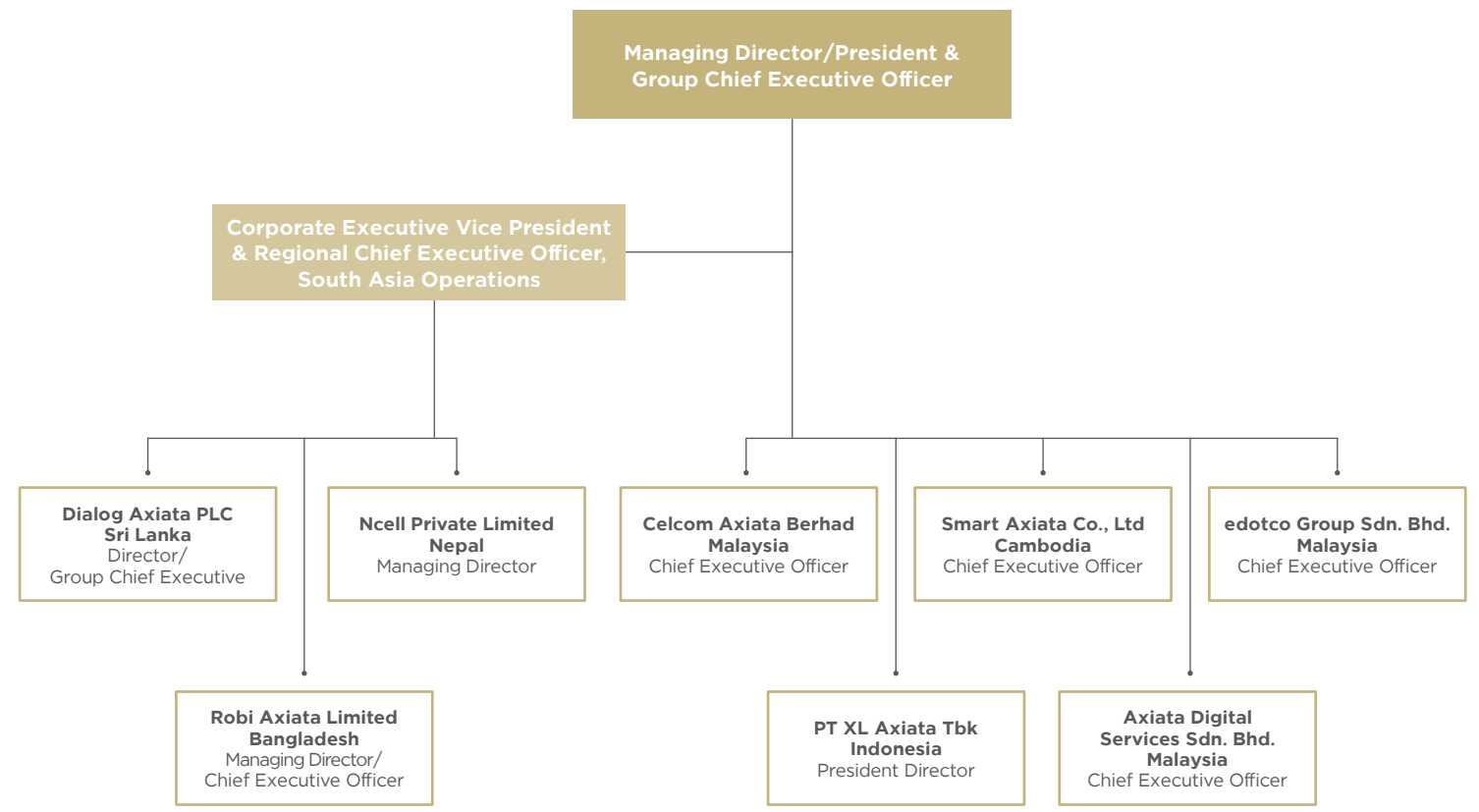
| | |
|-----------------------------------|--|
| Years of Service at Axiata | Date of Appointment to Current Position |
| 11 years | 1 November 2016 |


Operating Companies' Organisational Chart

In 2018, Celcom welcomed a new CEO, who was an internal talent.

This appointment, along with the three Operating Companies' (OpCos) CEOs promoted through internal ranks in 2017, demonstrate orderly succession planning undertaken in accordance with the Axiata Talent Management Framework.

The succession plans are presented to the Board at least twice a year. The plans include talent (both internal and identified external talent) ready to take on senior roles within different time frames and the intervention required for key talent. The succession planning process provides Axiata a ready pool of talent to plan ahead with and when there is insufficient bench strength, to scour the market and identify promising candidates in advance of the anticipated demand.



 For complete details of the Profile of Operating Companies' Management Team, please refer to pages 16 to 17



Operating Companies' Management Team



**MOHAMAD IDHAM
NAWAWI**

*Chief Executive Officer
Celcom Axiata Berhad*

| Age | Nationality | Gender |
|-----|-------------|--------|
| 51 | Malaysian | Male |

| Years of Service at Axiata | Date of Appointment to Current Position |
|----------------------------|---|
| 6 years | 1 September 2018 |



DIAN SISWARINI

*President Director
PT XL Axiata Tbk*

| Age | Nationality | Gender |
|-----|-------------|--------|
| 50 | Indonesian | Female |

| Years of Service at Axiata | Date of Appointment to Current Position |
|----------------------------|---|
| 22 years | 1 April 2015 |



SUPUN WEERASINGHE

*Director/Group Chief Executive
Dialog Axiata PLC*

| Age | Nationality | Gender |
|-----|-------------|--------|
| 43 | Sri Lankan | Male |

| Years of Service at Axiata | Date of Appointment to Current Position |
|----------------------------|---|
| 19 years | 1 January 2017 |



THOMAS HUNDT

*Chief Executive Officer
Smart Axiata Co., Ltd.*

| Age | Nationality | Gender |
|-----|-------------|--------|
| 41 | German | Male |

| Years of Service at Axiata | Date of Appointment to Current Position |
|----------------------------|---|
| 6 years | 19 February 2013 |



**SUREN J.
AMARASEKERA**

*Managing Director
Ncell Private Limited*

| Age | Nationality | Gender |
|-----|-------------|--------|
| 54 | Sri Lankan | Male |

| Years of Service at Axiata | Date of Appointment to Current Position |
|----------------------------|---|
| 2 years | 1 July 2017 |



MAHTAB UDDIN AHMED

*Managing Director/
Chief Executive Officer
Robi Axiata Limited*

| Age | Nationality | Gender |
|-----|-------------|--------|
| 52 | Bangladeshi | Male |

| Years of Service at Axiata | Date of Appointment to Current Position |
|----------------------------|---|
| 8 years | 1 November 2016 |



**MOHD KHAIRIL
ABDULLAH**

*Chief Executive Officer
Axiata Digital Services Sdn Bhd*

| Age | Nationality | Gender |
|-----|-------------|--------|
| 48 | Malaysian | Male |

| Years of Service at Axiata | Date of Appointment to Current Position |
|----------------------------|---|
| 7 years | 1 January 2015 |



SURESH SIDHU

*Chief Executive Officer
edotco Group Sdn Bhd*

| Age | Nationality | Gender |
|-----|-------------|--------|
| 52 | Malaysian | Male |

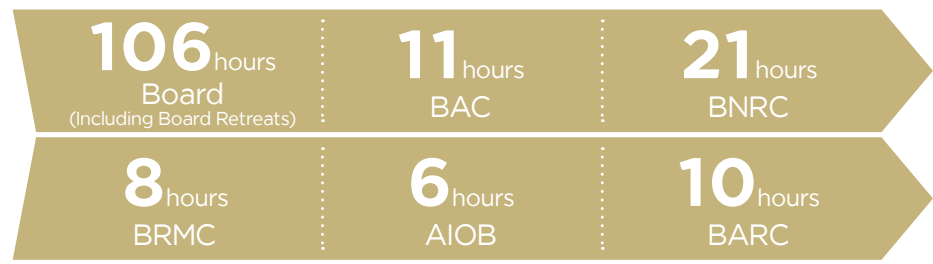
| Years of Service at Axiata | Date of Appointment to Current Position |
|----------------------------|---|
| 10 years | 26 August 2014 |

Board Leadership

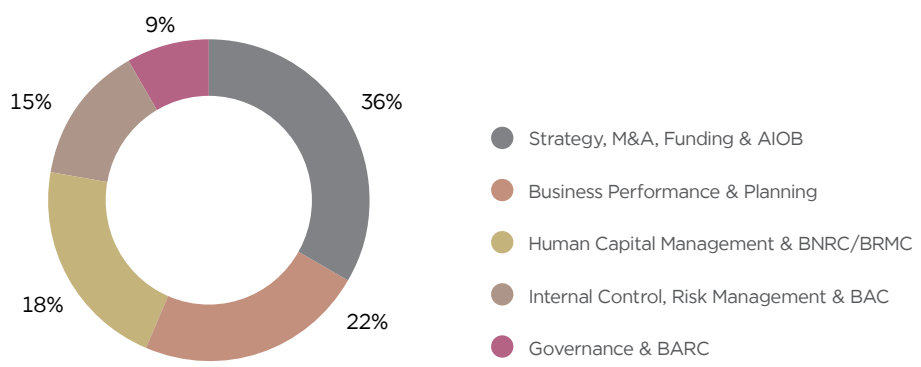
Duties & Responsibilities of the Board

The year 2018 saw the Board and Board Committee meetings clocking in a total of 162 hours in the discharge of its key fiduciary duties and leadership functions and responsibilities. The following sets out the total hours for the conduct of Board & Board Committee Meetings:

Total Hours for Board & Board Committee Meetings



The topics of discussion at the meetings are as follows:



Activities in 2018

- The Board occupied approximately 36% of its time providing the strategic direction for the Company by guiding the SLT in developing the corporate strategy to be employed by Axiata Group in pursuit of Axiata's vision to be a New Generation Digital Champion by 2022.
- During the mid-year retreat in July 2018, the Board was updated on the Axiata 3.0 Triple Core Transformation and the status of the Eight Needle-Moving Strategic Initiatives, which were broadly on track.
- At the year-end retreat in November 2018, the Board deliberated on the need for key adjustments in execution of the planned strategies in 2018/2019 with focus on Shifting Gear in new businesses and convergence.
- The Board also deliberated on the Strategic and Annual Business Plan and Budget 2019 and provided feedback and direction before subsequently approving the same.
- The Board made several key decisions on matters pertaining to Mergers & Acquisitions ("M&A") during the year, an area of strategic focus for the Board. Three out of 13 Board meetings were special Board meetings convened on M&A matters. As a matter of good practice, post-mortem reviews of completed M&A transactions would be carried out by the Board periodically.
- The Board oversaw the conduct of the Company's business and execution of the approved business plan over the short, medium and long-term. 2018 Key Performance Indicators ("KPI") were set and headline KPIs were announced publicly. On a quarterly basis, achievements against KPIs were presented and monitored.
- Sustainability and stakeholder management were also topics that constantly cropped up in the Board's deliberations in 2018 as Axiata faced regulatory challenges in many of its footprints.
- In terms of the organisation, the Board approved the following proposals in response to changes in the business and industry and in support of Axiata 3.0 Transformation.

Organisation

- Nurturing a Modern, Agile & Digital (M.A.D.) organisation.
- Framework targeting functional superiority or best practice across main functions covering:
 - Digitisation
 - Analytics
 - IT & network modernisation

People

- Top Management changes across the Group.
- Board refresh and succession planning across the Axiata Group.

Priorities for 2019

- With a clear vision to be the New Generation Digital Champion by 2022, the Board will continue to monitor its execution over the short, medium and long-term.
- Shifting Gear agenda with short-term focus towards profitability and cash flows.
- Overseeing the execution of the cost optimisation and M.A.D. organisation initiatives.
- Execution of Board refresh and succession planning.



Board Leadership

Code of Conduct and Ethics

The Directors Code of Ethics adopted in 2011 were reviewed and replaced with a new Board Code of Conduct and Ethics (“Code”) approved by the Board in February 2018. Adoption of the new Code is to be in line with the practices in the MCCG 2017 and ensures that the Board continues to shape the ethical culture through its leadership. The provisions of the Code are aligned with the Employees Code of Conduct and the corporate culture of uncompromising integrity and exceptional performance applicable across the Group.

The Code is available online at https://www.axiata.com/files/upload/corporate/Board_Code_of_Conduct_and_Ethics.pdf

Board Charter

The Board also approved revisions to the Board Charter (“Charter”) in February 2018. The revisions took into account the gaps in the Charter in view of the provisions of MCCG 2017, inter alia in the following areas:

- Separation of the positions of Chairman and President & GCEO. Observed by Axiata from inception with roles of each position clearly defined and now stated as a clear policy.
- Insertion of a specific provision relating to Company Secretary stating the requirement for a qualified person to be appointed and defining his/her role as advisor to the Board on governance matters to whom the Board shall have unlimited access. Axiata’s Group Company Secretary is a qualified advocate & solicitor and licensed by Suruhanjaya Syarikat Malaysia (“SSM”) and hence qualified to act as a Company Secretary under the CA 2016.
- Asserting the Board’s aim to appoint 30% women participation on the Board in line with the Government’s aspiration which target has been attained as of 1 January 2019.
- Specifically stating the requirement that if the Board wishes to retain an INED who exceeds the cumulative term limit of 9 years, he/she shall be redesignated as a NINED, unless annual shareholders’ approval is sought for him/her to remain as INED providing justifications.

The full extent of the Board’s responsibilities is available in the Board Charter at https://www.axiata.com/files/upload/corporate/Board_Charter.pdf

Directors’ Professional Development and Education

Other than the Mandatory Accreditation Programme (“MAP”) prescribed by Bursa Securities, all newly appointed Directors of Axiata will attend an in-house Axiata Group induction programme. This induction programme helps newly appointed Directors of Axiata familiarise themselves with the strategies and operations of the Group. The programme includes site visits and meetings with senior management as appropriate, to enable them to have a full understanding of the nature of the Group’s businesses, current issues and challenges as well as the structure and management of the Group. Newly appointed Directors who are not familiar with the telco industry will also undergo a Telco Primer Programme.

Axiata has a dedicated budget for Board training and a set of guidelines on Board Training Programmes. BNRC undertakes an assessment of the training needs of the Board and each Director and reviews the same on half yearly basis.

The training programmes attended by each of the Director in 2018 are listed on pages 9 to 10 of the GAFS.

2018 Directors’ Training Areas



Board Composition

Board Size and Composition

Axiata has in place a Board Composition Framework which takes into consideration, among others, the complexity and geographical spread of the Group's businesses.

i) Maximum of 10 Board members (up to two Executive Directors ("EDs"). In recent discussions, the Board indicated a possibility that the Board composition may be larger than 10 in view of the new businesses and allowing a certain duration for Board transition and refresh;

ii) Two NINEDs representing Khazanah as the major shareholder;

iii) More than 50% of the Board to comprise INEDs with various mix of skills, experience and diversity including in terms of nationality and gender; and

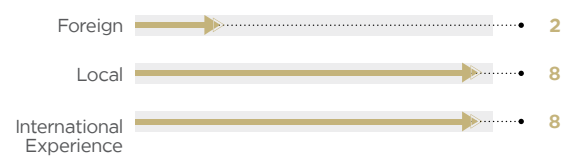
iv) Up to three members with geographical experience matching Axiata's footprint (Indonesia/ Indian sub-continent/international).

Current composition of Axiata Board has the appropriate mix of diversity, skills, experience and capabilities:

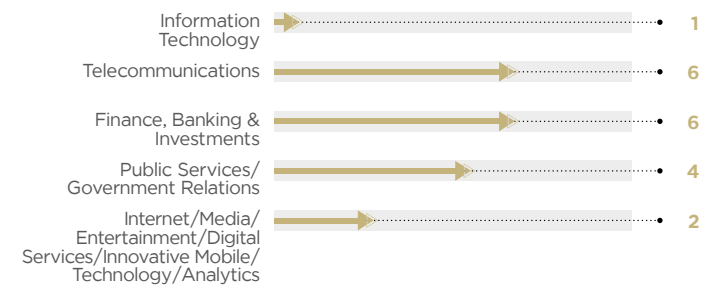
NINED/INED/ED & Gender



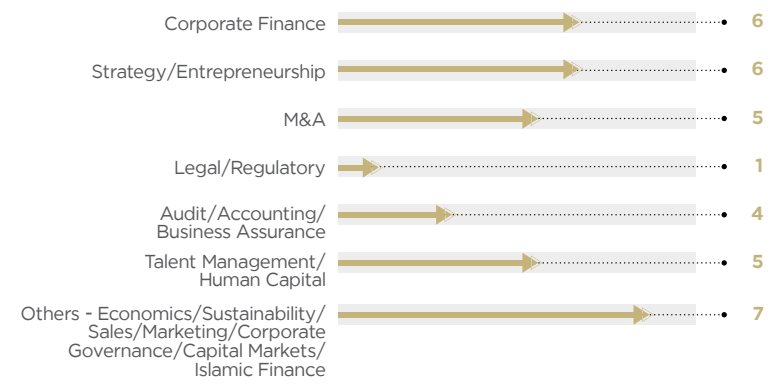
Nationality/International Experience



Industry Experience



Functional Experience



The breadth of skill sets and experience of the Axiata Board is instrumental to guide Axiata through the next phase of its transformation journey.

Axiata has a clear and transparent process for the selection, nomination and appointment of suitable candidates to the Board of Axiata as described below:



2018 Meeting Calendar

The overall calendar of meetings of the Board and Committees held in 2018 and attendance of the respective Directors are provided below:

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|-------------|--------|-----|------------------|-----|-------------|-----|------------------------------------|--------|-----|--------|----------------------------------|-----|
| BOD | • # | • | • | | • | | # • (Mid-Year Strategy Retreat) | # • | | # # | • • (2-day business planning) | |
| BAC | # | • | # | | • | | # | • | | # # | • | |
| BNRC | • | • | • # # # | # | • # # | | # | • | | # # | • | |
| BRMC | | • | | | • | | | • | | | | |
| AIOB | | | | • | | | | | • | | | • |
| BARC | • | • | • • • | • | | | | | | | | |

- Scheduled Meeting
- # Special Meeting

| | Board (13) | BAC (8) | BNRC (15) | BRMC (4) | AIOB (3) | BARC (6) |
|--|--------------|------------|--------------|------------|------------|------------|
| Tan Sri Ghazzali Sheikh Abdul Khalid | 13/13 (100%) | - | 13/15 (87%) | - | - | - |
| Tan Sri Jamaludin Ibrahim | 13/13 (100%) | - | - | 4/4 (100%) | 3/3 (100%) | 6/6 (100%) |
| Dato' Mohd Izzaddin Idris | 13/13 (100%) | 4/4 (100%) | - | - | 2/3 (67%) | - |
| David Lau Nai Pek | 13/13 (100%) | 8/8 (100%) | - | 4/4 (100%) | 3/3 (100%) | 6/6 (100%) |
| Dato Dr Nik Ramlah Nik Mahmood | 13/13 (100%) | - | 15/15 (100%) | 4/4 (100%) | - | - |
| Dr David Robert Dean | 13/13 (100%) | 8/8 (100%) | - | 4/4 (100%) | 3/3 (100%) | - |
| Dr Muhamad Chatib Basri | 12/13 (92%) | - | - | - | - | - |
| Dr Lisa Lim Poh Lin ¹ | 8/8 (100%) | - | - | - | - | - |
| Tengku Dato' Sri Azmil Zahrudin Raja Abdul Aziz ² | 13/13 (100%) | - | 5/5 (100%) | - | 3/3 (100%) | - |
| Tan Sri Datuk Wira Azman Hj. Mokhtar ^{3**} | 7/7 (100%) | - | - | - | - | - |
| Datuk Azzat Kamaludin ^{4**} | 5/5 (100%) | 4/4 (100%) | 10/10 (100%) | 1/2 (50%) | - | 6/6 (100%) |
| Kenneth Shen ⁵ | - | - | - | - | - | - |

- ¹ Appointed on 8 June 2018
 - ² Appointed on 12 January 2018
 - ³ Resigned on 3 August 2018
 - ⁴ Retired on 23 May 2018
 - ⁵ Resigned on 12 January 2018
- ** Number of Board meetings attended from appointment
- ** Number of Board meetings attended until retirement/resignation



Board Effectiveness

Board Effectiveness Evaluation (“BEE”)

The Board believes that an independent party will lend greater objectivity to the assessment process of the Board. As such, continuing Axiata’s practice of appointing professional consultants annually for this exercise, the BNRC appointed KPMG Management & Risk Consulting Sdn Bhd (“KPMG”) as facilitator of its 2018 Board Effectiveness Evaluation (2018 BEE).

KPMG facilitated the 2018 BEE by conducting assessments and analyses on Axiata’s Board, Board Committees and individual directors. This was undertaken through questionnaires and interviews with individual directors as well as selected key management personnel. Assessment in respect of Directors’ independence was also carried out in the 2018 BEE using the criteria prescribed under the Main LR of Bursa Securities.

The specific assessments included an assessment of the Board and each Board member’s skill sets and was structured along both self assessment and peer reviews extending also specifically to independent directors and the President & GCEO. In addition, the BEE 2018 also included an assessment of each of the Board’s committees.

The findings and results of the 2018 BEE was tabled to the Board at its meeting on 27 March 2019.

A summary of the BEE 2018 results are categorised into the following segments:

A. Strengths - Strengths and numerous positive highlights were identified in the BEE 2018 and these includes and may be categorised as follows:

1: Board Room Commitment and Resilience

The Board of Axiata is seen as a collegial, fully-committed and resilient unit of professionals that is “dedicated to the cause”.

2: Rigour of Board Deliberation

Board deliberations are conducted with due rigour and professionalism. Board deliberations are focused and discussions are often without the shackles of fear or censure.

3: Working Relationship between the Board and the President & GCEO

The findings highlight that there is unanimity within the Board that the President & GCEO possesses sound leadership and technical and social skills in acting as the bridge between Management and Board.

4: Succession Planning

The Board has consciously established a premeditated and timely succession plan to generate progressive renewal of the Board. Additionally, as part of the broader succession management, the BNRC plays a proactive role in bridging any void in regards to skill set and gender diversity.

B. Improvements - Areas that require improvement were also identified in the BEE 2018 and these includes and may be categorised as follows:

1: Boardroom configuration across the Group

A suggestion was made for the Board to review its current philosophy on appointments of Axiata’s representatives on OpCo Boards and Committees.

2: Oversight of Operating Companies

Interviews with both Directors and Senior Management shed light on the necessity for heightened awareness and attentiveness towards Operating Companies nestled in frontier markets.

3: Strategic Deliberations

Views garnered from the Directors revealed that there is a need for strategic deliberations to be more catalytic.

4: Information Flow and Board Administration

Insights obtained from the assessment and interviews point towards improvements that can be made over time management of Board meetings, scheduling of Board meetings, induction of new Directors and the facilitation of in-camera sessions.

The Board has taken note of these identified areas for improvement and would address them in the appropriate manner.



Board Effectiveness

Board Effectiveness Evaluation (“BEE”)

In respect of the directors standing for re-election, the BNRC took into consideration the self-peer ratings and other feedback on the areas evaluated.

Tan Sri Ghazzali Sheikh Abdul Khalid is acknowledged for his role as a patient and effective, but fair mediator at Board deliberations. In addition, he fosters a democratic boardroom allowing dissenting and alternative voices to be expressed without censure while being able to balance micro and macro arguments. Notwithstanding his long tenure on the Board, he continues to display objectivity and is able to effectively probe senior management.

The Board is of the view that Axiata is fortunate in having such a Chairman and recommends for him to continue to act as an INED.

David Lau Nai Pek is acknowledged as exhibiting strong professionalism and objectivity as well as demonstrating active participation in boardroom and Axiata affairs. He commands the respect of the boardroom and is responsive to matters brought to his attention. His expertise in finance and accounting brings effectiveness to his chairmanship of the Board Audit Committee and Board Risk Management Committee. Despite his long length of service on the Board, he remains objective with the ability to effectively probe senior management.

The Board is of the view and recommends he should remain as an INED.

Tan Sri Jamaludin Ibrahim is regarded as an astute leader and a passionate individual who is highly visionary. He has been described by fellow Board members as a leader who works in a synergistic and engaging manner with the Board fostering a strong sense of camaraderie amongst Board members. His ability to command the respect of the Board is a product of his stature and vast experience in the telecommunications industry.

The Board is of the view and recommends that he should remain as the Managing Director/President & GCEO and recommends his re-election.

Dato’ Mohd Izzaddin Idris is recognised for demonstrating active individual participation in the boardroom and Axiata affairs. His experience as a former chief executive officer of a large government linked company equips him with the ability to make proactive contribution to boardroom deliberations and high level management probing and scrutiny. He is also strongly acknowledged for his ability to avert blind spots in the boardroom from a business management perspective.

The Board recommends his re-election as an INED.

The assessment in respect of Directors independence in 2018 BEE was carried out using the criteria prescribed under the Main LR of Bursa Securities. All Independent Directors assessed have declared adherence to all the relevant regulatory stipulations in accordance with paragraph 1.01 and Practice Note 13 of the Main LR of Bursa Securities. Notwithstanding the long tenure of two of the Independent Directors, namely Tan Sri Ghazzali Sheikh Abdul Khalid and David Lau Nai Pek, the said Directors were adjudged to demonstrate continued objectivity and professional skepticism.



Board Remuneration

Non-Executive Directors (“NED”)

As a regional company, the remuneration philosophy is to develop a remuneration structure that commensurates with the Directors’ responsibilities at both Board and Board Committee level and is sufficient to attract, incentivise and retain quality Directors. The remuneration packages differentiate the Chairman and ordinary members of the Board and Board Committee to reflect the bigger role played by the Chairman.

The following table outlines the remuneration structure for NEDs of the Group:

| Remuneration | Monthly Fees ¹ (RM) | | Meeting Allowances ² (RM) | |
|------------------------|--------------------------------|-----------|--------------------------------------|----------|
| | NEC ³ | NED | NEC ³ | NED |
| Board of Directors | 30,000.00 | 20,000.00 | 3,000.00 | 2,000.00 |
| BAC | 4,000.00 | 2,000.00 | 3,000.00 | 2,000.00 |
| BNRC | 1,200.00 | 800.00 | 1,500.00 | 1,000.00 |
| Other Board Committees | Nil | Nil | 1,500.00 | 1,000.00 |

- ¹ In accordance with shareholders’ approval, Axiata pays Board and Board committees’ Directors’ fees on a monthly basis
- ² Meeting allowances are paid on a per meeting basis, notwithstanding any adjournment and number of days
- ³ NEC refers to Non-Executive Chairman

Benefits

Benefits such as annual overseas business development trips, leave passage, travel allowance, travel allowance for non-resident NEDs, equipment, telecommunication facilities, insurance and medical.

Executive Directors (“ED”)


The Company’s policy on remuneration for the ED is formulated to ensure that the level of remuneration is generally set to provide market competitiveness to attract, retain and motivate an ED of the highest calibre to competently manage the Company.

The remuneration is therefore structured to link various components of the package with corporate and individual performance as well as Total Shareholder Returns (“TSR”). It also takes into account similar packages at comparable companies (of similar size and complexity to Axiata locally; and in the same industry in the region), based on information prepared by independent consultants and survey data.

The current remuneration policy of the ED consists of basic salary, benefits-in-kind and EPF contributions, as a guaranteed component. On top of this, the ED is eligible for two types of performance-based incentives which are the Short-Term Incentive Plan (“STIP”) linked to a particular financial year’s targets and the Long-Term Incentive Plan (“LTIP”) which is linked to a 3-year long-term target.

For the STIP, the performance of the ED is measured based on the achievements of his annual KPIs. These KPIs comprise not only quantitative targets, such as annual revenue, EBITDA, PATAMI or Return on Invested Capital (“ROIC”) and relative performance of the OpCos, but also qualitative targets which include strategic milestones and initiatives that need to be achieved and implemented in a given year, on areas such as strategy, innovation, business development, synergy, human capital management, financial management and societal development. The weightage of the qualitative and quantitative targets may be adjusted to accommodate the Group’s aspirations.

For the LTIP, the performance of the ED is measured on the achievement of a combination of TSR and ROIC within the vesting period; TSR targets being set in comparison with other high-performing companies on Bursa Securities.

 Complete details of remuneration of NEDs and ED for 2018 are provided on page 8 of GAFS

Board Committees

| | Roles | Activities in 2018 | Priorities for 2019 |
|--|--|---|--|
| <p>► Board Nomination and Remuneration Committee (“BNRC”)</p> <p>Members Dato Dr Nik Ramlah Nik Mahmood (Chairman) (INED) Tengku Dato’ Sri Azmil Zahrudin Raja Abdul Aziz (NINED) Khoo Gaik Bee (INED)</p> | <p>Nomination</p> <ul style="list-style-type: none"> Oversee the selection and assessment of Directors and ensure that Board composition meets the needs of Axiata; Propose new nominees to the Board of Directors of Axiata and any Committee of the Board; Facilitate and review Board induction and training programmes; Assess Directors on an ongoing basis; and Recommend or approve, as the case may be, the key management of Axiata Group. <p>Remuneration</p> <ul style="list-style-type: none"> Recommend to the Board the remuneration of the EDs in all its forms, drawing from outside advice as necessary; Assist the Board in determining the policy and structure for the remuneration of Directors and Senior Management of Axiata Group; and Administer the ‘Performance-Based Employee Share Option Scheme and Restricted Share Plan (“Axiata Share Scheme”) in accordance with the Bye-Laws of the Axiata Share Scheme (“Bye-Laws”) as approved by shareholders of the Company. | <p>Nomination</p> <ul style="list-style-type: none"> Considered the significant changes to the Board of Axiata in 2018 and early 2019 involving the appointments of 3 new directors, the resignation of 2 directors and the retirement of a director and recommended the phased retirement plan to be kept in abeyance in 2019. Twice during the year reviewed reports on directors training including making recommendations thereof. Reviewed changes proposed in respect of the nomination of Axiata nominee directors on OpCo Boards. Reviewed and recommended the extension of employment contracts of key personnel of Axiata Group. Discussed the findings of the 2017 BEE and follow-up actions and approach for 2018 BEE. Recommended the appointment of Board Committee members and other changes. Recommended the amalgamation of BNC and BRC into a single committee, BNRC effective 1 January 2018. Recommended the establishment and membership of a new Board Committee, BRMC. Succession Planning and Talent Management Review. Reviewed the suitability of the directors due for re-election at the 2018 AGM. Assessed and recommended the INEDs who have exceeded the nine-year cumulative term limit to continue serving as independent. Reviewed and recommended the appointments of Tengku Dato’ Sri Azmil Zahrudin Raja Abdul Aziz, Dr Lisa Lim Poh Lin and Khoo Gaik Bee as Axiata Board members where the search for the women directors involved the engagement of an external recruitment firm. <p>Remuneration</p> <p>The BNRC considered and recommended to the Board the following matters:</p> <ul style="list-style-type: none"> Not to undertake a review of NED remuneration in the immediate term. Long-Term Incentive Plan (“LTIP”) for Axiata and Axiata Digital Services Sdn Bhd. Revision of Group Performance Bonus Matrix. Long-Term Incentive Grant for edotco Group Sdn Bhd. GCEO KPI2017 - Performance Evaluation and Remuneration. Company Bonus Payment and Salary Review Budget. 2018 Restricted Share Plan Grant and Vesting. | <p>Nomination</p> <ul style="list-style-type: none"> To re-evaluate execution of Board phased retirement plan and Board refresh. Review of top Management succession planning. Monitor follow-up actions based on 2018 BEE findings and decide on the approach for 2019 BEE. Other routine or new matters proposed by Management/Board. <p>Remuneration</p> <ul style="list-style-type: none"> Review and approve a revised compensation scheme for senior management and other employees. Routine matters such as: <ul style="list-style-type: none"> Performance Bonus and Increment for employees; LTIP for Axiata and its subsidiaries; Proposed Headline KPIs for GCEO; and Proposed Company Bonus Payment and Increment and others. |



Board Committees

| | Roles | Activities in 2018 | Priorities for 2019 |
|---|---|--|---|
| <p>▶ Axiata Digital Business Investment and Oversight Board Committee (“AIOB”)</p> <p>Members Dato’ Mohd Izzaddin Idris (Chairman) (INED) David Lau Nai Pek (SINED) Tan Sri Jamaludin Ibrahim Dr David Robert Dean (INED) Tengku Dato’ Sri Azmil Zahrudin Raja Abdul Aziz (NINED) Dr Hans Wijayasuriya Mohd Khairil Abdullah Vivek Sood</p> | <ul style="list-style-type: none"> • Approve investments in digital business up to USD20 million provided that the approved investment is within the budget approved by Axiata Board. • Perform the oversight function on investments made under the ambit of AIOB approval. • Approve divestment of digital business up to USD20 million provided it was an investment previously approved by AIOB. | <p>The committee made key investment decisions relating to Digital Businesses and monitors its performance within its Limits of Authority.</p> | <ul style="list-style-type: none"> • Focus on the discipline of tracking the performance of the business against their original business case and to make appropriate decision and/or recommendation in a timely manner. |
| <p>▶ Board Annual Report Committee (“BARC”)</p> <p>Members David Lau Nai Pek (Chairman) (SINED) Tan Sri Jamaludin Ibrahim Dato’ Mohd Izzaddin Idris (INED)</p> | <ul style="list-style-type: none"> • Review and approve the content design, concept and structure of the annual report and other related reports. • Review and approve the overall content of the annual report and ensure compliance with the Main LR of Bursa Securities. • Review and recommend for the Board’s approval of related statements in the annual report as required by the Main LR of Bursa Securities, some of which may require prior review by the Board Audit Committee or other Board Committee of Axiata. • Review and recommend for the Board’s approval additional disclosures to be made in the annual report taking into account the Company and Group’s position at any particular time and set the best disclosure framework to reflect the performance and image of the Company which is vital to the shareholders and stakeholders who are the ultimate recipients of the annual report. | <ul style="list-style-type: none"> • To provide a holistic view of the Group’s businesses and how value is created, the Board has recommended the adoption and application of the globally recognised and best practice reporting framework of the International Integrated Reporting Council’s (“IIRC”) Integrated Report. • Initiated discussion on applying the IIRC’s Integrated Reporting framework as the framework in Axiata’s annual report to shareholders and stakeholders. • Engaged with consultants, professional bodies and stakeholders to develop a roadmap towards applying the IIRC framework for its annual report, • Conducted reviews of Axiata’s inaugural integrated annual report. | <ul style="list-style-type: none"> • In 2017, Axiata developed its inaugural integrated annual report. Within the next three to four years, the Board targets to apply 100% of the Integrated Reporting framework and this remains the focus for 2019. • To improve on the integrated annual report reporting process and the quality of information. |

Board Audit Committee

Principle B: Effective Audit and Risk Management

Board Audit Committee ("BAC")

Members

David Lau Nai Pek (Chairman) (SINED)
Dr David Robert Dean (INED)
Dato' Mohd Izzaddin Idris (INED)

BAC currently comprises wholly INEDs and all BAC Members are financially literate, well above the level needed for an Audit Committee. Their appointments are made by the Board on the recommendation of the BNRC and in consultation with the BAC Chairman.

Group Chief Internal Auditor ("GCIA") acts as the Secretary of the BAC and meeting dates are synchronized to coincide with the key dates within the financial reporting and audit cycle with ample time for a report to be prepared for the Board, particularly on irregularities and significant finding on matters of concern.

Axiata's internal audit function reports directly to the BAC and the Internal Audit ("IA") Charter is also approved by the BAC.

Board Audit Committee

Roles

- Assist the Board in fulfilling its statutory and fiduciary responsibilities.
- Review financial statements and financial reporting process, system of internal controls, audit process and process for monitoring compliance with law and regulations including Bursa Securities' requirements and the Company's Code of Conduct.

Activities in 2018

- A Cyber Security Forum initiated by the Cyber Security Steering Committee ("CSSC") was held on 18 July 2018 attended by OpCos' BAC Chairmen and Senior Management of Axiata and OpCos to discuss the Cyber Strategy as well as progress of improvement initiatives for 2018. This includes the status of improvement initiatives to address the critical issues highlighted in the security review - Cyber Security Posture Assessment ("CSPA").
- Reviewed the set up for the fraud and investigation function across the Group.
- The BAC Chairman visited PT XL Axiata Tbk ("XL") in Indonesia to review the challenges faced by XL's management in operating in a challenging environment and XL's perspective on governance and controls.
- A total of 124 internal audit reviews were completed across the Group.
- Reviewed the financial results quarterly, half yearly and annually prior to tabling the same to the Board for approval.
- Reviewed the potential impairment exposure of major investments.
- Held private meetings with the external auditors without the presence of management.
- Reviewed business control incidents and identified cases of control weaknesses including fraud for sharing of lessons learnt within the Group to avoid similar incidents.
- Acknowledged and reviewed investigated defalcation cases across the Group.
- Improved the process for review of the accounting impact of M&A deals, particularly where derivatives are employed including the use and accounting for options.
- Increased the ongoing focus of potential impact on financials arising from divestments, in-country consolidation and M&A. In particular, in 2018 the focus was the impairment of Axiata's investment in Idea following the completion of the merger which resulted in dilution of the Group's stake from associate to simple investment.
- Reviewed the Group foreign currency exposure, the impact of currency translation on Axiata Group's financial statements, debt level including restructuring where necessary and dividend policy.
- Reviewed the progress and reporting of cost savings under Axiata Group's Cost Optimisation project.
- Ensured the adoption of recently introduced International Accounting standards across the Group, such as MFRS 9 and MFRS 15.
- Reviewed the Purchase Price Allocation (PPA), Goodwill and Capital Gain Tax (CGT) of Ncell Private Limited in Nepal.
- Reviewed the accounting impact arising from the sale of M1 Limited in Singapore.

Priorities for 2019

- Ensure adoption of recently introduced International Financial Reporting Standards ("IFRS") and Malaysian Financial Reporting Standards ("MFRS") across the Group, such as MFRS 16.
- Post mortem on major acquisitions to learn from the past acquisitions in terms of governance, risks, and controls.
- Review carrying value of assets as required by IFRS and MFRS and in line with Axiata's Eight Needle-Moving Strategic Initiatives for 2019.
- Establish a dedicated Internal Audit Team for Axiata Digital Services (ADS) Group to strengthen the independent assessment capability and capacity to better manage the governance, risks and controls in view of ADS businesses expanding rapidly.
- Review Cyber Security programmes and related internal controls of the Group.
- Review Data Privacy programmes and related controls.
- Continue to review the Group foreign currency exposure, the impact of currency translation on Axiata Group's financial statements, debt level including restructuring where necessary and dividend policy.
- Continue to review the progress and reporting of cost savings under Axiata Group's Cost Optimisation project in line with Axiata's 8 Focus Areas For 2019.
- Review capex efficiency programme/practices in line with Axiata's 8 Focus Areas for 2019.
- Agile audit: Encourage use of "analytics based audit (ABA)" in internal audit works across the Group to deliver a more efficient, accurate, holistic and effective assessment on internal controls risks.



Board Audit Committee

Review of the performance of the BAC

Review of the performance of the Board Committees including the BAC forms part of the annual BEE. The scope of coverage included BAC composition and governance, meeting administration and conduct, group synergy and reporting line, as well as oversight of financial reporting process, internal controls and the audit function.

From the 2018 BEE, it was found that the BAC continued to maintain its performance by demonstrating rigour and professional scepticism in discharging its responsibilities. The BAC members were acknowledged to possess an appropriate range of experience and qualifications, including the appropriate financial literacy to meet the objectives of the BAC in Axiata. The BAC also displayed a commitment to competence, integrity and a climate of trust. The BAC was also found to be able to benefit from improvements in focus on corporate culture across the Group and demonstrating greater leadership effort in directing the digitising of audit procedures.

Relationship with Auditors

2018 saw the continued consultation and dialogue between BAC, IA and Finance and the external auditors. These discussions are always held in a professional manner with different views tabled and discussed openly, and where the auditors are given access to all information.

In 2019, the BAC and Group finance will look at improving the process for the consolidation of OpCos results for quarterly and annual reports, allowing increased time for external auditors to do their audit in a timely and professional manner.

Whistleblowing Policy

The Group has a Whistleblower Policy which enables employees to raise matters in an independent and unbiased manner. As part of this Whistleblower Policy and procedures, there is an anonymous ethics and fraud email, under the administration of the GCIA, as a mechanism for internal and external parties to channel their complaints or to provide information in confidence on fraud, corruption, dishonest practices or other similar matters by employees of the Group. The objective of such an arrangement is to encourage the reporting of such matters in good faith, with the confidence that employees or any parties making such reports will be treated fairly, their identity remains anonymous and are protected from reprisal.

Internal Control & Risk Management

Board Risk Management Committee ("BRMC")

Members

David Lau Nai Pek (Chairman) (SINED)
 Dato Dr Nik Ramlah Nik Mahmood (INED)
 Tan Sri Jamaludin Ibrahim
 Dr David Robert Dean (INED)
 Dato' Mohd Izzaddin Idris (INED)
 Peter Chambers

BRMC was established effective 1 January 2018 after deliberating on the Step-up 9.3 provision of MCCG 2017. The Board recognised the advantage of having a Board committee separate from the audit committee to focus on risks in the complex and ever changing business landscape.

BRMC takes over from the BAC the role of assisting the Board in evaluating the adequacy of risk management framework.

BRMC which comprises of a majority of INEDs, has the advantage of also having the President & GCEO as well as a Board representative from a major OpCo as members, thus providing a platform for a more holistic and robust discussion on risks across the Group.

Board Risk Management Committee

Roles

Risk Management

- Review and recommend the risk management methodologies, policies (including framework) and risk appetite for adoption throughout the Group.
- Review and assess the adequacy of the governing policies, framework and structures for managing risks as well as the extent to which these are operating effectively.
- Ensure adequate infrastructure, resources and systems are in place for effective risk management. This includes ensuring that the staff responsible for implementing risk management systems perform their responsibilities independently of the risk-taking activities.
- Review the management's periodic reports on risk management activities, risk exposure and risk mitigating actions.

Business Continuity Management

- Ensure Axiata Group adopt sound and effective Business Continuity Management ("BCM") policies, procedures and practises to improve its resilience and preparedness for any eventualities.
- Ensure a comprehensive BCM framework which includes an appropriate and workable Business Continuity Plan ("BCP"), Disaster Recovery Plan ("DRP") and crisis management have been formulated, implemented, tested and maintained by Axiata Group.

- Ensure that the BCP and DRP are reviewed and updated continuously to reflect changes in the operating environment.

Other Responsibilities

- Ensure ongoing awareness programmes, communication, training and education on risk management, BCM and compliance.
- Provide advice to the Board on company activities that involve risk.
- Promote a healthy risk culture and watch for dysfunctional behaviour that could undermine the effectiveness of the risk management process (e.g. excessive risk-taking due to misaligned key performance indicators and remuneration schemes).
- Consider other matters relating to risk management as referred to by the Board of Axiata or by BRMC by its own accord.

Activities in 2018

- The committee has been established effective 1 January 2018.
- 4 BRMC meetings were held in 2018 to discuss the Group's risk agenda.
- Among key discussions of the BRMC includes:
 - Establishment of Axiata Group Risk Appetite Statement.
 - Axiata Group and Opcos key risks and the relevant mitigation strategy.
 - Cyber threat and risks faced by the Group in protecting and safeguarding our customer's data privacy.
 - Business Continuity Programme and its maturity status across Axiata Opcos.

Priorities for 2019

- Drive alignment of Axiata Group and Opcos Risk profile to the organisation strategy in ensuring the right and relevant risks are appropriately managed.
- Ensure cyber and data privacy risks are appropriately managed through effective monitoring at BRMC and CSSC of Management initiatives and relevant projects.
- Ensure Axiata Group BCM programmes are executed and continually improved across the Group.
- Strengthen BRMC oversight and governance function of risk management to enable the effective discharge by the Axiata Board of its responsibility in risk oversight.

Axiata maintains a high level risk register and the same is reviewed and updated every quarter. This comprises risks specific to the divisional activities of the business as well as more Group-wide risks affecting its long-term strategy and vision.

The Group has established the ERM framework as a standardised approach to rigorously identify, access, report and monitor risks facing the Group. The framework, benchmarked against ISO 31000:2009, is adopted across the Group. Based on the ERM framework, a risk reporting structure has been established to ensure prompt communication to BRMC and the Board.

Note:

The ToR of the BRMC is available online at https://www.axiata.com/files/upload/corporate/Terms_of_Reference_Board_Risk_Management_Committee.pdf



Cyber Security Steering Committee

Cyber Security Steering Committee ("CSSC")

Members

Peter Chambers (Chairman)
Khatijah Shah Mohamed
Kenneth Shen

The Cyber Security Steering Committee ("CSSC") is established as a sub-committee of the BRMC to assist the BRMC in focusing on the implementation of the cyber security initiatives in the Group and ensuring a standardised and aligned implementation is adopted across the Group. This focused approach was essential with the numerous cyber-attacks and the level of sophistication of these attacks experienced by many organisations across the globe.

Board Risk Management Committee

Roles

The CSSC is authorised by the BRMC to:

- Review, challenge and propose recommendations on any of the proposed cyber security initiatives including recommendation of new initiatives.
- Have full and unrestricted access to any of the Axiata Group's information, records, properties and personnel.
- Obtain external independent professional advice where necessary.
- Escalate issues to the BRMC for immediate action and with approval from the BRMC Chairman, the CSSC can change the Cyber Security priorities accordingly.

Responsibilities

Review the proposed Global Internal Audit Plans in respect of cyber security audit across the Group and make recommendations to the BAC.

Oversight of the Chief Information Security Officer (CISO) Function whereby the CISO shall report to the CSSC on matters of cyber security.

The CSSC shall:

- Oversee the implementation of the Cyber Security Objectives.
- Improve the Cyber Security maturity across the group and is benchmarked against other telecoms and leading organisation's best practices.
- Be advised on the Cyber risk and programme delivery issue and the actions taken by the CISO to resolve them.
- Monitor the progress and quality of the Cyber Security programme and provide assurance to the BRMC.

Activities in 2018

- Implemented an Internationally recognised National Institute of Standards and Technology (NIST) Cybersecurity Framework across the Group.
- Implemented a programme to ensure all critical assets are compliant to a Minimum Baseline Security Standard.
- Conducted a Group-wide Red Team cyber assessment exercise and reported to the Axiata Board with priority actions to improve Cyber resilience.
- Implemented a Bug Bounty programme to identify and remediate software vulnerabilities/bugs on our web and mobile channels.
- Implemented a Group Security Operations Centre ("GSOC") that provides real time visibility of cyber-attacks for all our OpCos to a single world class platform which provides real-time visibility of cyber-attacks.


Priorities for 2019

- Review existing Operating Model to improve synergy, cost, risk profile and reduce duplication.
- Increase cyber awareness, focus on Insider threats and Third-Party risk.
- Double our efforts on improving foundational/hygiene controls.
- Test and improve our crisis management process.
- Continue to build our Detection and Response capabilities.

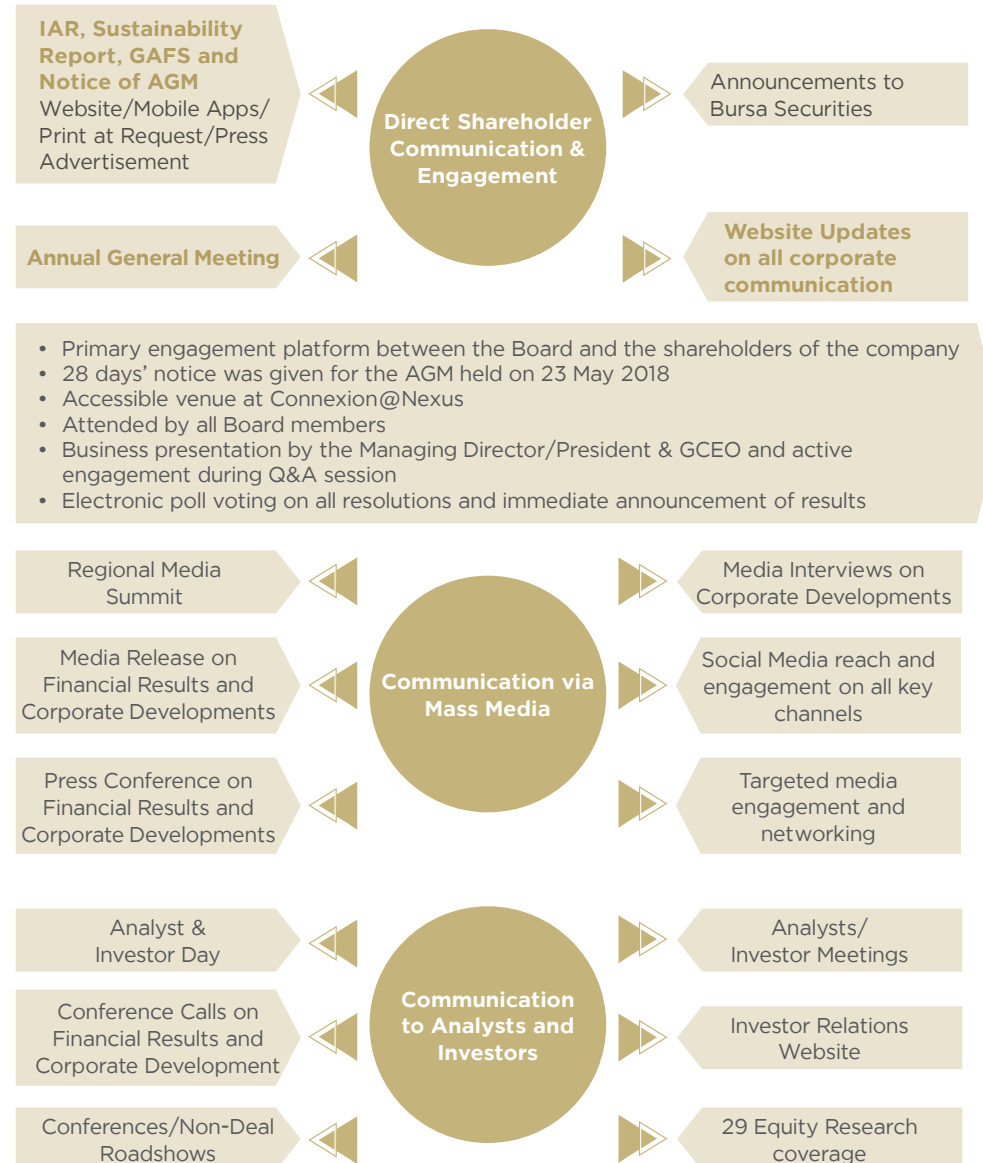
Communication with Shareholders and Investors

Principle C: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

The Board acknowledges the importance of effective communication channels between the Board, stakeholders, institutional investors and the investing public at large to provide a clear and complete picture of the Group's performance and position as much as possible. The Group is fully committed in maintaining high standards in the dissemination of relevant and material information on the development of the Group in its commitment to maintain effective, comprehensive, timely and continuous disclosure. There has also been strong emphasis on the importance of timely and equitable dissemination of information. Disclosures of corporate proposals and/or financial results are made not only in compliance with the Main LR of Bursa Securities but also include additional items through media releases and are done on a voluntary basis.

 For complete details of our Stakeholder Engagement, please refer to page 23

Axiata uses a number of formal channels to account to shareholders and stakeholders particularly:



Investor Relations

Conferences, non-deal roadshows ("NDR"), large group meetings and one-on-one meetings

| | |
|--------------------------|---|
| 24 January | Invest Malaysia Maybank & Bursa Malaysia, Kuala Lumpur |
| 1 - 5 March | London NDR UBS |
| 12 - 16 March | Axiata OpCos Reverse NDR Maybank |
| 20 - 21 March | 21st Annual Asian Investment Conference Credit Suisse, Hong Kong |
| 6 - 7 June | Investment Forum Asia 2018 Nomura, Singapore |
| 10 - 11 September | Investors' Forum 2018 CLSA, Hong Kong |
| 17 - 18 September | London NDR CLSA |
| 26 November | Analyst & Investor Day Kuala Lumpur |
| 30 November | Singapore NDR BofAML |
| 4 - 6 December | USA NDR HSBC |



Group Directory



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