



**Amber Chanbopha**  
Sr. Risk Management & Compliance  
Smart Axiata

Inspiring others around me  
to avoid single-use plastics.

**#ItBeginsWithMe**

**HOLDING  
OURSELVES  
ACCOUNTABLE**

## Committed To Accountability

▶ **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 2020 and up to the date of publication 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 25 March 2021 and finalised and updated until the date of the publication of the Integrated Annual Report (IAR) 2020 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-2020.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 2020 (GAFS) and the Sustainability and National Contribution Report (SNCR) accompanying this IAR.

Throughout the Financial Year Ended 31 December 2020 and continuing until the date of this IAR 2020, the Company has complied with the provisions of the MCCG 2017 save for Practice 4.5 and Practice 7.2 and Practice 7.3, respectively relating to disclosure on gender diversity and senior management remuneration as well as the Step Up on all Independent Non-Executive Directors on Board Audit Committee. 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 for a 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. The Board exercises independent judgement on all issues reserved for the Board's 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 88) 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 IAR.

### CHANGES IN OUR GOVERNANCE FRAMEWORK

At its Meeting on 20 February 2020, the Board resolved to re-name the Board Risk Management Committee (BRMC) to the Board Risk and Compliance Committee (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 and 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 came 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 of 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 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 separate individuals. The Chairman takes responsibility for leading the Board, whilst day-to-day management of the Group is delegated to the GCEO.

**IAR** For more details on the Board of Directors and the Board's role and activities during the year, please refer to pages 82 to 100 in the "Holding Ourselves Accountable" 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.

**IAR** For more details on Board activities, please refer to page 94 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.

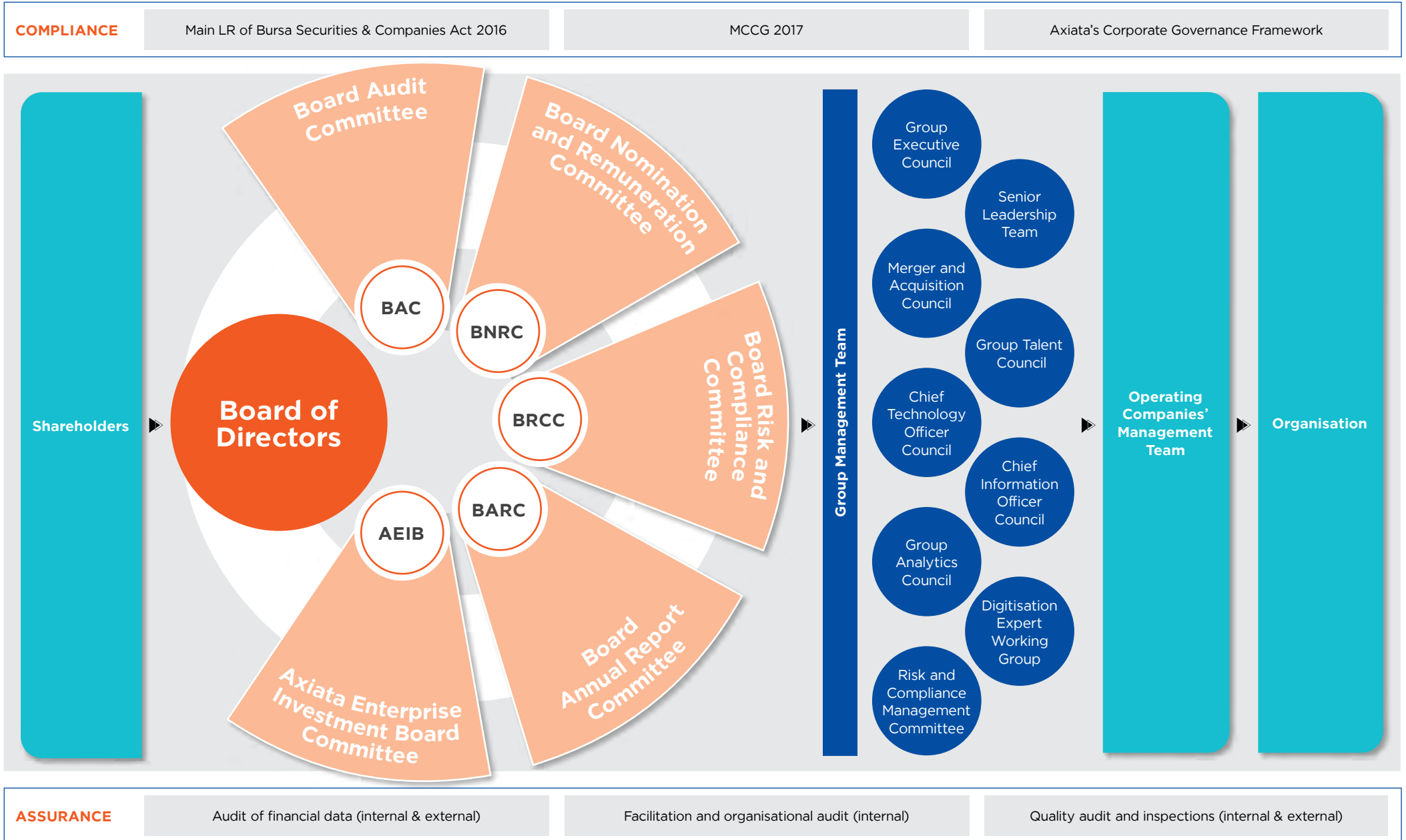
**IAR** For more details on the Audit Committee, please refer to pages 96 and 97 in the "Board Accountability" section

#### ▶ Relations with Shareholders

An open dialogue is maintained with shareholders regarding strategic, governance and other objectives. This is led by the GCEO and the GCFO, 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.

**IAR** For more details on our stakeholder relationships, please refer to pages 101 and 102 in the "Communication With Stakeholders" section

# Our Governance Structure



## Who Governs Us



**Tan Sri Ghazzali Sheikh Abdul Khalid**

*Chairman, Non-Independent Non-Executive Director*



**Dato' Izzaddin Idris**

*Managing Director/ President & Group Chief Executive Officer*



**Dato Dr Nik Ramlah Nik Mahmood**

*Senior Independent Non-Executive Director*



**Dr David Robert Dean**

*Independent Non-Executive Director*



**Khoo Gaik Bee**

*Independent Non-Executive Director*

<b>Age</b>	75	58	65	62	63
<b>Nationality</b>	Malaysian	Malaysian	Malaysian	British	Malaysian
<b>Gender</b>	Male	Male	Female	Male	Female
<b>Length of Service</b>	13 years	4 years 4 months	4 years	3 years 3 months	2 years 3 months
<b>Date of Appointment</b>	24 March 2008	24 November 2016	21 March 2017	11 December 2017	1 January 2019
	Appointed as Chairman on 1 November 2018 Re-designated as Non-Independent Non-Executive Director on 24 March 2020	Re-designated to Executive Director/ Deputy Group Chief Executive Officer on 24 January 2020 Appointed as Managing Director/President & Group Chief Executive Officer on 1 January 2021			

Note: Age is as at 15 April 2021



For more details on Directors' profiles, please refer to pages 4 to 6 in the "Profile of Directors" section

## Who Governs Us



**Thayaparan S Sangarapillai**

*Independent Non-Executive Director*



**Tan Sri Dr Halim Shafie**

*Independent Non-Executive Director*



**Ong King How**

*Non-Independent Non-Executive Director  
Representative of Khazanah*



**Syed Ali Syed Salem  
Alsagoff**

*Non-Independent Non-Executive Director  
Representative of Permodalan Nasional Berhad*

<b>Age</b>	66	72	46	45
<b>Nationality</b>	Malaysian	Malaysian	Malaysian	Malaysian
<b>Gender</b>	Male	Male	Male	Male
<b>Length of Service</b>	1 year	5 months	7 months	5 months
<b>Date of Appointment</b>	18 March 2020	1 November 2020	28 August 2020	1 November 2020
			Alternate Director to Tengku Dato' Sri Azmil Zahrudin Raja Abdul Aziz from 27 November 2019 to 27 August 2020	

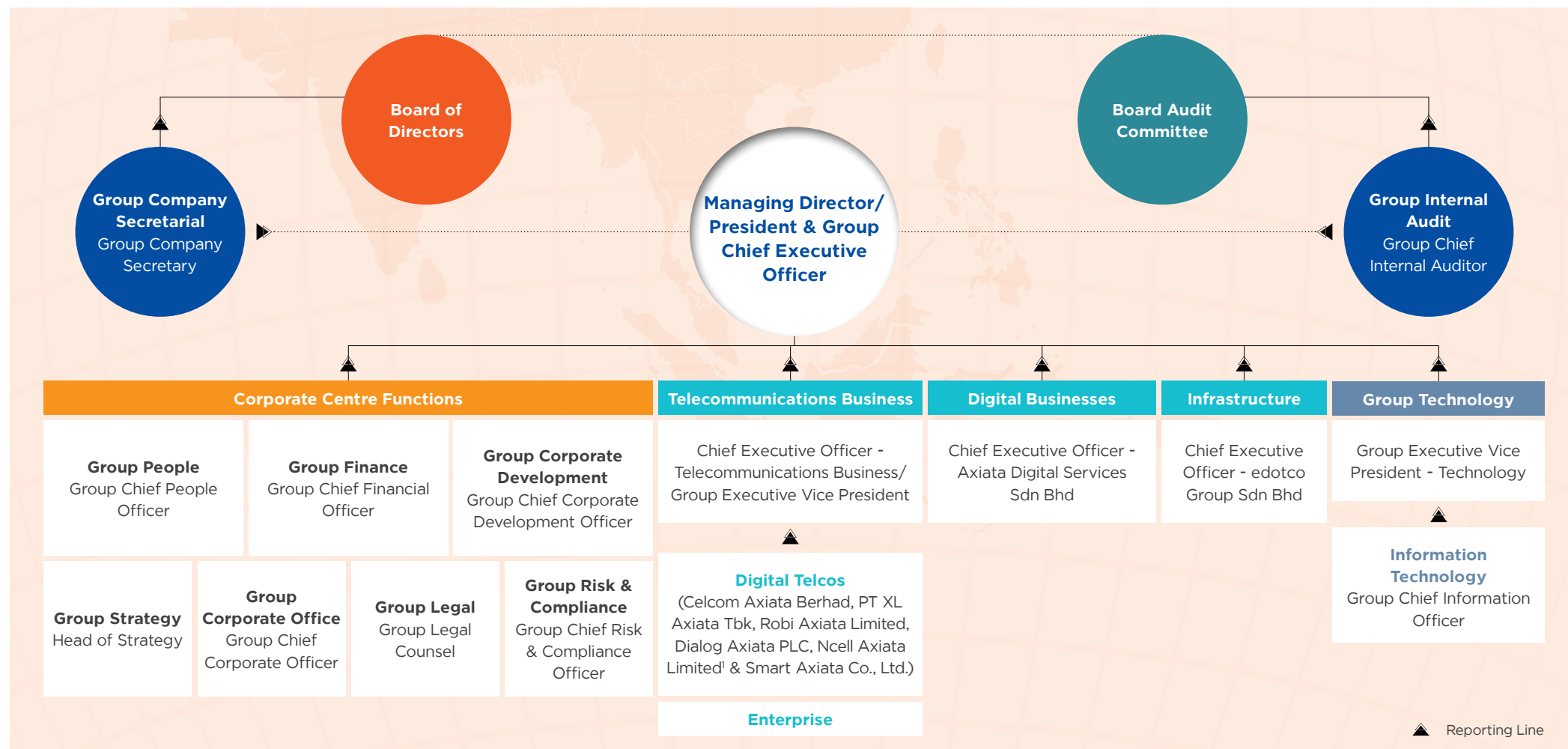
Note: - Age is as at 15 April 2021  
- Dr Lisa Lim Poh Lin resigned on 26 February 2020  
- David Lau Nai Pek retired on 29 July 2020

- Tengku Dato' Sri Azmil Zahrudin Raja Abdul Aziz resigned on 27 August 2020  
- Tan Sri Jamaludin Ibrahim retired on 31 December 2020

**GAFS** For more details on Directors' profiles, please refer to pages 4 to 6 in the "Profile of Directors" section

# 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 professionals. This contributes profoundly to our reputation and our market presence. It supports our ability to work closely with our clients and stakeholders 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 environment and supportive collegiate colleagues. This enables us to deliver professional, high-quality, consistent and compliant work product and services.

To this end, our senior leadership team leads the charge in the implementation of strategy, the 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 objectives and vision.

Note: <sup>1</sup> Ncell Axiata Limited (formerly known as Ncell Private Limited)

# An Experienced Leadership

## Dato' Izzaddin Idris

Managing Director/  
President & Group Chief Executive Officer



<b>Age</b> 58	<b>Gender</b> Male	<b>Nationality</b> Malaysian
<b>Length of Service</b> 1 year 2 months	<b>Date of Appointment to Current Position</b> 1 January 2021	

## Vivek Sood

Group Chief Financial Officer



<b>Age</b> 57	<b>Gender</b> Male	<b>Nationality</b> Indian
<b>Length of Service</b> 3 years 11 months	<b>Date of Appointment to Current Position</b> 3 April 2017	

## Norlida Azmi

Group Chief People Officer



<b>Age</b> 60	<b>Gender</b> Female	<b>Nationality</b> Malaysian
<b>Length of Service</b> 5 months	<b>Date of Appointment to Current Position</b> 1 January 2021	

## Dr Hans Wijayasuriya

Chief Executive Officer - Telecommunications  
Business/Group Executive Vice President



<b>Age</b> 53	<b>Gender</b> Male	<b>Nationality</b> Sri Lankan
<b>Length of Service</b> 27 years 2 months	<b>Date of Appointment to Current Position</b> 24 January 2020	

## Thomas Hundt

Group Executive Vice President – Technology/  
Chief Executive Officer Smart Axiata Co., Ltd.



<b>Age</b> 43	<b>Gender</b> Male	<b>Nationality</b> German
<b>Length of Service</b> 12 years 8 months	<b>Date of Appointment to Current Position</b> 24 January 2020	

## Lila Azmin Abdullah

Group Chief Corporate Development Officer



<b>Age</b> 53	<b>Gender</b> Female	<b>Nationality</b> Malaysian
<b>Length of Service</b> 7 months	<b>Date of Appointment to Current Position</b> 1 August 2020	

Note: Age is as at 15 April 2021



For more details on the Senior Leadership Team profiles, please refer to pages 10 to 13 in the "Profile of Group Senior Leadership Team" section

## An Experienced Leadership

### Anthony Rodrigo

Group Chief Information Officer



<b>Age</b> 53	<b>Gender</b> Male	<b>Nationality</b> Sri Lankan
<b>Length of Service</b> 10 years 6 months	<b>Date of Appointment to Current Position</b> 1 August 2017	

### Asri Hassan Sabri

Group Chief Corporate Officer



<b>Age</b> 54	<b>Gender</b> Male	<b>Nationality</b> Malaysian
<b>Length of Service</b> 5 years 2 months	<b>Date of Appointment to Current Position</b> 1 September 2018	

### Hadi Helmi Zaini Sooria

Group Chief Internal Auditor



<b>Age</b> 51	<b>Gender</b> Male	<b>Nationality</b> Malaysian
<b>Length of Service</b> 23 years 8 months	<b>Date of Appointment to Current Position</b> 15 October 2018	

### Abid Abdul Adam

Group Chief Risk and Compliance Officer



<b>Age</b> 39	<b>Gender</b> Male	<b>Nationality</b> South African
<b>Length of Service</b> 3 years 4 months	<b>Date of Appointment to Current Position</b> 2 March 2020	

### Suryani Hussein

Group Company Secretary



<b>Age</b> 55	<b>Gender</b> Female	<b>Nationality</b> Malaysian
<b>Length of Service</b> 18 years 6 months	<b>Date of Appointment to Current Position</b> 1 April 2008	

### Tan Gim Boon

Group General Counsel



<b>Age</b> 48	<b>Gender</b> Male	<b>Nationality</b> Malaysian
<b>Length of Service</b> 16 years 5 months	<b>Date of Appointment to Current Position</b> 1 April 2008	

Note: Age is as at 15 April 2021



For more details on the Senior Leadership Team profiles, please refer to pages 10 to 13 in the "Profile of Group Senior Leadership Team" section



# An Experienced Leadership

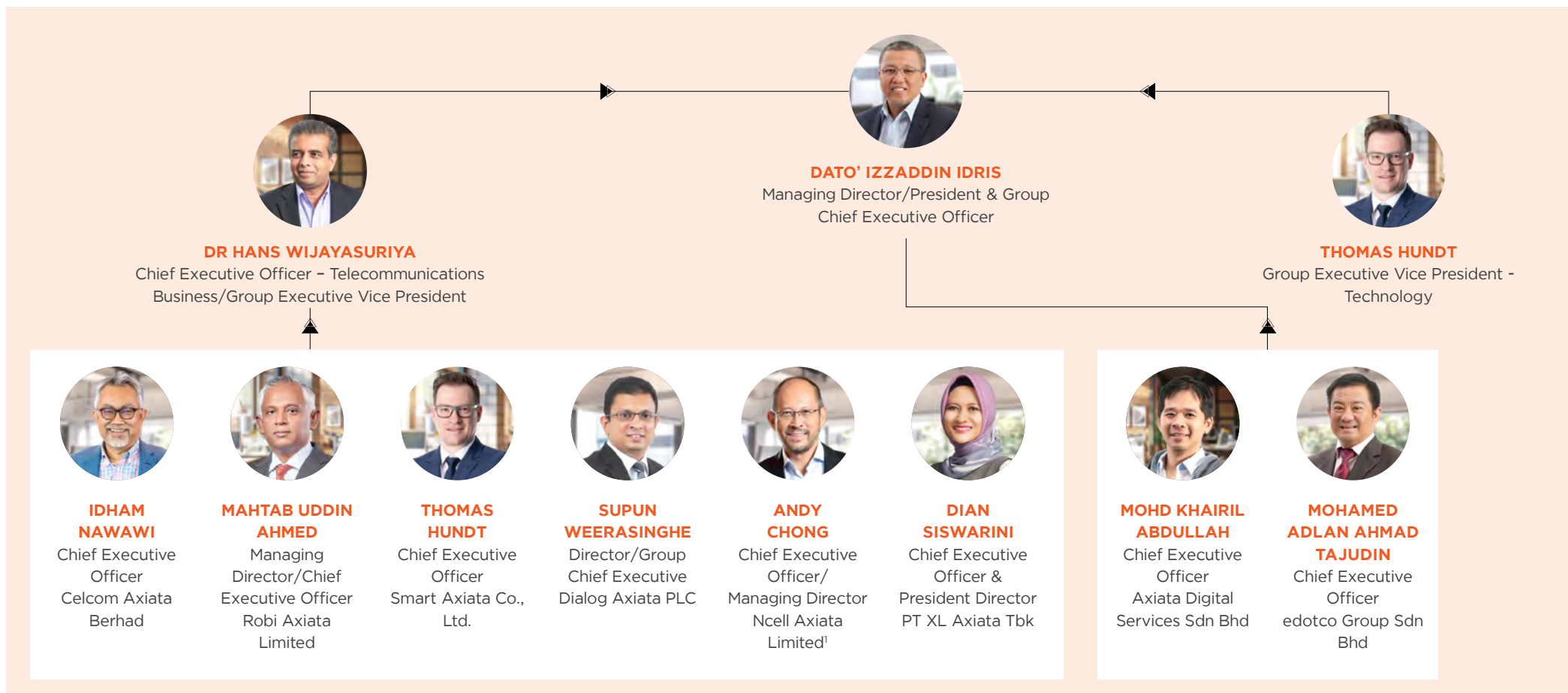
## OPERATING COMPANIES' ORGANISATIONAL CHART

Mohamed Adlan Ahmad Tajudin, an internal talent was appointed CEO of edotco in November 2020. Previously serving as the Chief Financial Officer and Director of XL, Adlan has been with the Axiata Group for 17 years since he joined Celcom in 2003 as Vice President, Finance.

In November 2019, Ncell welcomed Andy Chong as its new CEO. Andy, an internal talent, was Ncell's Chief Commercial Officer before helming his new role.

These appointments 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> Ncell Axiata Limited (formerly known as Ncell Private Limited)

# Our Governance At A Glance

## 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.

## 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.

**IAR** For more details on the Chairman, please refer to page 82 in the "Who Governs Us" section

### Managing Director/President & Group Chief Executive Officer

The Managing Director/President & Group Chief Executive Officer is responsible for leading and managing the Group's business within a set of authorities delegated by the Board and for the implementation of the Group strategies and policies.

**IAR** For more details on the Managing Director/President & Group Chief Executive Officer, please refer to page 82 in the "Who Governs Us" section

### 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.

**IAR** For more details on Directors, please refer to pages 82 and 83 in the "Who Governs Us" section

### 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.

**IAR** For more details on the Company Secretary, please refer to page 86 in the "An Experienced Leadership" section

## SKILL AND EXPERIENCE OF DIRECTORS

### Industry Experience

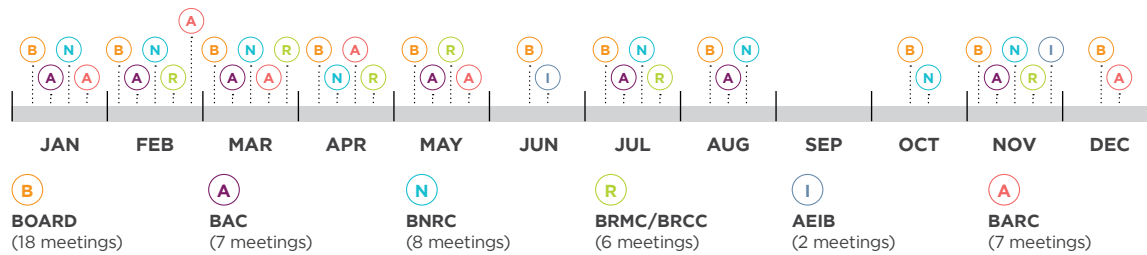
- ▶ Information Technology
- ▶ Telecommunications
- ▶ Finance, Banking & Investments
- ▶ Public Services/ Government Relations
- ▶ Internet/ Media/ Entertainment/ Digital Services/ Innovative Mobile/ Technology/ Analytics

### Functional Experience

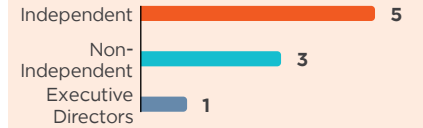
- ▶ Corporate Finance
- ▶ Strategy/ Entrepreneurship
- ▶ M&A
- ▶ Legal/ Regulatory
- ▶ Audit/ Accounting/ Business Assurance
- ▶ Talent Management/ Human Capital
- ▶ Others - Economics/ Sustainability/ Sales/ Marketing/ Corporate Governance/ Capital Markets/ Islamic Finance

Calendar of meetings of the Board and Committees held in 2020 and attendance of the respective Directors are provided below:

NAME OF BOARD MEMBERS	BOARD	BAC	BNRC	BRMC/BRCC	AEIB	BARC
Tan Sri Ghazzali Sheikh Abdul Khalid	18/18					
Dato' Izzaddin Idris	18/18			6/6	2/2	6/7
Dato Dr Nik Ramlah Nik Mahmood	18/18		8/8	6/6		
Dr David Robert Dean	18/18	7/7		6/6	2/2	
Khoo Gaik Bee	18/18		8/8			1/1
Thayaparan S Sangarapillai <sup>~</sup>	13/13	5/5			2/2	2/2
Ong King How <sup>#</sup>	4/4		2/2			
Tan Sri Dr Halim Shafie <sup>^</sup>	3/3			2/2		
Syed Ali Syed Salem Alsagoff <sup>^</sup>	3/3	1/1			1/1	
Tan Sri Jamaludin Ibrahim <sup>*</sup>	18/18			5/5	2/2	7/7
David Lau Nai Pek <sup>*</sup>	12/12	5/5		4/4		6/6
Dato' Sri Tengku Azmil Zahrudin Raja Abdul Aziz <sup>##</sup>	14/14		6/6			
Dr Lisa Lim Poh Lim <sup>*</sup>	2/2					



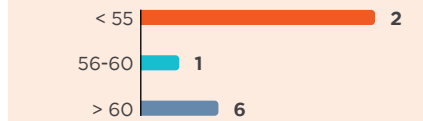
## BOARD OF DIRECTORS



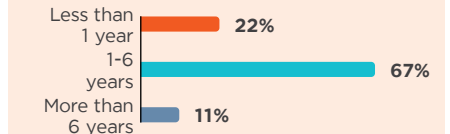
## DIVERSITY OF GENDER



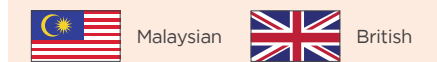
## DIVERSITY OF AGE



## DIVERSITY OF TENURE



## NATIONALITY



## TOTAL HOURS FOR BOARD & BOARD COMMITTEE MEETINGS 2020

102.98 hours Board (Including Board Retreats)	25.17 hours BNRC
34.02 hours BAC	9.58 hours BARC
2.75 hours AEIB	15.13 hours BRMC/BRCC

# Embedding Sustainability Into Our Governance Structures

▶ **At Axiata, we have strengthened our sustainability governance structure based on the enhanced alignment between Group and OpCos for effective implementation of sustainability strategies and initiatives moving forward.**

Sustainability-related key performance indicators (KPIs) have been included in our Group CEO and OpCo CEOs' annual KPIs to ensure accountability to our sustainability commitments. Additionally, all OpCo CEOs sign-off on sustainability-related governance as part of internal control assurance.

Ultimately, Axiata Board of Directors is accountable for Axiata's sustainable strategies. This top-down approach marks our commitment to embracing sustainability as a Group-wide agenda.

The alignment of the Group and OpCos sustainability activities, progress and achievements to the Group's sustainability agenda is overseen by the Group Sustainability team. In doing so, the Group Sustainability team ensures the effective development, integration and implementation of Group Sustainability objectives and initiatives as governed by the Sustainability Governance body. Additionally, the team provides advisory support and capacity building for the sustainability teams in our OpCos, which report indirectly to Group Sustainability.

Our Group Sustainability Team undertakes key roles related to our goals, acting as the custodian of our sustainability programmes, including:

- ▶ monitoring and managing of business sustainability practices and targets
- ▶ keeping abreast of latest developments, e.g. global sustainability trends, sustainability related guidelines, standards and frameworks
- ▶ educating our internal and external stakeholders through various communication platforms
- ▶ raising skill sets and technical knowledge on current and core ESG developments of our sustainability contact points across the Group

Our OpCos' sustainability teams engage with local stakeholders to identify material issues and aligning and customising our Group Sustainability Framework for local relevance. The OpCos are responsible for the governance, daily management and operations, programme implementation and data collection as identified by the Group Sustainability Framework. OpCos are also encouraged to produce their own Sustainability Report in compliance with the GRI Sustainability Reporting Standards.

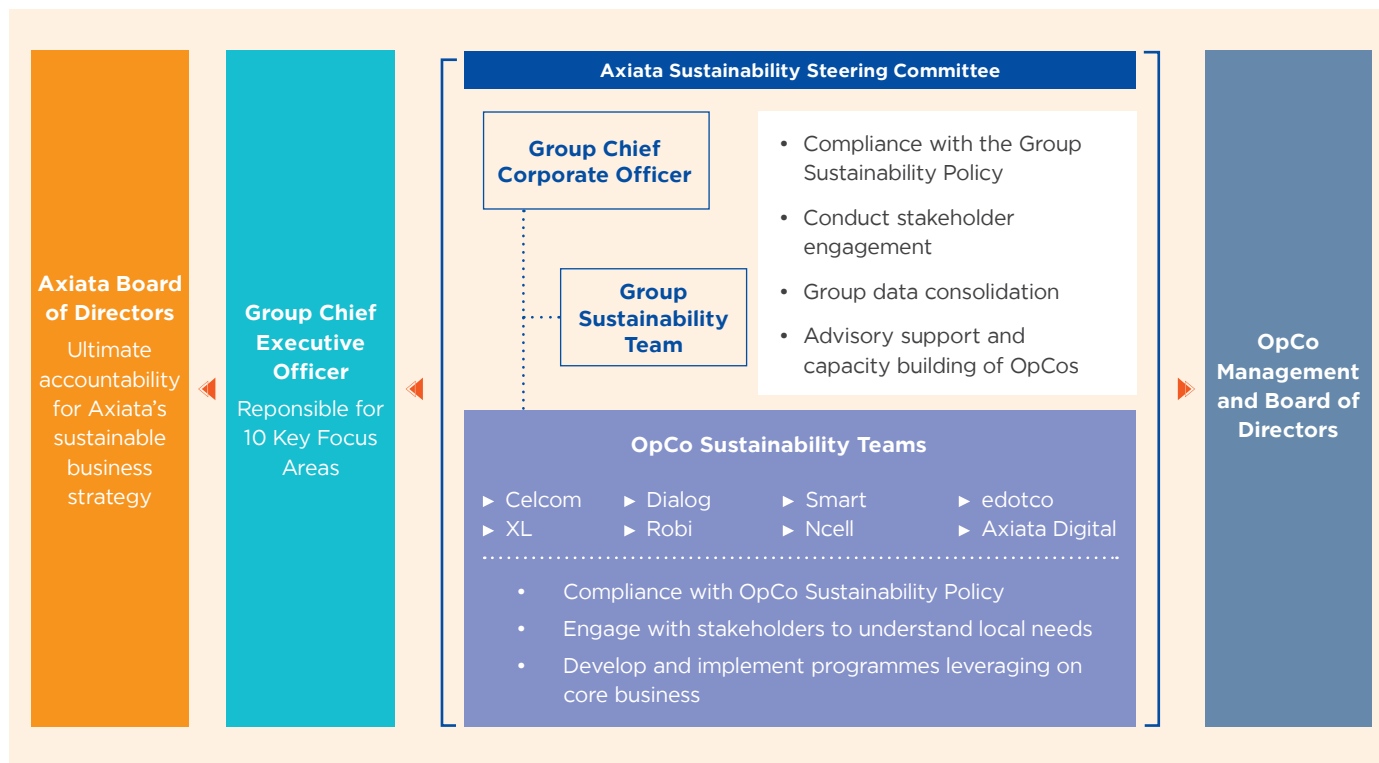
## Axiata Sustainability Steering Committee

In 2020, the Group Sustainability team enhanced sustainability governance Group-wide through the establishment of the Axiata Sustainability Steering Committee, which consists of the Group Sustainability team, OpCo sustainability teams as well as key functions. The Committee aims to encourage and ensure a more aligned, focused, standardised, and structured approach towards sustainability management. This will include collaboration on Group's objectives and targets in alignment to the Group's sustainability agenda, facilitating cross-collaboration and a robust and meaningful sustainability performance and results.

Axiata Sustainability Steering Committee objectives are:

- ▶ Accelerate a cohesive and Group-wide approach to sustainability management
- ▶ Strengthen the Group Sustainability governance process, including management systems
- ▶ Ensure alignment in approach and understanding of broader sustainability initiatives and plans throughout the Group
- ▶ Promote a more cohesive structure and collaborative approach to the Group's sustainability objectives and ambitions

The Committee meets on a quarterly basis to track progress, manage and share updates and achievements, as well as align on the Committee's action areas. To enhance accountability of the Group's sustainability governance, the Committee intend to present updates to the Group Executive Council and to the Board.



## Board Leadership And Effectiveness

### Axiata Advisory Panel

On 19 October 2020, the Board resolved the formation of the Axiata Advisory Panel (AAP) to act as advisors to the Board on matters relating to the business of the Group across its geographical footprint and other areas and location that the Group intends to venture. The formation of the AAP is timely and necessary given the global extent of the Group's expanding operations set against an increasingly complex business and geopolitical environment.

The key function of the AAP would be to complement the value, skill sets and experience of the Board and assist the Board in assessing and understanding evolving key and complex issues relating to the Group's operations across its geographical footprint.

The members of the AAP would be individuals who are established experts in their own respective fields that would be called upon to advise Axiata and the Board. The inaugural members of the AAP are Tan Sri Jamaludin Ibrahim and Gita Irawan Wirjawan.

### BOARD FOCUS AREAS

Monitoring of the company's performance and business planning for the year remain a priority for the Board's deliberation despite a considerable amount of time and attention being devoted to strategic matters and M&A.

The Board also considered the Long Range Plan (LRP) Framework which considered new opportunities and new way of engagement as well as reaping the benefits of the Collective Brain initiative to leverage on the wide range of talent, skill and expertise available within the Group. Efforts were also expanded in assessing the various options available in unearthing and increasing value to and within the Group.

### BOARD ACTIVITIES IN 2020

- The Board allocated approximately 25.5% of its time in 2020 during Board meetings focusing on strategic matters and M&A
- At the mid-year retreat in August 2020, the Board discussed and deliberated on opportunities in the new normal, setting the stage in financial direction, technology direction, OpCo transformation summary, operational excellence, new engagement model through the Collective Brain initiative, new technology landscape, new growth areas, new business operational model, portfolio optimisation and value illumination
- At the year-end Board Retreat, the Board emphasised on the Axiata 5.0 vision, including updates on operational excellence, Axiata's new engagement model as well as on stakeholder management. Axiata continues to pay more attention on markets with better structure to focus support on consolidation or shared investments to improve ROIC (e.g. Regulator/Government); more rational competition/less crowded markets

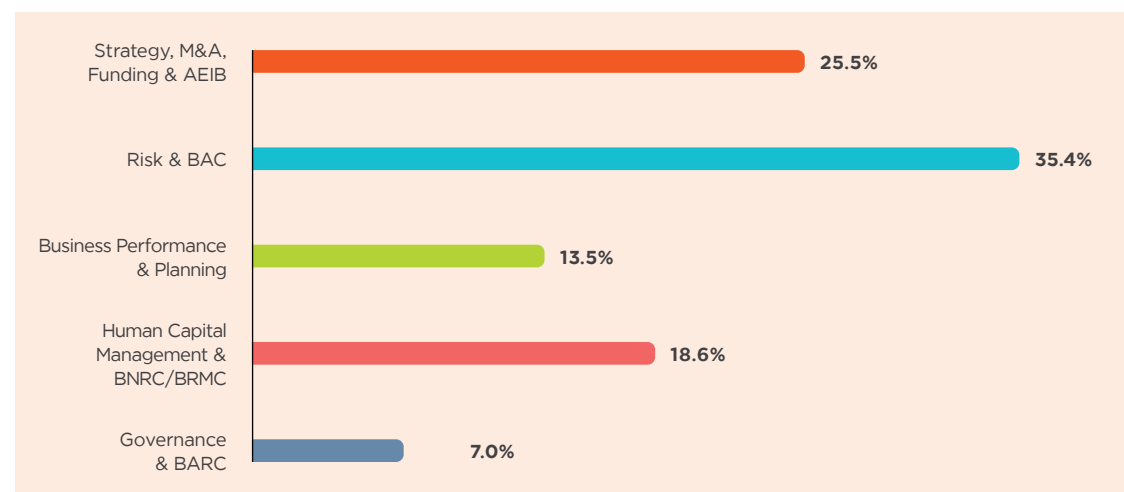
due to consolidation and prioritise investment to grow services and customers in a few key markets with more attractive market structure

### PRIORITIES FOR 2021

The focus of the Board for 2021 would be influenced by the continuing impact brought about by the unprecedented COVID-19 pandemic and the fragile environment created therefrom. The mid-term impact to the economic environment will be monitored with an expectation of recovery during 2021. The aim to this would be to balance the focus on short term profits and long-term sustainability while selecting

and undertaking strategic investment cases identified in the business plan for 2021. It is also expected that there will be further optimisation through the Collective Brain initiative and a continuation of the momentum built from lessons gained from the pandemic, all of which are expected to accelerate Group-wide execution anchored upon sustainable growth, positioning for the "New Norms" through opportunistic investments and the continuation of the agenda of transformation of the OpCos. Focus shall also be placed on emphasising operational excellence to drive cost optimisation. Across the Group, we are focused upon moving ahead to realise our Axiata 5.0 vision as The Next Generation Digital Champion.

### TOPICS FOR DISCUSSION AT BOARD MEETINGS



### 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 also embedded within

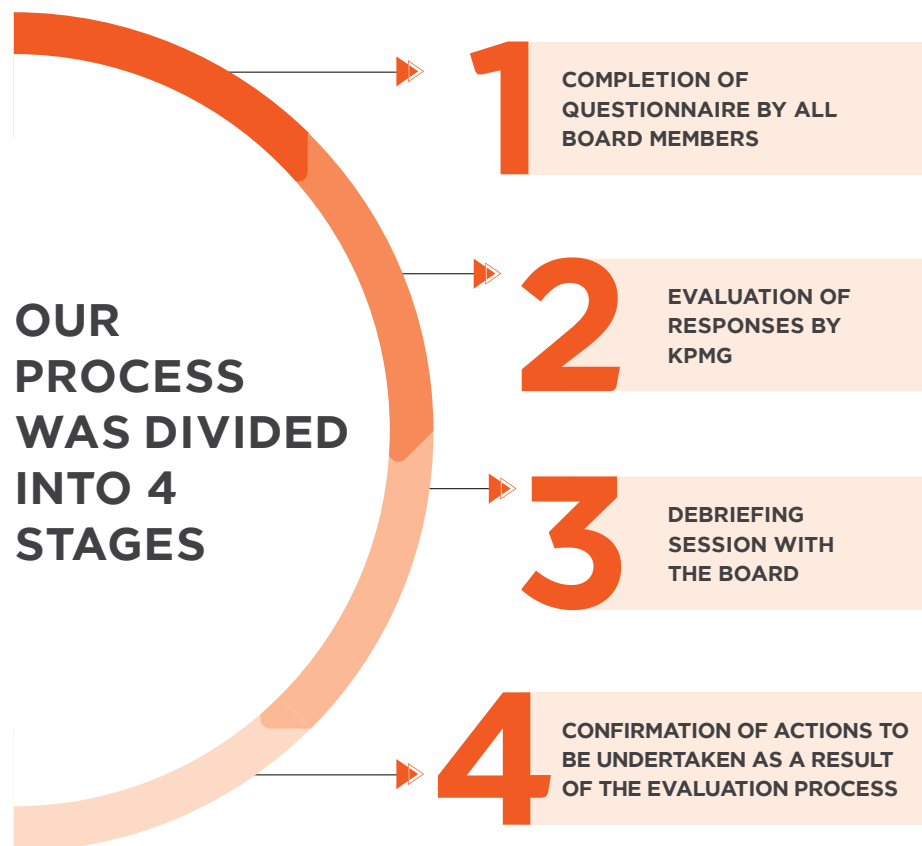
the Employees Code of Conduct and our core values of Uncompromising Integrity and Exceptional Performance applicable across the Group.

**WWW** The Code is available online at <https://www.axiata.com/sites/default/files/docs/Board-Code-of-Conduct-and-Ethics.pdf>

## Board Leadership And Effectiveness

▶ **The Board engaged the services of KPMG Management and Risk Consulting Sdn Bhd (KPMG) to assist with the 2020 Board Effectiveness Evaluation (2020 BEE) of the Board’s 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 amongst others, addressed the performance of the Board and its Committees, the leadership transition that occurred in 2020 as well as the impact and responses from the COVID-19 pandemic. 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).



### STRENGTHS

The BEE for 2020 was undertaken by KPMG Management & Risk Consulting Sdn Bhd (KPMG) as a refresher to the fully comprehensive BEE conducted in 2018. During the 2020 BEE, KPMG conducted the analysis based on the responses received from all of the Directors, including the previous Group Chief Executive Officer as well as interview sessions with selected Directors. Some of the key findings of the 2020 BEE are as follows:

- The Board is seen to be committed to elevate Axiata’s ethical standards as manifested in the Board’s prominence in protecting the physical and mental health of employees during the COVID-19 pandemic. This ethical oversight is strengthened through the expansion in the scope of the Risk and Compliance Committee
- The leadership transition of the Managing Director & President/GCEO that took place in 2020 was premised on a well-defined framework, where the Board was privileged to be exposed to the qualities of the incoming GCEO. It was also noted that the incoming and outgoing GCEOs were on the “same wavelength” in a transition that had a well memorialised communication plan
- The Board demonstrated seasoned judgement and clear understanding of its role vis-à-vis that of the Senior Leadership Team. This was exemplified by the empowerment accorded to the Senior Leadership Team in making challenging decisions
- The Board is able to tap onto its enhanced intelligence network and prompt the Senior Leadership Team with honed views

### IMPROVEMENT

The findings of the 2020 BEE have also recommended areas for improvement, the salient points of which are as follows:

- For future leadership transitions, there were suggestions to engage with the incoming GCEO on setting suitable and fitting key performance indicators and ascertain the impact on matters reserved for the Board
- On the matter of the oversight of COVID-19 implications, suggestions were raised to balance risk and strategy and to consider establishing a special purpose Board-Management Crisis Committee, if needed
- Proposals to ensure two-way communication with the Boards and Management of OpCos as well as forming smaller hybrid groups across OpCos with the objective of germinating ideation were proffered as improvements over the oversight of OpCos
- To improve the efficiency and effectiveness of the flow of Information, it was proposed that the form, coverage and structure of Board papers be standardised with a strict focus on comprehensiveness of information and presentation as well as timeliness of delivery

## Board Leadership And Effectiveness

### BOARD EFFECTIVENESS EVALUATION (“BEE”) - BOARD RE-ELECTION

In respect of the Directors standing for election/re-election, the BNRC and Board took into consideration the self-peer ratings and other feedback on the areas evaluated as undertaken in the BEE 2020 with the following findings:

#### **Khoo Gaik Bee**

is acknowledged for her calibre and personality, particularly on the dimension of fostering camaraderie amongst Board members and exuding a strong presence. Her solid experience in human capital management has led to her recognition as a highly personable Director with sound coaching capabilities.

The Board is of the view that she should remain as an INED and accordingly, recommends her re-election.

#### **Thayaparan S Sangarapillai**

is acknowledged for his strength in probing Senior Management and discourse management as well as proactive idea contribution.

His wealth of experience in accounting and auditing brings effectiveness to his chairmanship of the Board Audit Committee and Board Annual Report Committee, particularly, to probe Management on financial and internal control matters.

The Board is of the view that he should remain as an INED and accordingly, recommends his election.

#### **Ong King How**

is acknowledged for his adeptness with market and stakeholders’ sensitivities where he is uniquely positioned to share honed and specialised views from a macro perspective given his capacity as a top executive of Axiata’s controlling shareholder and institutional investor, Khazanah Nasional Berhad. He is able to represent the interests of the nominator whilst simultaneously being cognisant of his fiduciary responsibility to Axiata.

The Board is of the view that he should remain as the NINED, Representative of Khazanah Nasional Berhad, and accordingly, recommends his election.

#### **Tan Sri Dr Halim Shafie**

is recognised for demonstrating active individual participation in the boardroom. His past experience as a senior bureaucrat and Directorships in several other government-linked companies and agencies equips him with the propensity towards proactive contribution to boardroom deliberations from a specialised standpoint.

The Board is of the view that he should remain as an INED and accordingly, recommends his election.

#### **Syed Ali Syed Salim Alsagoff**

is regarded as a valuable addition to Axiata’s boardroom in terms of his wide-ranging experience in the corporate sector as well as displaying strength in his capabilities to probe Senior Management. He is able to represent the interests of the nominator whilst simultaneously being cognisant of his fiduciary responsibility to Axiata.

The Board is of the view that he should remain as the NINED, Representative of Permodalan Nasional Berhad, and accordingly, recommends his election.

The assessment in respect of Directors’ independence in the 2020 BEE was carried out using the criteria prescribed under the Main Market Listing Requirements of Bursa Securities. All Independent Directors

assessed have declared adherence to all the relevant stipulations in accordance with Paragraph 1.01 and Practice Note 13 of the Main Market Listing Requirements of Bursa Securities.

## 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 operations and environment, fiduciary duties and responsibilities, and the Board's expectations in respect of a director's commitment, ethical behaviour and the need to keep 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

Several of the in-house presentations by external speakers during the course of the year were as follows:

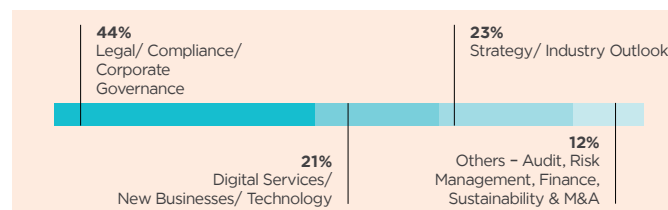
- ▶ **Industry Outlook & Analyst Expectation**
- ▶ **Enterprise Business Expectations**
- ▶ **New Business Models for Disruptive Digital Telcos**

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 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. Unfortunately, travel restrictions imposed due to the COVID-19 pandemic had not allowed for such visits in 2020.

### 2020 DIRECTORS' TRAINING AREAS

Number of Training Programmes Disseminated by Group Company Secretary in 2020 amounted to 34, which included training on digital services, new business and technology compiled by Strategy, Axiata Digital Services and 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 larger role and responsibilities of the Chairman.

There is no revision to the remuneration of the Directors save for the new remuneration for the BRCC which had assumed expanded roles and responsibilities to further strengthen risk and compliance matters of the Group.

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	20,000	3,000	2,000
BAC	4,000	2,000	3,000	2,000
BNRC	1,200	800	1,500	1,000
BRCC <sup>4</sup>	3,000	1,500	2,250	1,500
Other Board Committees	Nil	Nil	1,500	1,000

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

<sup>4</sup> The revised rates are subject to shareholders' approval at the AGM

#### 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 the 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 with 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) (SINED)
- ▶ Khoo Gaik Bee (INED)
- ▶ Ong King How (NINED)

### 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 2020

#### Nomination

- Considered the significant changes to the Board of Axiata in 2020 involving the appointments of three new directors, the retirement of two directors and the resignation of one director
- Reviewed and recommended the proposal for appointment and contract renewal for Key Management
- 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 2019 BEE and follow-up actions and approach for 2020 BEE
- Recommended the appointment of Board Committee members and other changes
- Recommended the renaming of the BRMC to BRCC and the change of its Chairman effective 20 February 2020
- Succession Planning and Talent Management Review
- Reviewed the suitability of the directors due for re-election at the 2020 AGM
- Assessed and recommended the redesignation of INED to NINED for one INED who had exceeded the nine year cumulative term limit
- Reviewed and recommended the GCEO's succession plan
- Reviewed and recommended revisions to the Board Composition Framework of Axiata
- Reviewed and recommended the new remuneration structure for Board Risk and Compliance Committee to be tabled at the next AGM for approval of Shareholders
- Reviewed and recommended the proposed establishment of Axiata Advisory Panel

#### Remuneration

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

- Reviewed and recommended the OpCo LTIP Vesting, OpCo CEO LTIP Grant and revision and alignment of Special LTI Plan of OpCo
- Preliminary desktop analysis of the current remuneration rates of the Board and Board Committees
- Revision of Group Performance Bonus Matrix
- Long-Term Incentive Grant for edotco Group
- GCEO KPI 2019 - Performance Evaluation and Remuneration
- Company Bonus Payment and Salary Review Budget
- 2020 Restricted Share Plan Grant and Vesting
- Reviewed and recommended 2020 CEO Shares Award for XL
- Reviewed and recommended the reward and retention programme (implementation details) and proposed new compensation framework
- Top Management Remuneration Revision

#### Structural Changes to Board Composition

The year saw several changes to the composition of the Board of Axiata and OpCos as follows:

- Appointment of Thayaparan S Sangarapillai as Director of Axiata
- Appointment of Tan Sri Dr Halim Shafie and Syed Ali Syed Salem Alsagoff as Directors of Axiata
- Appointment of Mohamed Adlan Ahmad Tajudin as CEO of edotco
- Appointment of Dato' Izzaddin Idris as Director of edotco
- Appointment of Dato' Izzaddin Idris as Director of Celcom
- Appointment of Thomas Hundt as Director of Celcom
- Appointment of Dato Dr Nik Ramlah Nik Mahmood as Director of Dialog

### Priorities for 2021

- To constantly evaluate and assess the composition of the Board in meeting the necessary skill, experience and competency as determined by the Board skill set matrix and to undertake efforts to fill any gaps that may arise
- To review top Management succession planning
- To monitor follow-up actions based on the 2020 BEE findings and decide on the approach for the 2021 BEE
- Routine matters such as performance bonus, increment for employees and KPIs for GCEO
- Other new matters proposed by Management/ Board



# Board Committees

## Axiata Enterprise Investment Board Committee (AEIB)

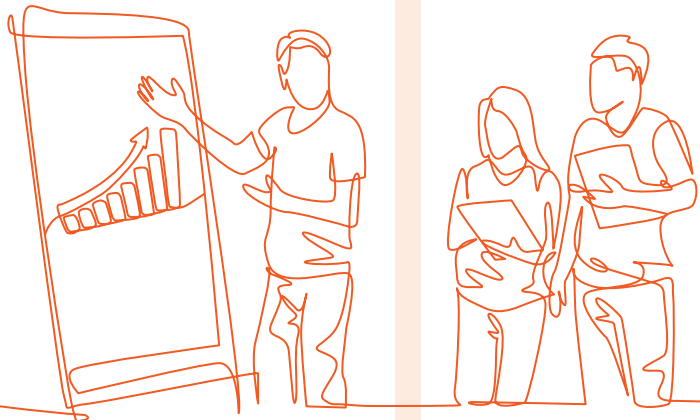
### Members

- ▶ Dr David Robert Dean (Chairman)(INED)
- ▶ Dato' Izzaddin Idris ▶ Syed Ali Syed
- ▶ Thayaparan S Salem Alsagoff
- ▶ Sangarapillai (INED) (NINED)

- Approve investments in enterprise business up to USD15.0 million
- Approve divestment of enterprise business up to USD15.0 million provided it is an investment previously approved by AEIB
- Approve all M&A related expenses to be incurred by Axiata or by related OpCo pursuant to the foregoing matters, provided that such expenses have been budgeted and approved by Axiata Enterprise division, Axiata or the respective OpCo as the case may be

### Activities in 2020

- The AEIB considered and evaluated a number of opportunities arising in the enterprise segment and provided due recommendations of the same to the Board



## Board Annual Report Committee (BARC)

### Members

- ▶ Thayaparan S Sangarapillai (Chairman)(INED)
- ▶ Dato' Izzaddin Idris ▶ Khoo Gaik Bee (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 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 primary recipients of the annual report

### Activities in 2020

- Provided a holistic view of the Group's businesses and how value is created, with the continuing 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 2021

- To continue with Axiata's goal to apply all of the recommendations of the Integrated Reporting framework and other best practices relating to corporate reporting
- To improve on the integrated annual report reporting process and the quality of information



# Board Accountability

## PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

### Board Audit Committee (BAC)

#### Members

- ▶ Thayaparan S Sangarapillai (Chairman)(INED)
- ▶ Dr David Robert Dean (INED)
- ▶ Syed Ali Syed Salem Alsagoff (NINED)

BAC currently comprises three members of which two are INEDs and one is NINED whereby 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.

#### Activities in 2020

- The Group-wide ABAC review on governance, policies, procedures and operational practices in relation to organisation readiness for compliance with Section 17A of Malaysia Anti-Corruption Commission (MACC) Act 2009 (Revised 2018) was initiated in 2019 and completed in 2020. The outcome of the review has been improvements in governance framework with the setup of BRCC, issuance of Anti-Bribery Anti-Corruption (ABAC) and other related policies and procedures throughout the Group
- Continued to work with Management to enhance whistleblowing 2.0 channel establishment across all OpCos in line with Section 17A of MACC Act 2009 (Revised 2018) Adequate Procedures aimed at transparency and integrity in the business
- Issuance and publication of the enhanced Group Whistleblowing Policy & Procedures
- Reviewed and recommended the updated Board Audit Committee Terms of Reference across the Group to harmonise with the establishment of Board Risk and Compliance Committee (BRCC)
- Reviewed Board Audit Committee membership composition across the Group for continuity in leadership and roles
- Initiated a review across the Group on alignment to "Securities Commission's Guidelines on Conduct of Directors of Listed Corporations and Their Subsidiaries" (issued on 30 July 2020)
- Reviewed Axiata Group CG disclosure practices across all OpCos
- Reviewed the effectiveness of Internal Audit function in all OpCos in terms of independence, objectivity, resource adequacy and competency to ensure audit assurance continue to be of high quality
- Oversee the completion of Group-wide Basic Analytics Certification Programme for internal auditors across the Group in 2020
- Encouraged the use of data analytic-based audit (ABA) amongst the internal audit teams across the Group which provides a more holistic and effective assessment on internal controls compliance. BAC continued to support the application of digital technology in internal audit and investigation domains
- Reviewed the carrying value of assets and the consequent impairment provisions, in particular those assets which relate to 3G as OpCos move data and voice traffic to 4G network
- Reviewed 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
- Reviewed Axiata Group's Cost Optimisation and Capex Efficiency projects with the advent of Group "Operational Efficiency" strategic direction
- BAC also provided direction on strategic risks and business resilience, especially in light of the headwinds faced by Axiata and OpCos' operations due to the COVID-19 pandemic in 2020

#### Other recurring work include:

- Reviewed and approved the Internal Audit Plan and Budget 2021
- Reviewed the execution of all 2020 Audit Plan across the Group in terms of audit findings and timely closure of major audit issues. A total of 118 internal audit reviews were completed across the Group
- Supported extensive internal audits assignments Group-wide in the areas of Procurement, IT user access, Cyber Security, Data Privacy, Enterprise Business, and Business Continuity Management which have contributed to improvements in controls across the Group
- Championed for the right and relevant competency development of auditors specifically on certified internal auditor (CIA), information system auditing, cyber security, and analytics in audit across the Group
- Reviewed and recommended the Statement on Corporate Governance, Statement on Risk Management and Internal Control and BAC Report for inclusion in the Annual Report to the Board for approval
- Reviewed the quarterly financial results and the financial statements for the year ended 2020, prior to recommending to the Board for approval
- Discussed and resolved all Key Accounting Matters which arose during the year
- Reviewed the accounting impact and accounting entries arising from merger and acquisition deals and revised accounting policies when required for better governance and controls
- Reviewed the potential exposure of major investments and divestments made by the Group

## Board Accountability

### Board Audit Committee (BAC)

- Reviewed compliance by Axiata Group and its OpCos with the accounting standards issued by International Financial Reporting Standards (IFRS) and incorporated in Malaysian Financial Reporting Standards (MFRS)
- Reviewed on a quarterly basis the related party transactions entered into by Axiata pursuant to the shareholders mandate on Recurrent Related Party Transactions (RRPT) procured at the 28<sup>th</sup> AGM of the Company held on 29 July 2020 and the reporting of these transactions in the 2020 Financial Statements
- During the financial year ended 31 December 2020, Axiata granted a total of 1,874,800 shares under the Performance Based Long Term Incentive Plan (details provided under Notes 14 of the Audited Financial Statements) at the Share Reference Price of RM4.17 for 28 February 2020 and RM3.15 for 15 August 2020 for Restricted Share Plan (RSP) grant respectively. The BAC has reviewed the allocation of the above shares granted to eligible employees (as defined in the Bye-Laws of the Performance Based Long Term Incentive Plan) 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 19 February 2020 and 26 August 2020 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 the appointment of external auditors, taking into consideration their competencies, commitments, objectivity and independence
- Reviewed and recommended to the Board, fees payable to the external auditors
- Reviewed and approved the non-audit fees paid to the external auditors
- Reviewed business control incidents including fraud
- Reviewed the WB Dashboard and consequence management
- Reviewed Data Privacy governance, risks management and internal controls implementation
- Continued to assess adequacy and effectiveness of cyber security programmes as cyber security risks continue to evolve and escalate

### Priorities for 2021

- Review the effectiveness of ABAC governance as well as ABAC Adequate Procedures
- Review of BAC membership composition to support BOD on changing governance and regulatory landscape
- Continuous enhancements of Corporate Governance (CG) as well as Group oversight in relation to the Malaysian Code of Corporate Governance (MCCG 2017) and Securities Commission Guideline issued on 30 July 2020
- Review external auditors' audit plan, auditors' independence/objectivity, and external audit findings
- Review Group Financial Statements to reflect the 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)
- Continuous review of the Group Treasury Operations in relation to cash in hand, interest earnings, foreign and local debts, compliance to debt covenants, and interest expenses optimisation
- Review of network capital and operating expenditure governance, controls and efficiency under "Operational Efficiency" strategic direction and Collective Brain initiative
- Continuous review of the carrying value of assets and goodwill for impairment, in particular those assets which are still on 3G with 4G network expansion and the upcoming 5G technology roll out
- Continuous review of the Group's foreign currency exposure, impact of currency translation on Axiata Group's Financial Statements consequent to volatile economic environment due to COVID-19, oil price movement, interest rate movement and currency volatility
- Review of the execution of all 2021 internal Audit Plan, audit findings and closure of major audit issues
- Continuous enhancement of Internal Audit Function effectiveness, independence and objectivity, resource adequacy, and competencies
- Continue to ensure that internal auditors are given the right training on relevant and new competencies such as cyber security, data privacy, and the use of analytics in audits
- Continue to support Internal Audit in deepening the use of data analytics and digital technology in audits and whistleblowing investigations for better assurance to BAC
- Support "Continuous Auditing" initiative in keeping up with the business digitalisation and IR 4.0 technologies
- Enhancement of Whistleblowing standard operating procedures (WB SOP) throughout the Group
- Continuous monitoring of security, independence, and awareness of the whistle blowing channel established by Management for employees and other stakeholders
- Review the effectiveness of Related Party Transactions (RPT)
- Continuous review of cyber security, IT systems access, and procurement to further strengthen the controls around evolving and emerging risks
- Review the effectiveness of governance and procedures of Data Privacy

# Internal Control And Risk Management

## Board Risk and Compliance Committee (BRCC)

On 20 February 2020, the Axiata Board resolved to rename the BRMC to BRCC with expanded roles and responsibilities to further strengthen risk and compliance governance. The first BRCC meeting was held on 24 March 2020.

### Members

- ▶ Dr David Robert Dean (Chairman) (INED)
- ▶ Dato Dr Nik Ramlah ▶ Tan Sri Dr Halim Nik Mahmood ▶ Shafie (INED) (SINED) ▶ Dato' Izzaddin Idris

The primary function of the BRCC is to assist Axiata Group Berhad (Axiata or the Group) Board of Directors (Board) to fulfil its responsibilities on risk management and compliance. The BRCC is responsible for ensuring robust processes are in place for identifying, assessing, and monitoring;

- i. key business risks to safeguard shareholders' investment and the Company's assets;
- ii. cyber security risks and risks relating to data privacy; and
- iii. risks arising from non-compliant practices and behaviours, particularly relating to Anti-Bribery and Anti-Corruption (ABAC) and regulatory compliance matters

### Roles and Responsibilities

- The BRCC's duties and responsibilities include areas of Enterprise Risk Management (ERM) (including Business Continuity and Crisis Management), Cyber Security, Data Privacy, Compliance, Ethics and Integrity 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-profiteering and commercial dealings of our dealers/distributors)
- To review and recommend the risk management and compliance methodologies, and risk tolerance levels for the approval by the appropriate authority in accordance with Axiata Limits of Authority
- To review and assess the adequacy and efficiency of the governing policies, framework, and structure in place for managing risks and compliance
- To 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
- To review the management's periodic reports on risk and compliance management activities, exposure, and mitigating/remedial actions
- To ensure that all governance instruments are reviewed and updated continuously to reflect changes in the operating environment
- To ensure ongoing awareness programmes, communication, training and education on risk and compliance management
- To provide advice to the Board on risk and compliance strategies and coordinate the activities of various standing Board committees for risk oversight
- To promote a healthy risk and compliance culture and behaviour 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)
- To 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 on its own accord

### Activities in 2020

- Established an Integrated Risk & Compliance governance function for Axiata Group and OpCos
- Strengthened ERM processes and governance by revising the ERM Policy and framework to align with the revised ISO31000:2018 standard
- Established COVID-19 Business Continuity Management (BCM) Committees and working groups to manage the COVID-19 crisis with continuous monitoring of the external and internal impacts on business
- Initiated the Corporate Compliance programme Group-wide to strengthen the existing compliance framework within the organisation, to ensure the successful implementation and roll out of the adequate procedures in accordance with Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018
- Continue to implement Digital Trust 2020 (DT2020) with emphasis on people, processes, and technology, to fortify our data privacy and cyber-aware culture
- Direct and endorse the revised cyber security strategy - Digital Trust & Resilience2023 (DT&R2023)
- Enhanced Data Privacy and Cyber Security Governance with firm maturity targets
- Ensured a Robust Cyber Defence framework with continuous monitoring through the Group Security Operations Centre (GSOC)
- Strengthened Cyber Risk Management aligned with the Enterprise Risk Management process

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.

### Priorities for 2021

- Oversee the development, implementation and review of the Group Risk and Compliance framework, policy and plans for a system and process of risk and compliance management
- Ensure that effective systems of internal controls are developed, implemented, monitored, maintained and assessed by management in line with the BRCC governance instruments
- Ensure that management considers and implements appropriate risk responses to all the significant risks
- Express the committee's formal opinion to the Board on the effectiveness of the system and process of risk and compliance management
- To closely monitor the implementation progress of the Corporate Compliance Programme and the adequate procedures to remain compliant with the requirements of Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018
- Oversee and monitor the adequacy of internal controls specifically related to fraud risks (and any incidents of fraud)
- To monitor and review the successful implementation of the Cyber Security Strategy DT&R2023
- Oversee the effective execution of the Cyber Security and Phase Two of the Privacy programmes
- Review the effective execution of the Cyber Defence capability and the establishment of the new Cyber Fusion Centre in Kuala Lumpur
- Review insurance cover to ensure adequate coverage is applied

## Cyber Security And Privacy Committee (CaP)

### Cyber Security and Privacy Committee (CaP)

#### Members of CaP

- ▶ Dr David Robert Dean
- ▶ Dr Hans Wijayasuriya
- ▶ Dato' Izzaddin Idris
- ▶ Abid Abdul Adam

The Cyber Security Steering Committee (CSSC) was replaced on 24 Nov 2019 with the joint Cyber Security and Privacy Committee (CaP) to promote greater alignment, visibility and review of the collective data privacy and cyber security issues. In 2020, we expanded the joint CaP scope to include Enterprise Risk Management, Compliance and Ethics and evolved the CaP Management Committee to the Risk and Compliance Management Committee (RCMC).

The RCMC provides the forum to manage the development, effective governance, oversight, reporting and maturity of the four departments under Risk and Compliance, namely: Cyber Security, Data Privacy, Enterprise Risk and Compliance & Ethics.

It also provides the platform for a transparent, focused, and independent review to oversee risk and compliance matters at the management level before deliberations at the BRCC.

The RCMC is responsible for ensuring that there are robust processes in place for identifying, assessing, and monitoring:

- i. Key business risks to safeguard the Company's assets;
- ii. Cyber security risks and risks relating to data privacy; and
- iii. Risks arising from non-compliant practices and behaviours, particularly about Anti-Bribery and Anti-Corruption (ABAC).

#### Roles

- Establish, communicate, and ensure accountabilities for Cyber Security and Privacy (CS&P)
- Oversee CS&P programme and assess the value of the investments, process, and activities
- Monitor progress and quality of CS&P programs and provide assurance to the BRCC
- Review the Group Internal Audit plans for CS&P across the Group and make recommendations to the Axiata BAC
- Formalise the CS&P Standards and review deviations
- Ensure requisite governance processes are developed and implemented
- Guide the CS&P program and architecture strategy
- Oversee and assess the performance of the Group Chief Information Security Officer (GCISO) function
- Conciliate or arbitrate between conflicting security requirements

#### Responsibilities

- CaP is tasked with executing on BRMC Directives as well as ensuring execution of the Data Privacy and Cyber Security imperatives
- The 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
- The BRMC representative in CaP will be in an advisory capacity to the management team

#### Activities in 2020

- Reviewed, challenged and proposed recommendations on CS&P initiatives
- Proposed new initiatives
- Provided resources required to perform duties
- Granted GCISO full and unrestricted access to any of Axiata's Group of companies
- Escalated issues to the BRMC for immediate action
- Obtained external independent professional advice on CS&P matters where necessary
- With approval from the BRMC Chairman, CaP can change the priorities of the Committee

# Risk And Compliance Management Committee (RCMC)

## Risk and Compliance Management Committee (RCMC)

### Members of RCMC

- |                        |                        |                       |                   |
|------------------------|------------------------|-----------------------|-------------------|
| ▶ Dato' Izzaddin Idris | ▶ Thomas Hundt         | ▶ Norlida Azmi        | ▶ Tan Gim Boon    |
| ▶ Vivek Sood           | ▶ Anthony Rodrigo      | ▶ Lila Azmin Abdullah | ▶ Abid Abdul Adam |
| ▶ Asri Hassan Sabri    | ▶ Dr Hans Wijayasuriya |                       |                   |

### Roles

- The RCMC's responsibilities include areas of Enterprise Risk Management (i.e. Business Continuity and Crisis Management), Cyber Security, Data Privacy, Compliance, Ethics and Integrity and Telecommunication Regulatory Compliance, which includes but not limited to requirements imposed by capital markets authority, Central Bank (e.g. e-money, forex controls, AMLA, etc.), Local Authorities (e.g. site permits, health and safety), and domestic trade ministry (e.g. anti-profiteering and commercial dealings of our dealers/distributors)
- Ensure the Group (which includes all its subsidiaries/ Operating companies) 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's Limits of Authority
- Review and assess the adequacy of the governing policies, framework, and structure in place for managing risk and compliance as well as the extent to which these are operating effectively
- Review the management's periodic reports on risk and compliance management activities, exposure, and mitigating/remedial actions
- 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
- Ensure that all governance instruments are reviewed and updated continuously to reflect changes in the operating environment
- Review the risk and compliance matters highlighted by the Group Chief Risk and Compliance Officer on all strategic or investment transactions such as a merger, acquisition, partnership, joint venture, etc., independently to identify any bribery and corruption risks, and compliance matters in relation to the transaction. Such risk and compliance matters should also be reported to the BRCC periodically or as required
- Monitor and provide regular updates to the BRCC on ABAC compliance & integrity related matters

### Responsibilities

- Ensure ongoing awareness programmes, communication, training and education on risk and compliance management
- Provide advice to the BRCC on risk and compliance strategies and coordinate the activities of various management committees for risk oversight
- Promote a healthy risk and compliance culture and behaviour 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 legislation applicable in all operating areas of the Group as referred to by the Board or by the BRCC
- Assess the results of the ABAC monitoring activities conducted regularly based on the risk-based compliance plan

### Activities in 2020

- Four CAP/RCMC meetings were held in 2020 to discuss the Group's risk agenda
- Key deliberations and risk and compliance activities in the year include:
  - Group and OpCos key risks and the relevant mitigation strategy
  - Monitoring of the pandemic response Group-wide with the establishment of BCM COVID-19 Committee taskforce.
  - Assess Cyber threat and risks faced by the Group on protecting and safeguarding the data privacy of our customers, employees and other stakeholders
  - Business Continuity Programme and its maturity level 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 defence capabilities
  - Assessed the adequacy of our Employees' and Vendors' Cyber Capabilities
  - Strengthened our Cyber Partner Ecosystem
- Defined standing agenda items to be monitored and reviewed regularly as part of the RCMC and the BRCC meeting agenda that encompasses the relevant subjects across all verticals covered under the oversight of RCMC and BRCC
- Set up the Compliance function at Group and OpCos level as part of the Corporate Compliance Project in meeting the requirement under MACC S17A
- Set up and provided direction to improve the Compliance maturity state in 2020

### Priorities for 2021

- Establishing an Integrated Risk & Compliance governance function for the Group and OpCos
- Ensuring all risks of the Group are appropriately managed through effective monitoring at the BRCC encompassing all relevant domains
- Expansion of the Group Cyber Defence capability by establishing a future fit Cyber Fusion Centre
- Ensuring execution of the Risk and Compliance programmes on time and budget aligned to the DT&R2023 strategy
- Ensuring the Group risk and compliance programmes are effective and progressively improving to reach its planned maturity levels
- Strengthening of Anti-Bribery and Anti-Corruption compliance and practice across the Group
- Progressively improving Group-wide Privacy Programme to uplift Axiata's data privacy capabilities, and reinforcing our position as a trusted regional telecommunications and digital services provider
- Promoting progressive risk and compliance culture and behaviours across the organisation through Group risk and compliance programmes and forums, purpose made e-learning training modules, and active staff engagement
- Aligning the Risk and Compliance functions of the Group to ensure a regulatory compliant, measured, consistent, and business focused application of practices
- Uplifting the skillset of risk and compliance practitioners across the Group

# 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 and Engagement

<p><b>The Integrated Annual Report, Sustainability and National Contribution Report, Governance and Audited Financial Statements and Notice of AGM</b> Website/Print at Request/Press Advertisement</p>	
<p><b>Website updates on all corporate communication</b></p>	<p><b>Announcements to Bursa Securities</b></p>

### Annual General Meeting

- In view of the COVID-19 pandemic situation and as per the Guidance FAQs on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia, Axiata had successfully convened its 28<sup>th</sup> AGM as a fully virtual meeting conducted via live streaming
- Members had joined the AGM online and remotely and also vote electronically using the Remote Participation and Voting (RPV) facilities provided by TRICOR Investor & Issuing House Services Sdn Bhd via its TIIH Online website
- Shareholders and proxies of Axiata were able to submit their questions electronically via the TIIH Online website before and during the AGM

### Communication via Mass Media

<p>Press Conference on Financial Results and Corporate Developments</p>	<p>Media Release on Financial Results and Corporate Developments</p>	<p>Media Interviews on Corporate Developments</p>
<p>Media Engagements and Networking</p>	<p>Social Media Reach and Engagement on all key channels</p>	<p>Media Outreach and Education</p>

### Communication to Analysts and Investors

<p>Analyst &amp; Investor Day</p>	<p>Analysts/ Investor Meetings</p>	<p>Conference Calls on Financial Results and Corporate Development</p>
<p>Investor Relations Website</p>	<p>Conferences/ Non-Deal Roadshows</p>	<p>27 Equity Research Coverage</p>

### INVESTOR RELATIONS

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

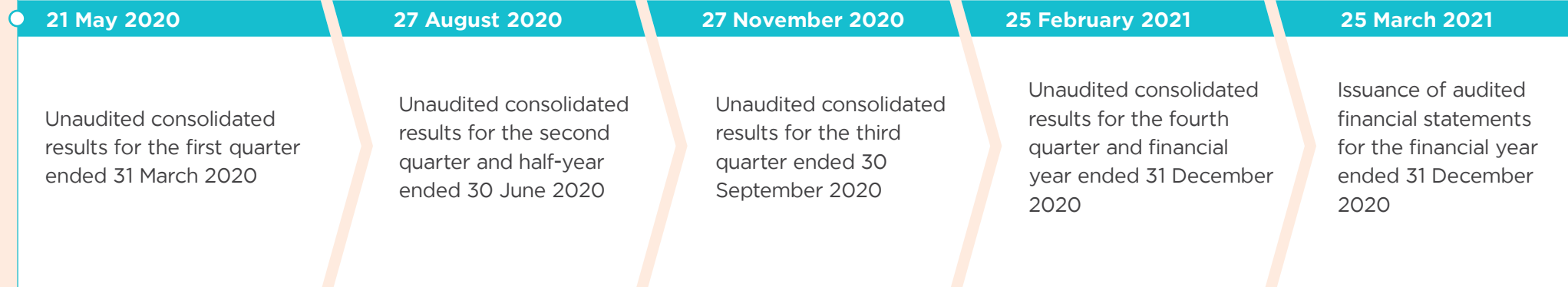
<p>▶ <b>6 January</b> <b>CGS - CIMB 12th Annual Malaysia Corporate Day</b> - Kuala Lumpur</p>	<p>▶ <b>28 September</b> <b>UBS OneASEAN Conference 2020</b> - Virtual</p>
<p>▶ <b>16 April</b> <b>Citi Pan - Asia Corporate Forum 2020</b> - Virtual</p>	<p>▶ <b>8 October</b> <b>Nomura Malaysia Corporate Day 2020</b> - Virtual</p>
<p>▶ <b>8-9 September</b> <b>CLSA Investors’ Forum 2020</b> - Virtual</p>	<p>▶ <b>3 November</b> <b>HSBC ASEAN Next: Dialogue with leaders in Digital Payments</b> - Virtual</p>
<p>▶ <b>15 September</b> <b>Virtual NDR</b> - Macquarie</p>	<p>▶ <b>3 December</b> <b>Axiata Analyst &amp; Investor Day</b> - Virtual</p>

- Axiata was amongst the first PLCs to appoint an Independent Moderator at the virtual AGM in response to the call by MSWG to do so
- The AGM had also served as the primary engagement platform between the Board and the shareholders of the company
- 28 days’ notice was given for the AGM held on 29 July 2020
- Business presentation by the Managing Director/President & Group Chief Executive Officer was undertaken at the AGM
- An enhanced and electronic fully virtual e-voting process via RPV
- Poll voting on all resolutions and immediate announcement of results were also undertaken at the AGM

# Communication With Stakeholders

## Financial Calendar

### Financial Results



### Dividends

