



BE ASSURED OF  
OUR COMMITMENT TO  
TRANSPARENCY AND  
ACCOUNTABILITY

# Governance Is At The Heart Of Delivering To All Stakeholders

**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 Groupwide.**

This Corporate Governance Overview Statement (“CG Overview Statement”) presents key governance highlights for the financial year 2019 and up to the date of this IAR, 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 20 February 2020 and finalised and updated until the date of the publication of the Integrated Annual Report (“IAR”) 2019 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/sites/default/files/docs/Axiata-Group-Berhad-Corporate-Governance-Report-2019.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 2019 (“GAFS”) and the Sustainability and National Contribution Report (“SNCR”) accompanying this IAR.

Throughout the Financial Year Ended 31 December 2019 and continuing until the date of this IAR 2019, the Company has complied with the provisions of the MCCG 2017 save for Practice 7.2 and Practice 7.3 and Practice 12.3, respectively relating to disclosure on senior management remuneration and

remote participation and voting in-absentia at general meetings. A more thorough description of the manner in which the Company is addressing these departures is set out in the CG Report.

The Board is committed to maintaining the highest standards of good governance to promote quality decision making and the execution of those decisions within a disciplined framework of policies and procedures.

Good governance exists in an environment where roles and responsibilities are clearly defined, forums are conducive to robust debate and performance is regularly reviewed. We outline our progress and describe our governance efforts over the next few pages. The Board provides effective leadership to the Group and embraces the principles of ethical leadership in setting and implementing the Group’s strategy.

To ensure we make and execute good decisions and direction in the interest of the Group, its shareholders and other stakeholders, the Board works continuously to maintain and develop its governance framework. We exercise independent judgement on all issues reserved for our review and approval, while simultaneously considering the needs of all stakeholders, and take full responsibility for the management, direction and performance of the Group.

## HOW OUR CORPORATE GOVERNANCE ACTIVITIES CONTRIBUTE TO VALUE CREATION

Good corporate governance contributes to value creation by ensuring accountability through reporting and disclosure, effective risk management, clear performance management, transparency and ethical and effective leadership. In addition, the diversity of our directors in terms of gender, race and professional background (refer page 78) facilitates an environment for constructive dialogue and enables the Board to consider the needs of a wide range of stakeholder interests.

The Board believes these qualities of governance, which are aligned with the principles of the MCCG 2017, enable the Group to create value for

stakeholders in a sustainable manner over the short, medium and long term as described in the strategy section of this Report.

## CHANGES IN OUR GOVERNANCE FRAMEWORK

At its Meeting on 20 February 2020, the Board resolved to change the name of the Board Risk Management Committee (“BRMC”) to the BRCC. This change was to better reflect the expansion to the scope of the committee to encompass not just matters of risk but matters of compliance as well. The areas of responsibility for the BRCC encompass Enterprise Risk Management, Compliance, Ethics and Cyber Security & Data Privacy. The additional functions of Compliance and Ethics have been combined with the existing Enterprise Risk Management function to provide an integrated focus on all risk and compliance matters, directly and indirectly, and a single, consistent interface with all other functions in the organisation and in the OpCos.


This expanded role followed the introduction of corporate liability brought about by Section 17A of the Malaysian Anti-Corruption Commission Act 2009 which comes into effect on 1 June 2020. The provision of corporate liability will render directors and senior management personally liable for acts of corruption committed by the company, either by personnel or parties acting on behalf the company unless the company has in place “adequate procedures” designed to prevent persons associated with it from undertaking such conduct. Axiata has put in place such a framework. The purpose of compliance management is to ensure the Group complies, in letter and spirit with all the laws, regulatory requirements and internal standards of protecting our company and management and supporting our employees in doing the right things, detecting and responding to situations of potential non-compliance and driving a corporate culture of integrity.

Our commitment to these important functions led to the appointment of **Abid Abdul Adam** to the newly created role of **Group Chief Risk and Compliance Officer**. He will oversee and ensure the framework remains sound and proactive.

## OUR GOVERNANCE PRACTICES

### Leadership

The Company is headed by an effective Board of Directors, whose roles and responsibilities are all clearly defined. The roles of Chairman and the GCEO are held by separated individuals. The Chairman takes responsibility for leading the Board, whilst day-to-day management of the Group is delegated to the GCEO.

 For more details on the Board of Directors and the Board’s role and activities during the year, please refer to pages 72 to 88 in the “Be Assured Of Our Commitment To Transparency And Accountability” section

### Effectiveness

The Nomination and Remuneration Committee oversees many of the activities which, together, underpin the effectiveness of the Board. It takes the lead on succession planning, taking account of the size and structure of the Board, evaluates the balance of skills, experience, independence and knowledge of the Company on the Board, and reviews outputs from the annual effectiveness evaluation of the Board.

 For more details on Board activities, please refer to page 83 in the “Board Committees” section


### Accountability

The Audit Committee plays a primary role in supporting the Board’s compliance with the accountability principles. It takes responsibility for assessing whether the Company’s position and prospects are fair, balanced and understandable, monitoring the integrity of corporate reporting, ensuring that the necessary safeguards are in place through effective risk management and internal control systems and advises the Board in this regard. Additionally, the Audit Committee regulates its relationship with the external Auditor through a number of policies and procedures.

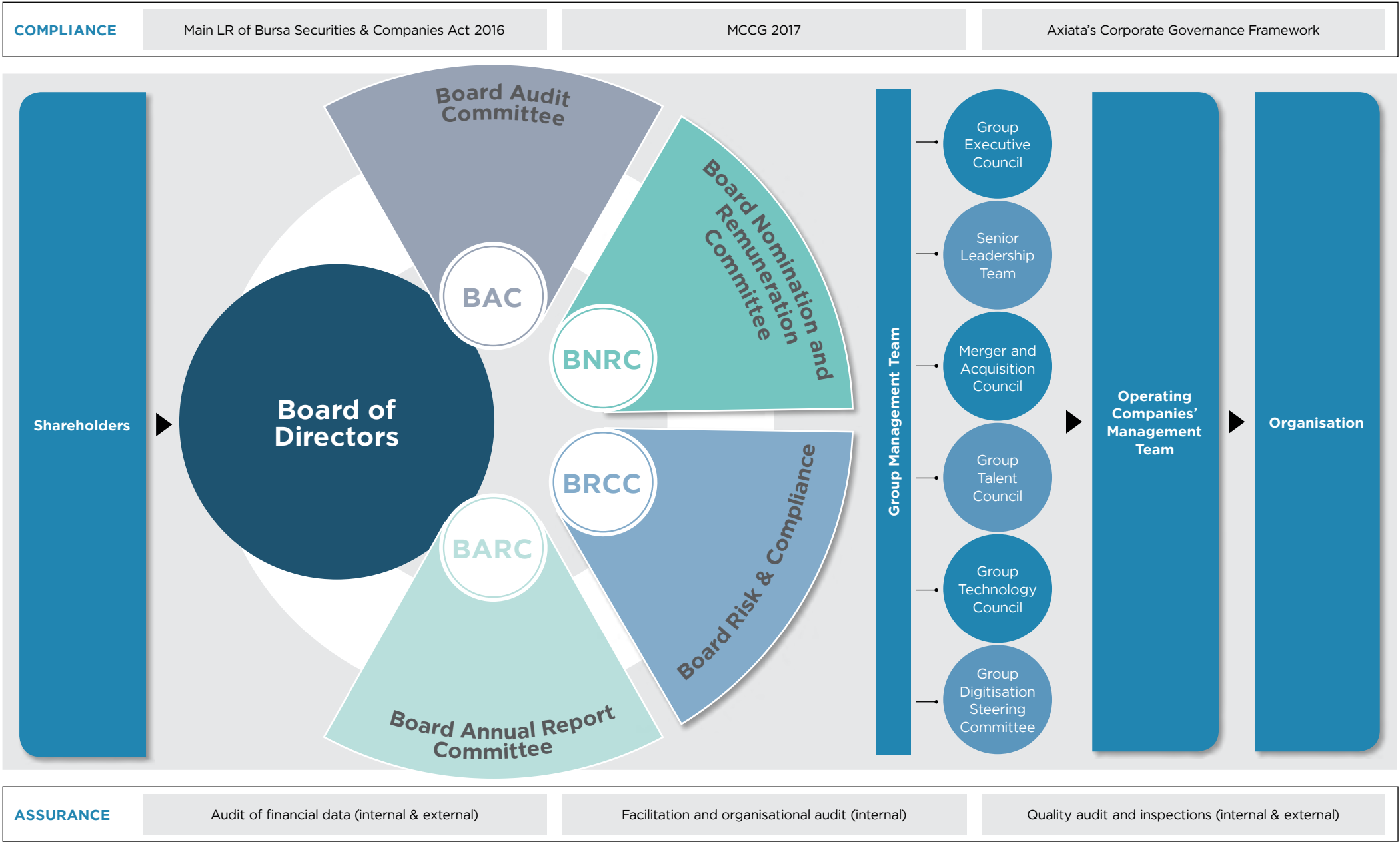
 For more details on the Audit Committee, please refer to pages 85 and 86 in the “Board Accountability” section

### Relations with Shareholders

An open dialogue is maintained with shareholders regarding strategic, governance and other objectives. This is led by the GCEO and the GCF, whilst the Chairman and other Non-Executive Directors also engage with shareholders as necessary. The views and concerns of shareholders, as well as engagement with them more generally, is considered by the whole Board.

 For more details on our stakeholder relationships, please refer to pages 89 and 90 in the “Communication With Stakeholders” section

Our Governance Structure



## Who Governs Us

## BOARD OF DIRECTORS



**TAN SRI GHAZZALI  
SHEIKH ABDUL  
KHALID**

**Age**  
74

**Nationality**  
Malaysian

**Gender**  
Male

**Length of Service**  
12 years

**Date of Appointment**  
24 March 2008

*Appointed as Chairman on  
1 November 2018  
Re-designated as Non-Independent  
Non-Executive Director on  
24 March 2020*



**TAN SRI JAMALUDIN  
IBRAHIM**

**Age**  
61

**Nationality**  
Malaysian

**Gender**  
Male

**Length of Service**  
12 years

**Date of Appointment**  
3 March 2008



**DATO' MOHD IZZADDIN  
IDRIS**

**Age**  
57

**Nationality**  
Malaysian

**Gender**  
Male

**Length of Service**  
3 years 4 months

**Date of Appointment**  
24 November 2016

*Re-designated to Executive Director/  
Deputy Group Chief Executive Officer on  
24 January 2020*



**DAVID LAU NAI PEK**

**Age**  
67

**Nationality**  
Malaysian

**Gender**  
Male

**Length of Service**  
12 years

**Date of Appointment**  
23 April 2008



**DATO DR NIK RAMLAH  
NIK MAHMOOD**

**Age**  
64

**Nationality**  
Malaysian

**Gender**  
Female

**Length of Service**  
3 years

**Date of Appointment**  
21 March 2017

## Who Governs Us

## BOARD OF DIRECTORS



Independent Non-Executive Director

**DR DAVID ROBERT DEAN****Age**  
61**Nationality**  
British**Gender**  
Male**Length of Service**  
2 years 3 months**Date of Appointment**  
11 December 2017

Independent Non-Executive Director

**KHOO GAIK BEE****Age**  
62**Nationality**  
Malaysian**Gender**  
Female**Length of Service**  
1 year 3 months**Date of Appointment**  
1 January 2019

Independent Non-Executive Director

**THAYAPARAN S SANGARAPILLAI****Age**  
65**Nationality**  
Malaysian**Gender**  
Male**Length of Service**  
13 days**Date of Appointment**  
18 March 2020

Non-Independent Non-Executive Director (Representative of Khazandh)

**TENGKU DATO' SRI AZMIL ZAHRUDDIN RAJA ABDUL AZIZ****Age**  
49**Nationality**  
Malaysian**Gender**  
Male**Length of Service**  
2 years 2 months**Date of Appointment**  
12 January 2018

Alternate Director to Tengku Dato' Sri Azmil Zahrudin Raja Abdul Aziz

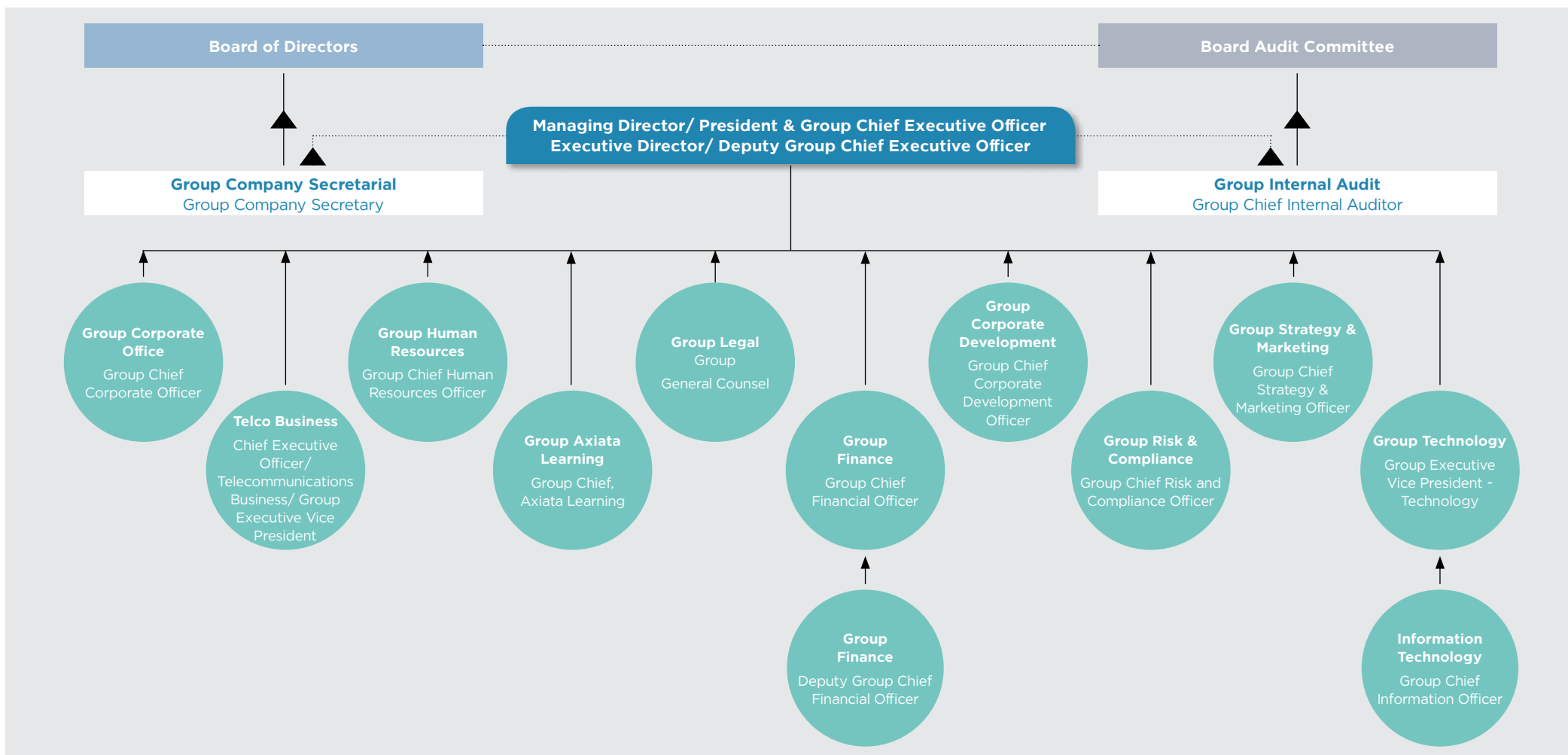
**ONG KING HOW****Age**  
45**Nationality**  
Malaysian**Gender**  
Male**Length of Service**  
4 months**Date of Appointment**  
27 November 2019

# An Experienced Leadership

## GROUP ORGANISATIONAL CHART

Our people are core to our success. We are specialists in our markets because we recruit, nurture, motivate, develop and reward talented, professional people. This contributes profoundly to our reputation and our market presence. It supports our ability to work closely with our clients in strong partnerships where trust and reliability are essential. We aim to create a positive experience for all our people with responsive and caring management, effective technology, quality working environments and supportive, collegiate colleagues. This enables us to deliver a professional, high-quality, consistent and compliant work product.

To this end, our senior leadership team leads the charge in the implementation of strategy, progress made towards meeting targets and the management of risk, human resources and Group-wide issues and initiatives. They are responsible for the maintenance of and compliance with Group operating standards. They also discuss issues faced by individual businesses in addition to those common across the Group to ensure that best practice and experience are pooled in meeting the Group's goals.



## An Experienced Leadership

**TAN SRI JAMALUDIN IBRAHIM**

Managing Director/  
President & Group Chief Executive Officer

<b>Age</b>	<b>Nationality</b>	<b>Gender</b>	<b>Length of Service</b>
61	Malaysian	Male	12 years
<b>Date of Appointment to Current Position</b>			
3 March 2008			

**DATO' MOHD IZZADDIN IDRIS**

Executive Director/  
Deputy Group Chief Executive Officer

<b>Age</b>	<b>Nationality</b>	<b>Gender</b>	<b>Length of Service</b>
57	Malaysian	Male	2 months (as Deputy Group Chief Executive Officer)
<b>Date of Appointment to Current Position</b>			
24 January 2020			

**DR HANS WIJAYASURIYA**

Chief Executive Officer - Telecommunications Business/  
Group Executive Vice President

<b>Age</b>	<b>Nationality</b>	<b>Gender</b>	<b>Length of Service</b>
51	Sri Lankan	Male	26 years 2 months
<b>Date of Appointment to Current Position</b>			
24 January 2020			

**VIVEK SOOD**

Group Chief Financial Officer

<b>Age</b>	<b>Nationality</b>	<b>Gender</b>	<b>Length of Service</b>
55	Indian	Male	2 years 11 months
<b>Date of Appointment to Current Position</b>			
3 April 2017			

**AZWAN KHAN OSMAN KHAN**

Deputy Group Chief Financial Officer

<b>Age</b>	<b>Nationality</b>	<b>Gender</b>	<b>Length of Service</b>
50	Malaysian	Male	14 years 9 months
<b>Date of Appointment to Current Position</b>			
1 November 2018			
Resigned as Deputy Group Chief Financial Officer with effect from 15 April 2020			

**THOMAS HUNDT**

Group Executive Vice President - Technology

<b>Age</b>	<b>Nationality</b>	<b>Gender</b>	<b>Length of Service</b>
42	German	Male	11 years 8 months
<b>Date of Appointment to Current Position</b>			
24 January 2020			

**DATIN SRI BADRUNNISA MOHD YASIN KHAN**

Group Chief, Axiata Learning

<b>Age</b>	<b>Nationality</b>	<b>Gender</b>	<b>Length of Service</b>
60	Malaysian	Female	11 years 11 months
<b>Date of Appointment to Current Position</b>			
10 June 2019			
Retired as Group Chief, Axiata Learning with effect from 1 April 2020			

**ASRI HASSAN SABRI**

Group Chief Corporate Officer

<b>Age</b>	<b>Nationality</b>	<b>Gender</b>	<b>Length of Service</b>
53	Malaysian	Male	4 years 2 months
<b>Date of Appointment to Current Position</b>			
1 September 2018			



## An Experienced Leadership



### DARKE M SANI

Group Chief Human Resources Officer

**Age** 64 **Nationality** Singaporean **Gender** Male **Length of Service** 8 years 9 months  
**Date of Appointment to Current Position**  
 1 June 2011



### ANNIS SHEIKH MOHAMED

Group Chief Corporate Development Officer

**Age** 48 **Nationality** Malaysian **Gender** Male **Length of Service** 8 years 8 months  
**Date of Appointment to Current Position**  
 1 July 2011

### ANTHONY RODRIGO

Group Chief Information Officer

**Age** 52 **Nationality** Sri Lankan **Gender** Male **Length of Service** 9 years 6 months  
**Date of Appointment to Current Position**  
 1 August 2017



### DOMINIC P ARENA

Group Chief Strategy and Marketing Officer

**Age** 43 **Nationality** Australian **Gender** Male **Length of Service** 4 years  
**Date of Appointment to Current Position**  
 1 March 2016



### HADI HELMI ZAINI SOORIA

Group Chief Internal Auditor

**Age** 50 **Nationality** Malaysian **Gender** Male **Length of Service** 22 years 8 months  
**Date of Appointment to Current Position**  
 15 October 2018



### ABID ABDUL ADAM

Group Chief Risk and Compliance Officer

**Age** 38 **Nationality** South African **Gender** Male **Length of Service** 2 years 4 months  
**Date of Appointment to Current Position**  
 2 March 2020

### SURYANI HUSSEIN

Group Company Secretary

**Age** 54 **Nationality** Malaysian **Gender** Female **Length of Service** 17 years 3 months  
**Date of Appointment to Current Position**  
 1 April 2008



### TAN GIM BOON

Group General Counsel and Risk Officer

**Age** 47 **Nationality** Malaysian **Gender** Male **Length of Service** 15 years 5 months  
**Date of Appointment to Current Position**  
 1 April 2008 (Heading Group Risk from 2014 until 1 March 2020)



# An Experienced Leadership

## OPERATING COMPANIES' ORGANISATIONAL CHART

In 2019, Ncell welcomed Andy Chong as its new CEO. Andy, an internal talent, was Ncell's Chief Marketing Officer before helping his new role in 2019.

This appointment, along with the three Operating Companies' (OpCos) CEOs promoted through internal ranks in 2016, 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 scout the market and identify promising candidates in advance of the anticipated demand.



Note: <sup>1</sup> Resigned as Chief Executive Officer edotco Group Sdn Bhd with effect from 1 May 2020

## Our Governance At A Glance

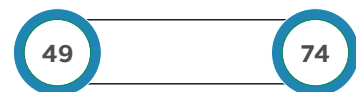
### BOARD OF DIRECTORS

- 5 Independent
- 2 Non-Independent
- 2 Executive Directors

### DIVERSITY OF GENDER<sup>1</sup>



### DIVERSITY OF AGE



### SKILL AND EXPERIENCE OF DIRECTORS

#### Industry Experience

Information Technology  
Telecommunications  
Finance, Banking & Investments  
Public Services/ Government Relations  
Internet/ Media/  
Entertainment/ Digital Services/ Innovative Mobile/ Technology/ Analytics

#### Functional Experience

Corporate Finance  
Strategy/ Entrepreneurship  
M&A  
Legal/ Regulatory  
Audit/ Accounting/ Business Assurance  
Talent Management/ Human Capital  
Others - Economics/ Sustainability/  
Sales/ Marketing/ Corporate Governance/  
Capital Markets/ Islamic Finance

### DIVERSITY OF TENURE

- 11% Less than 1 year
- 56% 1-6 years
- 33% More than 6 years

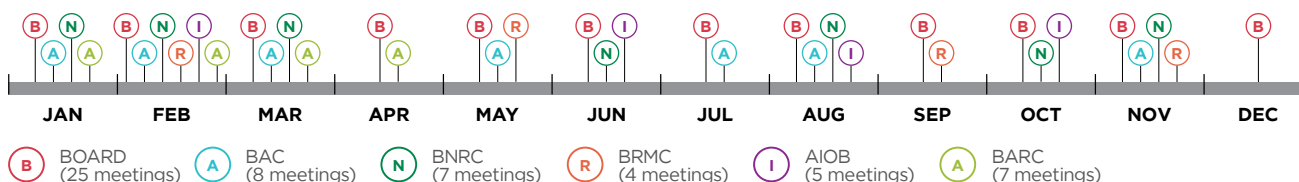
### NATIONALITY

- Malaysia
- British
- Indonesia<sup>2</sup>

Calendar of meetings of the Board and Committees held in 2019 and attendance of the respective Directors are provided below:

NAME OF BOARD MEMBERS	B	A	N	R	I	A
Tan Sri Ghazzali Sheikh Abdul Khalid	25/25					
Tan Sri Jamaludin Ibrahim	25/25			4/4	5/5	7/7
Dato' Mohd Izzaddin Idris	24/24**	8/8		4/4	5/5	5/5
David Lau Nai Pek	24/25	8/8		4/4	5/5	7/7
Dato Dr Nik Ramlah Nik Mahmood	23/25		7/7	4/4		
Dr David Robert Dean	24/25	8/8		4/4	4/5	
Khoo Gaik Bee	23/25		6/7			
Thayaparan S Sangarapillai*						
Tengku Dato' Sri Azmil Zahrudin Raja Abdul Aziz	25/25		6/7		4/5	
Ong King How <sup>#</sup>						

Notes: \* There is no attendance records for Thayaparan S Sangarapillai as he was not on the Board of Directors during Financial Year 2019. He was appointed on the Board only on 18 March 2020  
# Alternate director attends meeting only if the principal director is not present  
\*\* Recused from attending a Special Board Meeting relating to his proposed appointment as Executive Director/ Deputy Group Chief Executive Officer



### BOARD ROLES AND THEIR RESPONSIBILITIES

#### Chairman

The Chairman is responsible for the operation and leadership of the Board, ensuring its effectiveness and setting its agenda.

#### Chief Executive Officer

The CEO is responsible for leading and managing the Group's business within a set of authorities delegated by Group's Board and for the implementation of the Group strategy and policy.

#### Independent Non-Executive Directors

The primary responsibility of an Independent Non Executive Director is to protect the interests of minority Shareholders and other stakeholders. In addition, the Independent Non-Executive Directors play a key role in strategy and business performance.

#### Company Secretary

The Company Secretary plays an advisory role to the Board in relation to the Company's Constitution, policies and procedures and compliance with the relevant regulatory requirements.

For more details on the Chairman, please refer to page 72 in the "Who Governs Us" section

For more details on the President & Group CEO, please refer to page 72 in the "Who Governs Us" section

For more details on Directors, please refer to pages 72 and 73 in the "Who Governs Us" section

For more details on the Company Secretary, please refer to page 76 in the "An Experienced Leadership" section

Notes: <sup>1</sup> As of December 2019

<sup>2</sup> Dr Muhamad Chatib has resigned as Director with effect from 13 December 2019

## Embedding Sustainability Into Our Governance Structures

**As an inherent part of our business, we have integrated sustainability and stakeholder management as one of our Ten NEW FOCUS AREAS, which represent our operational activities towards achieving our vision of becoming a New Generation Digital Champion.**

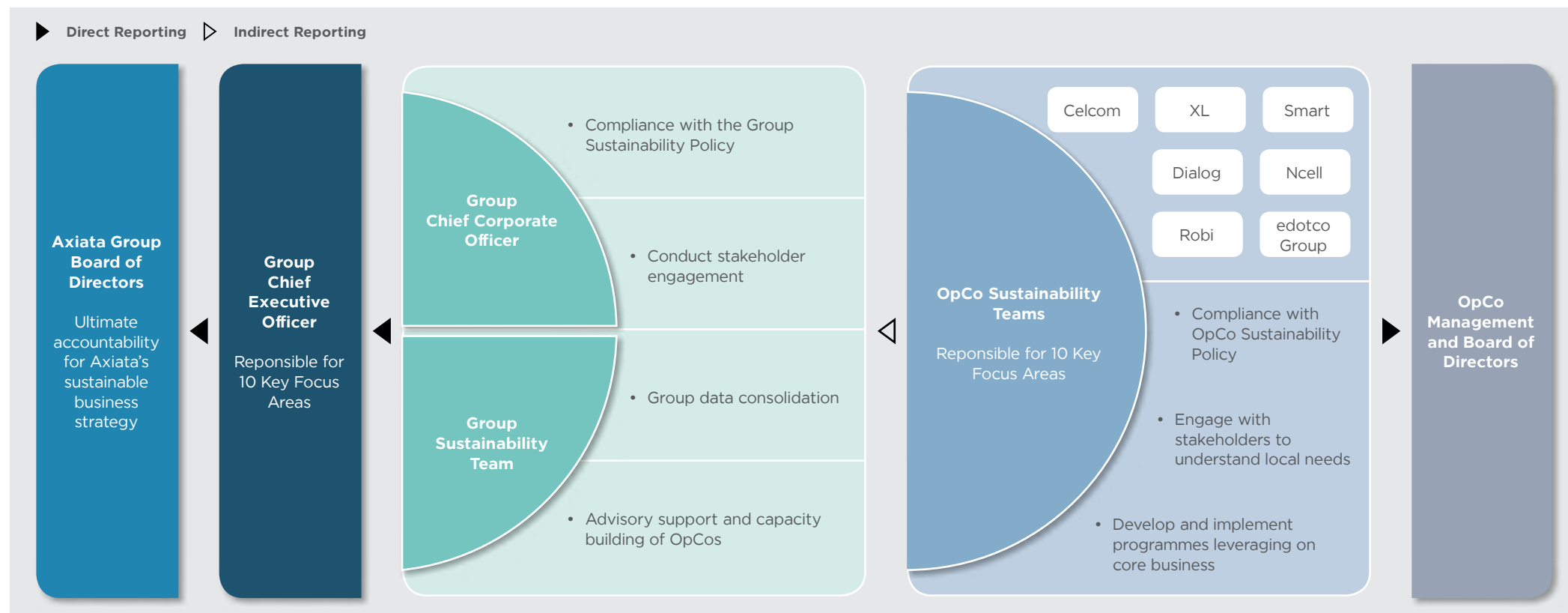
To this end, we have included sustainability-related KPIs in the annual KPIs of our Group CEO and OpCo CEOs. Annually, all OpCo CEOs sign off on sustainability-related governance as part of internal control assurance. This reflects our top-down approach to embracing sustainability Group-wide, with our top management demonstrating our commitment through leading by example.

The governance of our Group Sustainability Framework is overseen by our Group Chief Corporate Officer, who leads the Group Corporate Office. The Group Sustainability team is part of the Group Corporate Office and is led by the Head of Group Corporate Communications and Sustainability. The Axiata Sustainability framework encompasses core material environmental, social and governance issues which we have categorised under the four pillars of Beyond Short-Term Profits, Nurturing People,

Process Excellence & Governance; and Planet & Society. We disclose our sustainability activities according to these four pillars.

The Group Sustainability team is tasked with ensuring Axiata complies with our Group Sustainability Policy. It also conducts stakeholder engagement, updates material issues, standardises data collection and management systems as well as provides advisory support and capacity building to the sustainability teams in our OpCos, which indirectly report to the Group Sustainability team.

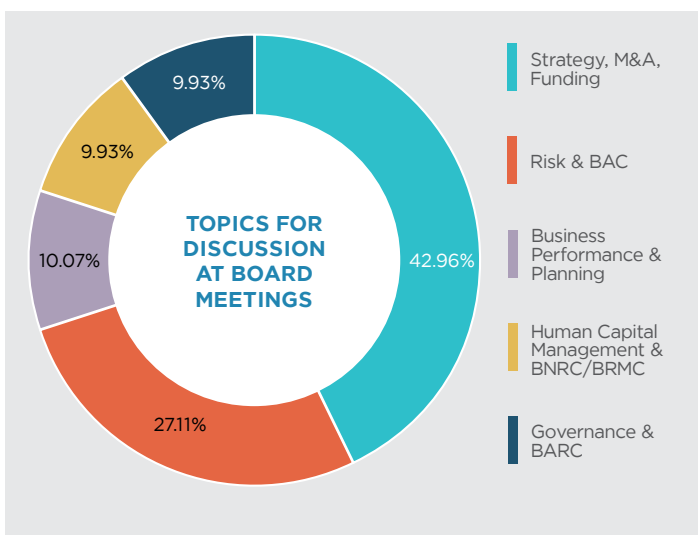
The sustainability teams in our OpCos play a vital role in engaging with local stakeholders to identify material issues, aligning and localising the Group Sustainability Framework to ensure its relevance in their unique market. The OpCos are responsible for the governance, daily management and operations, implementation of programmes and data collection in line with the Group Sustainability Framework. They are also encouraged to produce their own Sustainability Report in compliance with the Global Reporting Initiative's Sustainability Reporting Standards.



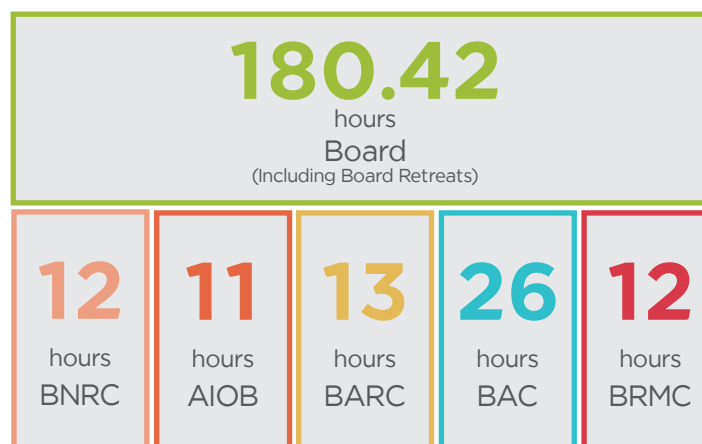
## Board Leadership And Effectiveness

### ROLE OF THE BOARD

The Board is responsible for setting the vision and strategy for the Company to deliver value to its shareholders through implementing its strategic business plan. Under the Chairman's leadership, Board members share collective responsibility for corporate governance arrangements. The Board's roles and responsibilities are detailed in the Board Charter, which is available online at <https://www.axiata.com/sites/default/files/docs/Board-Charter-2.pdf>. The last revision of the Board Charter was on 20 February 2020.



### TOTAL HOURS FOR BOARD & BOARD COMMITTEE MEETINGS 2019



### CODE OF CONDUCT AND ETHICS ("CODE")

The Code is 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/sites/default/files/docs/Board-Code-of-Conduct-and-Ethics.pdf>

### BOARD FOCUS AREAS

Monitoring of the company's performance and business planning for the year remain a priority for Board's deliberation despite a considerable amount of time and attention being devoted to strategic matters and M&A, which included the proposed merger between Axiata and Telenor ASA.

The Board also considered the Long Range Plan ("LRP") Framework, which was a shift from a focus on revenue growth to an emphasis on profit and cash. The LRP takes into consideration organic and inorganic levers to deliver Axiata's aspiration. The core value driver is on Operational Excellence ("OE") to evolve into delivering the best customer proposition within Axiata's chosen value discipline.

The new growth areas include developing the digital financial services segment which the Company will focus on in 2020.

### BOARD ACTIVITIES IN 2019

- Strategic matters and M&A were the main focus of the Board, spending approximately 42.96% of their time during Board meetings developing corporate strategy for the development of Axiata group of companies
- At the mid-year retreat in July 2019, the Board was briefed on the current industry outlook, how it impacted Axiata and what Axiata can do to further improve its position in the market. Specifically, the Board was brought through Axiata's Triple Core Strategy as well as the LRP 2019 and the strategy and execution updates on new growth areas. Operational Excellence took centre stage with its corresponding impact on operational decisions and network KPIs
- At the year-end retreat in November 2019, a recap of Axiata's 3.0 strategy was presented and progressing into the Axiata 5.0 roadmap towards sustainable business growth aided and strengthened by the "collective brain" and verticalization initiatives

### PRIORITIES FOR 2020

The Board's focus and priority in 2020 would be ensuring the continuing execution of the "Shifting Gears" strategy which emphasises Operational Excellence while aided and strengthened by the "collective brains" initiative.

The year-end retreat in 2019 had also commenced the Axiata 5.0 roadmap that aims to ensure sustainable business growth for the group.

There will also be focus on maintaining the journey towards long term growth and profitability through the prioritisation of certain drivers, which include amongst others, operational performance, operational and organisational excellence, transformation of OpCos, and a focus on digitisation & analytics and on new growth areas.

During the year 2020, the Board will also ensure the seamless transition of leadership where Tan Sri Jamaludin Ibrahim will pass the baton of leading Axiata to Dato' Mohd Izzaddin Idris by the end of the year.

## Board Leadership And Effectiveness

The Board engaged the services of KPMG Management and Risk Consulting Sdn Bhd (KPMG) to assist with the 2019 evaluation of Board performance on a refresher basis. KPMG is a corporate governance advisory firm that specialises in facilitating board reviews. Board members were invited to complete a questionnaire and selected Board members were invited to participate in interviews,

which addressed the performance of the Board and its Committees. The specific assessments included those of the Board and each Board members' skill set. These were structured along both self assessment and peer reviews extending specifically to independent directors and the President & Group Chief Executive Officer ("GCEO").

# OUR PROCESS WAS DIVIDED INTO 4 STAGES



### STRENGTHS

The Board Effectiveness Evaluation ("BEE") for 2019 was undertaken by KPMG Management & Risk Consulting Sdn Bhd ("KPMG") as a refresher to the BEE conducted in 2018. During the 2019 BEE, KPMG conducted analyses based on the responses received from all nine Directors and interview sessions with three selected Directors, being the Chairman, the Managing Director/ President & Group Chief Executive Officer, and the newest Independent Non-Executive Director. Some of the key findings of the 2019 BEE are:-

- Axiata Board's commitment and resilience remain a distinct "personality" within the market comparators whilst strategy planning remains a reverberating flagged theme for Axiata, akin to other comparators
- The efficacy of the Board Chairman and high concentration of Independent Directors have led to a continuity of "robust and full-throttled" deliberations amongst Board members
- The collaborative working relationship between the Board and the Managing Director/ President & GCEO continues to be a stand-out feature for Axiata, with the GCEO being an effective bridge between Management and Board
- The Board of Axiata remains a dedicated and collective unit with independent thought clearly shown through the Board's devotion of long hours and proximate involvement in overseeing the proposed Axiata-Telenor merger
- The Board's clear succession model known as the Phased Retirement Plan is a novel market practice amongst peers, both locally and globally, allowing for the Board composition to be revitalised
- The succession planning for the GCEO was crafted since 2014 through a methodical and well-thought-out succession plan which involved a series of well-crafted strategies including implanting shortlisted candidates to the Board itself and overseeing a smooth "change of guard" by enlisting the final contender as a Deputy President

### IMPROVEMENT

The findings of the 2019 BEE also have recommended areas for improvement, the salient points of which are as follows: -

- There is a need for focused education and development programmes on Company-specific issues with such training aligned to Axiata's strategies
- To consider qualitative audits on its Operating Companies in inspecting similar adoption of the Group's ethical and compliance culture and transformational efforts
- To consider conducting more comprehensive and detailed feasibility studies and country-risk analysis of its operations and businesses

## Board Leadership And Effectiveness

### PROFESSIONAL DEVELOPMENT AND EDUCATION

New Directors receive a comprehensive and tailored induction programme in order that they are fully informed about the Group's activities on joining the Board. They are apprised of the business environment, fiduciary duties and responsibilities, and the Board's expectations in respect of a director's commitment, ethical behaviour and keeping abreast of regulatory changes and trends.

Training is an area delegated to the Board Nomination and Remuneration Committee as part of its brief to ensure that the Board continues to possess the skills, experience and knowledge to meet the needs of the business. Training requirements are discussed and relevant and suitable training programmes are periodically made known to the directors all of which are facilitated and assisted by the Group Company Secretary.

### BRIEFINGS DURING THE YEAR INCLUDE:

Some of the in-house presentations by external speakers in the course of the year are as follows:

Industry Outlook & Analyst Expectation	Enterprise Business Expectations	New Business Models for Disruptive Digital Telcos	Telco Primer Workshop "Essentials of Telecoms"
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There is also a Telco Primer organised for new directors appointed to the Board of Axiata if the person is not from the telco industry.

OpCos Induction Programme – all new directors appointed on the Board of Axiata will have the opportunity to attend an Axiata Board Induction as well as induction programmes and field trips organised and conducted by OpCos. These programmes by the OpCos are conducted once a year and Axiata Directors are encouraged to participate in at least one of these visits depending on their availability.

### 2019 Directors' Training Areas

Number of Training Programmes Disseminated by Group Company Secretary in 2019 amounted to 21, which includes 3 on digital services, new business and technology compiled by Strategy/ Axiata Digital Services/ Technology



### REMUNERATING FAIRLY

#### 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 <sup>1</sup> (RM)		Meeting Allowances <sup>2</sup> (RM)	
	NEC <sup>3</sup>	NED	NEC <sup>3</sup>	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

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

#### Benefits

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

#### Executive Directors ("EDs")

The Company's policy on remuneration for the EDs 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 EDs consists of basic salary, benefits-in-kind and EPF contributions, as a guaranteed component. On top of this, the EDs are 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 EDs 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 EDs 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.

# Board Committees

## Board Nomination and Remuneration Committee (“BNRC”)

### Members

Dato Dr Nik Ramlah Nik Mahmood (Chairman) (INED)

Tengku Dato’ Sri Azmil Zahrudin Raja Abdul Aziz (NINED)

Khoo Gaik Bee (INED)

### Nomination

- 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

### Remuneration

- 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”) and Axiata Group Performance-Based Long Term Incentive Plan in accordance with the Bye-Laws of the Axiata Share Scheme and Axiata Group Performance-Based Long Term Incentive Plan (“Bye-Laws”) as approved by shareholders of the Company

## Activities in 2019

### Nomination

- Considered the significant changes to the Board of Axiata in 2019 and early 2020 involving the appointments of 1 new director and one alternate director and the resignation of 2 directors
- Year reviewed reports on directors training including making recommendations thereof
- Reviewed changes proposed in respect of the nomination of Axiata nominee directors on OpCos’ Boards
- Reviewed and recommended the extension of employment contracts of key personnel of Axiata Group
- Discussed the findings of the 2018 BEE and follow-up actions and approach for 2019 BEE
- Recommended the appointment of Board Committee members and other changes
- Recommended the renaming of BRMC to BRCC effective 20 February 2020
- Recommended the change of Chairman of the new Board Committee, BRCC
- Succession Planning and Talent Management Review
- Reviewed the suitability of the directors due for re-election at the 2019 AGM
- Assessed and recommended the INEDs who have exceeded the 9 year cumulative term limit to be reappointed as INEDs by shareholders
- Reviewed and recommended the appointment of Thaya S Sangarapillai as Axiata Board members who brings with him accounting and finance background as part of phase retirement plan
- Reviewed and recommended the GCEO’s succession plan including the re-designation of Dato’ Mohd Izzaddin Idris from INED to Executive Director/ Deputy Group Chief Executive Officer of Axiata which will succeed as Group CEO of Axiata by December 2020
- Reviewed and recommended the appointment of Top Management and Members of Ethics and Compliance Committee
- Reviewed and recommended revisions to the Board Composition Framework of Axiata

### Remuneration

The BNRC considered and recommended to the Board the following matters:

- Revision of Group Performance Bonus Matrix
- Long-Term Incentive Grant for edotco Group
- GCEO KPI 2018 - Performance Evaluation and Remuneration
- Company Bonus Payment and Salary Review Budget
- 2019 Restricted Share Plan Grant and Vesting
- Reviewed and recommended 2019 OpCo’s CEO Shares Award for XL
- Reviewed and recommended the reward and retention programme (implementation details) and proposed new compensation framework
- Reviewed and recommended the 1H incentive for FY2019
- Top Management Remuneration Revision

### Structural Changes to Board Composition

In early 2019 and throughout the year saw several changes to the Board composition as follow:

- Appointment of Vivek Sood as Director of Dialog
- Appointment of Dato’ Mohd Izzaddin Idris as Director and Chairman of Robi in place of Tan Sri Ghazzali Sheikh Abdul Khalid
- Appointment of Dr David Robert Dean as Director and Chairman of Ncell in place of Tan Sri Ghazzali Sheikh Abdul Khalid
- Resignation of Rene Werner as Director and appointment of new director as Director of Smart in place of Rene Werner
- Appointment of Azwan Khan Osman Khan as Director of Smart in place of Vivek Sood
- Appointment of Vivek Sood as Member of Axiata Digital Business Investment & Oversight Board Committee of Axiata (“AIOB”)
- Resignation of Javier Santiso as Member of AIOB and Axiata Board Advisory Council (“ABDAC”)
- Resignation of Greg Tarr as member of AIOB, but will remain as sole member of ABDAC
- Appointment of Dato’ Mohd Izzaddin Idris as member of the Board Annual Report Committee

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

## Priorities for 2020

### Nomination

- To undertake the necessary action to implement the recently adopted policy to restrict the tenure of independent directorships to a 9-year limit
- To undertake the necessary changes to the composition of the Board and its Committees, following retirements, resignations and re-designations as the same arises from time to time
- To manage the seamless transition of leadership where Tan Sri Jamaludin Ibrahim will pass the baton of leading Axiata to Dato’ Mohd Izzaddin Idris by the end of the year
- To review top Management succession planning
- To monitor follow-up actions based on the 2018 BEE findings and the refresher 2019 BEE as well as decide on the approach for 2020 BEE
- Other routine or new matters proposed by Management/ Board

### Remuneration

- Review and approve compensation schemes for senior management and other employees
- Routine matters such as:
  - Performance Bonus and Increment for employees;
  - LTIP for Axiata and its subsidiaries;
  - Proposed Headline KPIs for GCEO and DGCEO; and
  - Proposed Company Bonus Payment and Increment and others as applicable

## Board Committees

### Axiata Digital Business Investment and Oversight Board Committee<sup>1</sup> (“AIOB”)

#### Members

Dato' Mohd Izzaddin Idris (Chairman) (INED)<sup>2</sup>

Tengku Dato' Sri Azmil Zahrudin Raja Abdul Aziz (NINED)

David Lau Nai Pek (SINED)

Dr Hans Wijayasuriya

Tan Sri Jamaludin Ibrahim

Mohd Khairil Abdullah

Dr David Robert Dean (INED)

Vivek Sood

- Approve investments in digital business up to USD20.0 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 USD20.0 million provided it was an investment previously approved by AIOB

#### Activities in 2019

- The committee made key investment decisions relating to Digital Businesses and monitors its performance within its Limits of Authority

### Board Annual Report Committee (“BARC”)

#### Members

David Lau Nai Pek (Chairman) (SINED)

Tan Sri Jamaludin Ibrahim

Dato' Mohd Izzaddin Idris (INED)

- 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

#### Activities in 2019

- 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

#### Priorities for 2020

- In 2017, Axiata developed its inaugural integrated annual report with the goal to apply 100% of the Integrated Reporting framework over the next three to four years. This remains the focus for the year 2020
- To improve on the integrated annual report reporting process and the quality of information

Notes: <sup>1</sup> The AIOB was dissolved as of 25 March 2020

<sup>2</sup> Dato' Mohd Izzaddin Idris assumed the chairmanship of the AIOB throughout the financial year 2019 in the capacity of an Independent Non-Executive Director. He was re-designated as an Executive Director on 24 January 2020

# Board Accountability

## 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)<sup>1</sup>

Thayaparan S Sangarapillai (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 synchronised 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.

#### 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 2019

- Post-acquisition review on major acquisitions i.e. Robi-Airtel merger and Ncell purchase, were carried out and lessons were taken from the aspect of governance, risks, commercial/deal structuring, terms and conditions as well as financial impacts
- Reviewed the Group gearing status and portfolio rebalancing, hedging and forex currency exposure and cash management of the Group and the impact of currency translation on Axiata Group’s financial statements, debt level including restructuring where necessary and dividend policy
- Established a dedicated Internal Audit Team for Axiata Digital Services (“ADS”) Group to strengthen the independent assessment consequent to rapid business, operations and organisation growth in ADS businesses
- Reviewed carrying value of assets as required by IFRS and MFRS and agree that no further major impairment is required in 2019 after assets major impairments were done in 2018.
- Axiata Group-wide BAC Forum was held on the 28th March 2019; assembling all OpCos BAC Chairmen to align on 2019 priorities
- Reviewed cost savings initiatives (“Project Arise”) under Axiata Group’s Cost Optimisation and Capex Efficiency direction and satisfied with the governance and internal controls in place with consistent results Year on Year, including for 2019

- Initiated a review on “Anti-Bribery and Anti-Corruption” (“ABAC”) policies and execution in the Group resulting in the formation of the BRCC in February 2020, the appointment of a Group Chief Risk and Compliance Officer and the establishment of Ethics and Compliance Committee at Management level
- Initiated the review of whistleblowing 2.0 (“WB 2.0”) channel across the Group and OpCos aimed at enhancing governance, transparency, integrity, and management of whistle blowing channel and cases
- A Cyber Security Forum initiated by the Cyber Security Steering Committee (“CSSC”) was held on 10th July 2019 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 2019
- Supported extensive internal audits assignments in the area of cyber security across all OpCos which have contributed in a marked improvement in cyber security internal controls across the Group by end of 2019
- Reviewed the Data Privacy programmes for the Group
- The BAC Chairman visited XL Axiata in Indonesia to understand and discuss XL’s perspective on governance and controls
- Reviewed Capital Gain Tax (“CGT”) matter of Ncell in Nepal
- A total of 128 internal audit reviews were completed across the Group

#### Other recurring works include:

- Reviewed and recommended the Corporate Governance Overview Statement, Statement on Risk Management and Internal Control and BAC Report for the Annual Report to the Board for approval
- Reviewed the financial results quarterly, half yearly and annually prior to the Board for approval
- Discussed and resolved all “Key Accounting Matters” raised by external auditors
- Reviewed the accounting impact and accounting entries arising from merger and acquisition deals and revised accounting policies when required for better governance and controls

Note: <sup>1</sup> Dato’ Mohd Izzaddin Idris has resigned from the BAC with effect from 24 January 2020 following his re-designation to Executive Director

# Board Accountability

## Board Audit Committee (“BAC”)

- Reviewed and satisfied that Axiata Group and its OpCos have fully adopted relevant accounting standards required by International Financial Reporting Standards (“IFRS”) and Malaysian Financial Reporting Standards (“MFRS”), such as MFRS 16
- Reviewed the potential exposure of major investments and divestments made by the Group
- Reviewed on a quarterly basis the related party transaction entered into by Axiata pursuant to the shareholders mandate on Recurrent Related Party Transactions (“RRPT”) procured at the 27th AGM of the Company held on 29 May 2019 and the reporting of these transactions in the 2019 Annual Report
- During the financial year ended 31 December 2019, Axiata has granted a total of 2,903,000 shares under the Performance-Based Employee Share Options and Share scheme (details provided under Notes 14 of the Audited Financial Statements) at the Share Reference Price of RM4.44 for 21 February 2019 Regular Stock Purchase (“RSP”) grant. The BAC has reviewed the allocation of the above shares granted to eligible employees (as defined in the Bye-Laws of the Performance-Based Employee Share Option and Share Scheme) and noted its compliance with the conditions for the allocation of share options/shares as approved
- Held two (2) private meetings with the external auditors on 20 February 2019 and 27 August 2019 without the presence of management. The topics that were discussed were key matters noted from audits, the sufficiency and adequacy of information provided to external auditors to perform the audit and cooperation provided by the management
- Reviewed and approved appointment of external auditors, taking into consideration their competencies, commitments, objectivity and independence
- Reviewed and approved the Annual Internal Audit plan and budget
- Assessed the quality of internal audit staff, experience, discipline and length of service
- Reviewed 10 business control incidents and identified cases of control weaknesses including fraud
- Acknowledged, reviewed and ensured investigations into 96 whistle blowing cases across the Group
- Encouraged and pushed for the use of data analytics-based audit (“ABA”) among the internal audit team across the Group to deliver agile audit reporting which provides a more holistic and effective assessment on internal controls risks
- Pushed for competency development of auditors specifically on certified internal auditor (“CIA”), information system auditing, cyber security, and analytics in audit across the Group
- Supported the launch of Auditors Analytics Certification programme in Q4 2019 and the investments to be made to get all auditors to be trained in analytics competency for auditing
- Supported the application of digital technology in internal audit and investigation domains e.g. Whistle Blowing 2.0 channel as well as internal controls surveys were carried out on digital platforms

## Priorities for 2020

- Review of BAC membership composition across the Group for continuity in leadership and roles
- Review of BAC Terms of Reference across the Group to harmonise with the establishment of BRCC
- Together with the newly constituted BRCC, BAC will review the effectiveness of the Group’s governance structure, and whether the policies, risk management, procedures, and internal controls are meeting the requirements of Cyber Security, Data Privacy, and Adequate Procedures under Section 17A of MACC Act 2009, including the consistent application of the act throughout all OpCos
- Assures Axiata’s Financial Statements reflect true and fair view of the business results and the financial position of the Group, and that they are in line with International Financial Reporting Standards (“IFRS”) and Malaysian Financial Reporting Standards (“MFRS”)
- Review of the Group foreign currency exposure, the impact of currency translation on Axiata Group’s financial statements, and debt level including restructuring on financial risks of the Group in light of ongoing US-China trade war, COVID-19, oil price crash, and currency volatility
- Reviews the carrying value of assets, in particular those assets which are still on the old technology (2G, 3G and 3.5G) as OpCos move more and more data traffic onto 4G network and soon to 5G
- Reviews Axiata Group’s Cost Optimisation and Capex Efficiency projects with the advent of Group “Operational Efficiency” strategic direction coupled with “collective brain” and “verticalization” initiatives
- Continues to assess adequacy and effectiveness of cyber security programmes as cyber security risks continue to evolve and escalate
- Review of Data Privacy governance, risks management and internal controls implementation
- Review of the execution of all 2020 Audit Plan across the Group in terms of audit findings and timely closure of major audit issues
- Continues to ensure that auditors are given the right training on relevant and new competencies such as cyber security, data privacy, and the use of analytics in audits
- Review of security, trust and independence of whistle blowing channel established by Management for employees and other stakeholders to speak up against any misconduct across the Group
- Continues to support the application of digital technology in internal audit and investigation domains e.g. Whistle Blowing cases management across OpCos as well as explore use of technology for continuous auditing

# Internal Control And Risk Management

## Board Risk and Compliance Committee (“BRCC”)

### Members

Dr David Robert Dean (Chairman) (INED)

Dato Dr Nik Ramlah Nik Mahmood (INED)

Tan Sri Jamaludin Ibrahim

David Lau Nai Pek (SINED)

Dato’ Mohd Izzaddin Idris

BRCC (previously BRMC) was established effective 1 January 2018 after deliberating on the Step-up 9.3 provision of MCGG 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.

This change was to better reflect the expansion to the scope of the committee to encompass not just issues of risk but matters of compliance as well. The areas of responsibility for the BRCC encompass Enterprise Risk Management, Compliance, Ethics and Data Privacy and Cyber Security. The additional functions

of Compliance and Ethics have been combined with the existing Enterprise Risk Management function to provide an integrated focus on all risk and compliance matters, directly and indirectly, and a single, consistent interface with all other functions in the organisation and in OpCos.

BRCC 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.

### Roles

- BRCC duties and responsibilities include areas of Enterprise Risk Management (including Business Continuity and Crisis Management), Cyber Security, Data Privacy, Ethics & Integrity Compliance, and Regulatory Compliance which include but not limited to requirements imposed by capital market authority, central bank (e.g. e-money, forex controls, AMLA, etc), Local Authorities (e.g. site permits, health and safety), and domestic trade (e.g. anti-profitsteering and commercial dealings of our dealers/ distributors)
- Ensure Axiata Group (which includes all its subsidiaries/ OpCos) adopts sound and effective policies, procedures and practices for all its Risk and Compliance functions and ensure adequate testing to improve its resilience and preparedness for any eventualities
- Review and recommend the risk management and compliance methodologies, policies (including framework) and risk tolerance levels for the approval of the appropriate authority in accordance with Axiata Limits of Authority
- Review and assess the adequacy of the governing policies, framework and structure in place for managing risks and compliance as well as the extent to which these are operating effectively
- Ensure adequate infrastructure, resources and systems are in place for effective risk and compliance management. This includes ensuring that the staff responsible for implementing risk

and compliance management systems perform their responsibilities independently of the risk-taking activities

- Review the management’s periodic reports on risk and compliance management activities, exposure and mitigating/remedial actions
- Ensure that all governance instruments are reviewed and updated continuously to reflect changes in the operating environment
- Ensure ongoing awareness programmes, communication, training and education on risk and compliance management
- Provide advice to the Board on risk and compliance strategies and coordinate the activities of various standing board committees for risk oversight
- Promote a healthy risk and compliance culture and behaviours that ensures the effectiveness of the risk and compliance management processes (e.g. discourage excessive risk-taking, bribery and corruption due to misaligned key performance indicators and remuneration schemes)
- Consider other matters relating to risk and compliance management, including relevant legislature applicable in all operating areas of Axiata Group as referred to by the Board or by BRCC by its own accord

### Activities in 2019

- Four BRMC (now called BRCC) meetings were held in 2019 to discuss the Group’s risk agenda
- Among key discussions of the BRMC includes:
  - Axiata Group and OpCos key risks and the relevant mitigation strategy

- Cyber threat and risks faced by the Group in protecting and safeguarding the data privacy of our customers, employees and other stakeholders
- Business Continuity Programme and its maturity status across Axiata OpCos
- Enhanced Data Privacy and Cyber Security Governance
- Ensured a Robust Cyber Security Framework
- Strengthened Cyber Risk Management
- Maintained Threat Detection Programmes
- Leveraged on Advanced Technology to Drive our Cyber Capabilities
- Built our Employees’ and Vendors’ Cyber Capabilities
- Strengthened our Cyber Partner Ecosystem

### Priorities for 2020

- Establishing an Integrated Risk & Compliance governance function for Axiata Group and OpCos
- Ensure all risks of the Group are appropriately managed through effective monitoring at BRCC encompassing all relevant Management initiatives and projects
- Ensure Axiata Group BCM programmes are executed and continually improved across the Group
- Strengthening of Anti-Bribery and Anti-Corruption environment across the Group to support adequate procedures requirement
- Moving into 2020, we will continue to implement Digital Trust 2020 (“DT2020”) with emphasis on people, processes and technology, to fortify our data privacy and cyber-aware culture

Axiata maintains a 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 BRCC and the Board.

# 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 Board Risk Management Committee ("BRMC") of the Axiata Group Berhad ("Axiata") Board.

The objectives of the CSSC is to assist the BRMC in focusing on the implementation of the cyber security initiatives, and ensuring implementation of standards 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.

Scan to find out more about our commitments to Cyber Security



### 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's Group and any other companies within the Axiata Group 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 Axiata Board Audit Committee.

Oversight of the Chief Information Security Officer ("CISO") function whereby the CISO shall report directly to the CSSC.

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
- To monitor the progress and quality of the Cyber Security programme and provide assurance to the BRMC

### Activities in 2019

- Improve the Cyber Security maturity of Axiata's adoption of the Internationally recognised National Institute of Standards and Technology ("NIST") Cyber Security Framework across the Group from Level 2 to Level 3
- Ensure all critical assets are compliant to a Minimum Baseline Security Standard ("MBSS") and extend coverage to non-critical and larger base of telecoms assets
- Ran the Bug Bounty programme consecutively for two years to identify and remediate software vulnerabilities/bugs on our web and mobile channels
- The Group Security Operations Centre ("GSOC") was accredited as a member of the Forum of Incident Response and Security Teams ("FIRST"), the first in the regions in which we operate

### Priorities for 2020

- Review existing Operating Model to improve synergy, cost, risk profile and reduce duplication in line with the group veritisation programme
- Focus on automation and improve on the speed and accuracy to detect and recover from incidents
- Double our efforts on improving foundational/hygiene controls and expand the coverage of baseline security controls on our assets
- Focus on implementing a holistic, regulatory compliant Data Privacy programme across the group
- Test and improve our crisis management process with simulation exercise for senior leadership and response teams

### CSSC evolved to Cyber Security and Privacy ("CaP")

In August 2019, the CSSC was dissolved due to expansion of the scope. The CSSC remit was primarily on Cyber Security matters, and given the importance of Data Privacy, a broadened remit committee was required to cover both Data Privacy and Cyber Security matters.

During the November 2019 BOD meeting, the Board endorsed the new CaP Committee with the focus of promoting Data Privacy and Cyber Security matters across the Group.

The new Cyber Security and Privacy Management Committee was approved with the following responsibilities:

- CaP is tasked with executing on BRMC Directives as well as ensuring execution of the Data Privacy and Cyber Security imperatives;
- Composition of the CaP shall include representatives from Axiata senior leadership, and advisor/observer from the BRMC;
- CaP reports into the BRMC to ensure appropriate management of risks associated with Data Privacy and Cyber Security;
- Participation from relevant senior management from cross-functional representation (Internal Audit, Finance, IT/Network, HR, Legal and Regulatory) will be made compulsory, with an OpCo representative also to be considered; and
- BRMC representative in CaP will be in an advisory capacity to the management team

The following amendments were adopted by the BRMC for the CaP:

#### Data Privacy and Cyber Security Risks

- Data Privacy and Cyber Security risks, similar to all other risks of Axiata, shall be part of BRMC scope
- Cybersecurity and Privacy Management Committee, or a similar forum at Axiata senior management level, manage the associated risks
- The Cybersecurity and Privacy Management Committee will report to the BRMC on a quarterly basis, and as appropriate to ensure that BRMC is kept abreast of the developments

## Communication With Stakeholders

### 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 Board is therefore, fully committed to maintaining high standards in the dissemination of relevant and material information

on the development of the Group in view of its commitment to effective, comprehensive, timely and continuous disclosures. Disclosures of corporate proposals and/or financial results are made not only in compliance with the Main LR of Bursa Securities but additionally include items through media releases, sent on a voluntary basis.

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

Direct Shareholder Communication & Engagement			Communication via Mass Media		Communication to Analysts and Investors	
<b>IAR, Sustainability Report, GAFS and Notice of AGM</b> Website/Mobile Apps/ Print at Request/Press Advertisement	<b>Website Updates on all corporate communication</b>	<b>Announcements to Bursa Securities</b>	Regional Media Summit	Media Interviews on Corporate Developments	Analyst & Investor Day	Analysts/ Investor Meetings
			Media Release on Financial Results and Corporate Developments	Social Media Reach and Engagement on all key channels	Conference Calls on Financial Results and Corporate Development	Investor Relations Website
			Press Conference on Financial Results and Corporate Developments	Targeted Media Engagement and Networking	Conferences/ Non-Deal Roadshows	27 Equity Research Coverage
<b>Annual General Meeting</b> <ul style="list-style-type: none"><li>• Primary engagement platform between the Board and the shareholders of the company</li><li>• 28 days' notice was given for the AGM held on 29 May 2019</li><li>• Accessible venue at Connexion@Nexus</li><li>• Attended by all Board members</li><li>• Business presentation by the Managing Director/ President &amp; GCEO and active engagement during Q&amp;A session</li><li>• Electronic poll voting on all resolutions and immediate announcement of results</li></ul>						

### INVESTOR RELATIONS

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

5-6 March	19 March	25-26 March	16-18 April	24 June	4 September	12 September	25 & 27 September	14-16 October	17-18 October	2 December	12 December
JP Morgan ASEAN TMT 1x1 Forum - Kuala Lumpur	Bursa Malaysia & Maybank Invest Malaysia - Kuala Lumpur	Credit Suisse Asian Investment Conference - Hong Kong	London NDR - HSBC	Morgan Stanley ASEAN Corporate Day - Singapore	Citi Malaysia Investor Symposium - Kuala Lumpur	CLSA Investors' Forum - Hong Kong	Kuala Lumpur NDR - Maybank	Edinburgh and London NDR - UBS	New York & Chicago NDR - HSBC	Axiata Analyst & Investor Day - Kuala Lumpur	Singapore NDR - JP Morgan

Communication With Stakeholders

