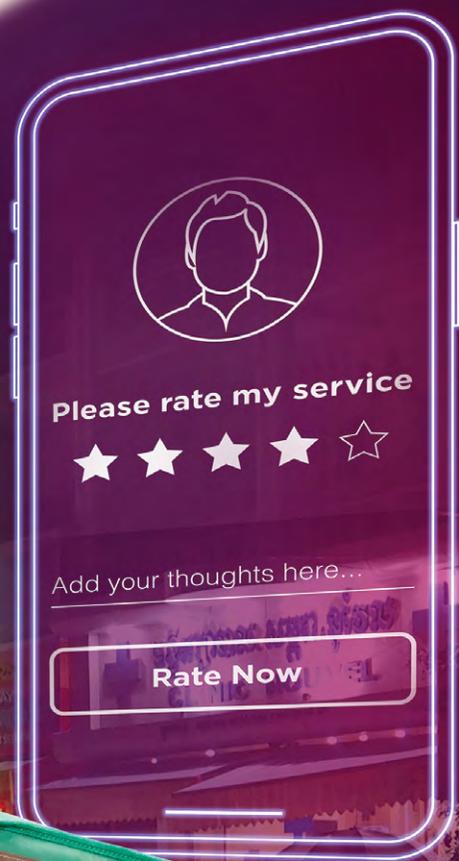


## Bringing Convenience to Customers 24/7

Investment to support the NHAM24 Super App which enables customers to order food anywhere anytime, during pandemic lockdowns

**SMART AXIATA DIGITAL INNOVATION FUND**



**Transparency & Accountability**

## 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 2021 and up to the date of publication of this IAR, outlining how Axiata complies with the three principles, 43 practices and five Step-ups of the Malaysian Code on Corporate Governance 2021 (MCCG 2021) during the year under review.

This statement has been made in accordance with the authority of the Board dated 23 March 2022 and finalised and updated until the date of the publication of the Integrated Annual Report (IAR) 2021 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 under the Corporate Governance section as well as via an announcement on 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 2021 (GAFS) and the Sustainability and National Contribution Report (SNCR) accompanying this IAR.

Throughout the Financial Year Ended 31 December 2021 and continuing until the date of this IAR 2021, the Company has complied with the provisions of the MCCG 2021 save for Practices 5.9 and 8.2, respectively relating to the required number of women directors and senior management remuneration as well as Practice 9.4 which is the Step Up on the requirement to have all Independent Non-Executive Directors on the 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, nationality and professional background (refer pages 85 and 89) 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 2021, 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

In underscoring Axiata's commitment towards sustainability as a Group-wide agenda, the Board had resolved to expand the scope and rename the Board Annual Report Committee as the Board Sustainability Committee (BSC) effective 8 April 2022. In addition to the existing role it plays in the preparation of the Integrated Annual Report Suite, the BSC shall also

oversee all matters relating to sustainability practices within the Group. This timely evolution to dedicate a Board Committee on sustainability is aligned with the increasing emphasis placed by regulators on sustainability matters as observed through the introduction of the new practices in the MCCG 2021.

The Board Risk and Compliance Committee's (BRCC) scope of responsibility and focus encompasses Enterprise Risk Management, Compliance, Ethics, and Cyber Security and Data Privacy. The combination of the functions of Compliance and Ethics with Enterprise Risk Management 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 Operating Companies (OpCos).

The BRCC also oversees the matter 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.

Although it has been four years since the inaugural issue of our annual report in an integrated manner with IAR 2017 issued in 2018, matters relating to Environment, Social and Governance (ESG) remains a core focus of Axiata and commands significant attention. In keeping with the growing importance of ESG, we welcome the introduction of various ESG recommended practices in MCCG 2021 by introducing key performance indicators (KPIs) on ESG matters for the GCEO and OpCo CEOs as well as designating the Group Chief Corporate Officer as the senior management member in charge of ESG. The Board also plans for at least a twice-yearly tabling of ESG matters to Board meetings.

## 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](#), details on the Board of Directors and the Board's role and activities on pages 85, 89 and 91

### Effectiveness

The Board 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](#), details on the Board Nomination and Remuneration Committee activities on page 95

### Accountability

The Board Audit Committee assists the Board in fulfilling its statutory and fiduciary responsibilities by reviewing the financial statements and financial reporting process, the audit process, the adequacy and effectiveness of systems for internal controls, risk management and governance, and the process for monitoring compliance with law and regulations.

[IAR](#), details on the Board Audit Committee activities on pages 97 and 98

### 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](#), details on our stakeholder relationships on pages 101 and 102

\* Now known as the Board Sustainability Committee effective 8 April 2022

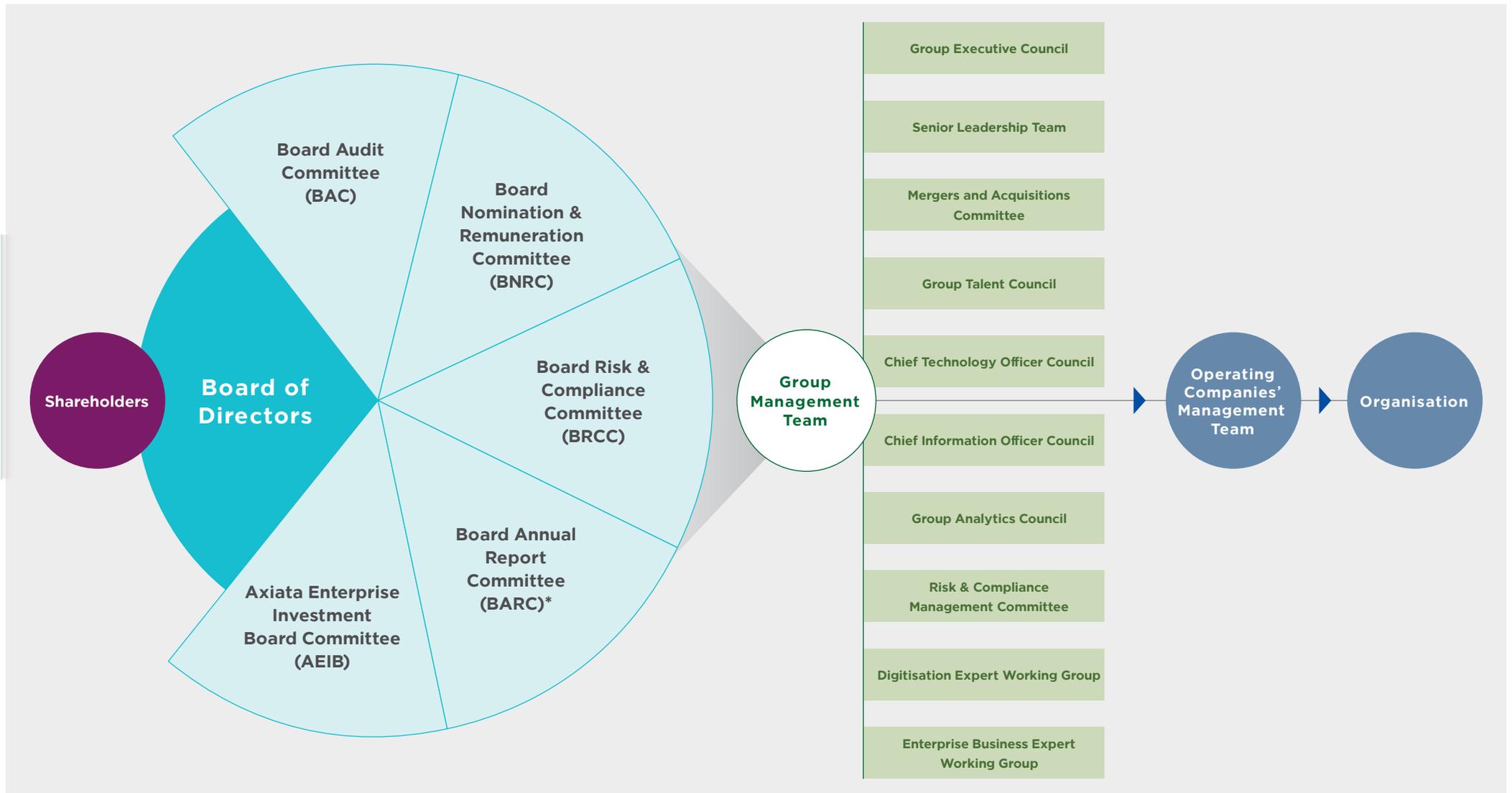
## Our Governance Structure

### COMPLIANCE GUIDELINES

Main LR of Bursa Securities & Companies Act 2016

MCCG 2021

Axiata's Corporate Governance Framework



### ASSURANCE

Audit of financial data  
(internal & external)

Facilitation and organisational audit  
(internal)

Quality audit and inspections  
(internal & external)

\* Now known as the Board Sustainability Committee effective 8 April 2022

## Who Governs Us

Axiata's Board composition reflects our belief in embracing diversity in age, gender, background and skills for Board members to collectively provide rigorous oversight that enables the Company to fulfill our purpose of Advancing Asia as we uphold our values of Uncompromising Integrity and Exceptional Performance. In a fast-transforming world, our Board is committed to ensuring that the Company continues to deliver enduring value for our shareholders and greater ecosystem of stakeholders.



51 M

Tan Sri Shahril Ridza Ridzuan<sup>1</sup>

Chairman,  
Independent Non-Executive Director



59 M

Dato' Izzaddin Idris

Managing Director/  
President & Group Chief Executive Officer



66 F

Dato Dr Nik Ramlah  
Nik Mahmood

Senior Independent  
Non-Executive Director



63 M

Dr David Robert Dean

Independent  
Non-Executive Director



64 F

Khoo Gaik Bee

Independent  
Non-Executive Director



67 M

Thayaparan S Sangarapillai

Independent  
Non-Executive Director



73 M

Tan Sri Dr Halim Shafie

Independent  
Non-Executive Director



47 M

Ong King How

Non-Independent Non-Executive Director  
Representative of Khazanah Nasional  
Berhad



46 M

Syed Ali Syed Saleem Alsagoff

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



53 M

Nurhisham Hussein<sup>2</sup>

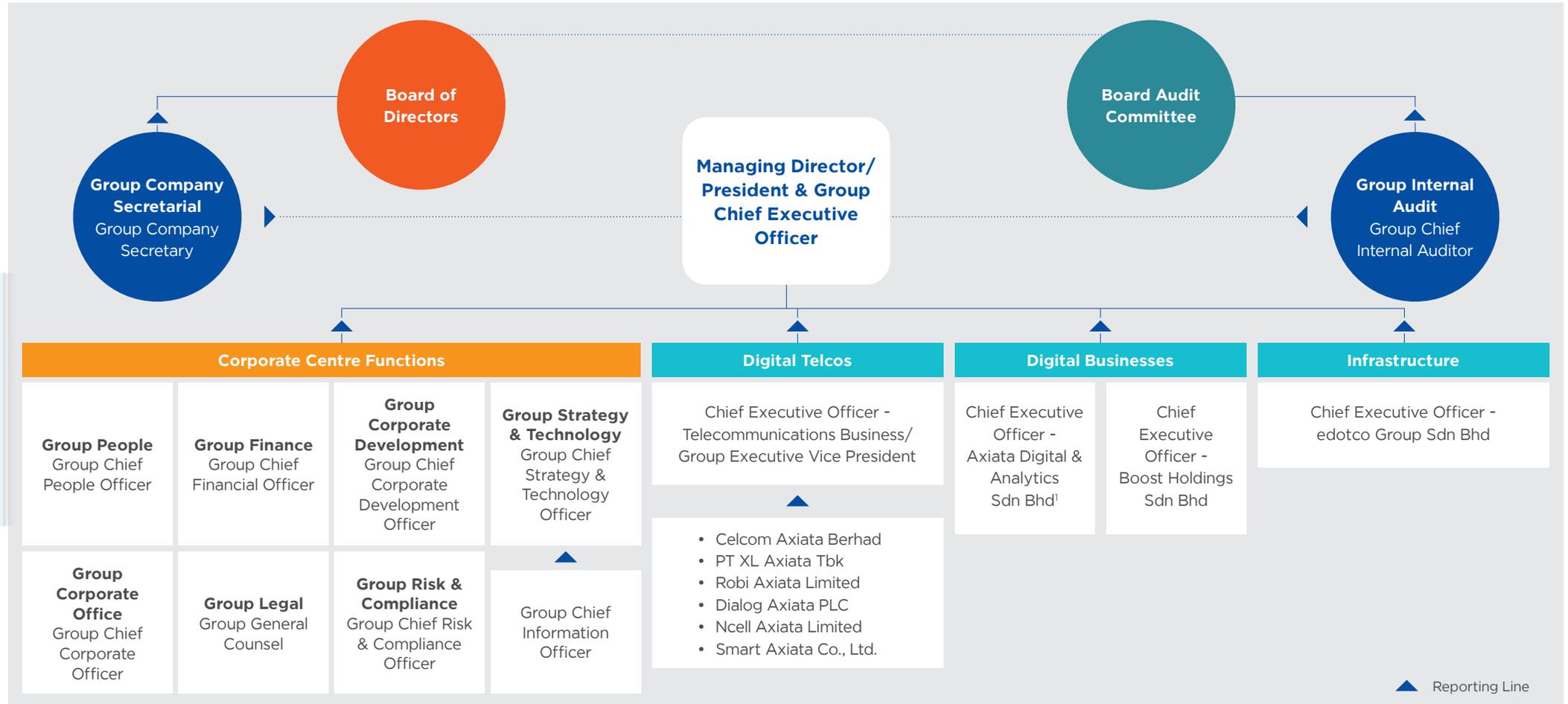
Non-Independent Non-Executive Director  
Representative of Employees Provident  
Fund

Notes:  
Age as at 31 March 2022

<sup>1</sup> Appointed as Director on 29 November 2021 and subsequently as Chairman on 1 January 2022  
<sup>2</sup> Appointed on 25 January 2022

## 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.

Notes:  
Information as at 31 March 2022

<sup>1</sup> Axiata Digital & Analytics Sdn Bhd (formerly known as Axiata Digital Advertising Sdn Bhd)

## An Experienced Leadership

Our diverse and experienced senior leadership team leverage on their combined skills and vast cross-industry experience to drive the Company's value creation journey. With clearly defined and focused portfolios, their forward-looking leadership in executing the Axiata 5.0 Vision continues to propel the Company towards sustainable performance and growth for the long-term.



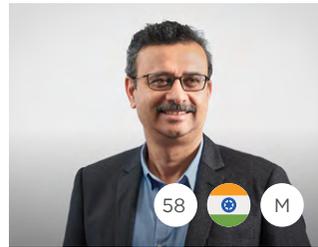
**Dato' Izzaddin Idris**

Managing Director/  
President & Group  
Chief Executive Officer



**Dr Hans Wijayasuriya**

Chief Executive Officer -  
Telecommunications Business/  
Group Executive Vice President



**Vivek Sood**

Group Chief Financial Officer



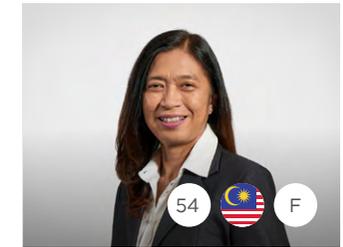
**Thomas Hundt**

Group Chief Strategy &  
Technology Officer



**Norlida Azmi**

Group Chief People Officer



**Lila Azmin Abdullah**

Group Chief Corporate  
Development Officer



**Anthony Rodrigo**

Group Chief Information Officer



**Asri Hassan Sabri**

Group Chief Corporate Officer



**Hadi Helmi Zaini Sooria**

Group Chief Internal Auditor



**Abid Abdul Adam**

Group Chief Risk and  
Compliance Officer



**Suryani Hussein**

Group Company Secretary



**Tan Gim Boon**

Group General Counsel

Note:  
Age as at 31 March 2022

GAFS, Profile of Group Senior Leadership Team on pages 12 to 15

## An Experienced Leadership

### OPERATING COMPANIES' ORGANISATIONAL CHART

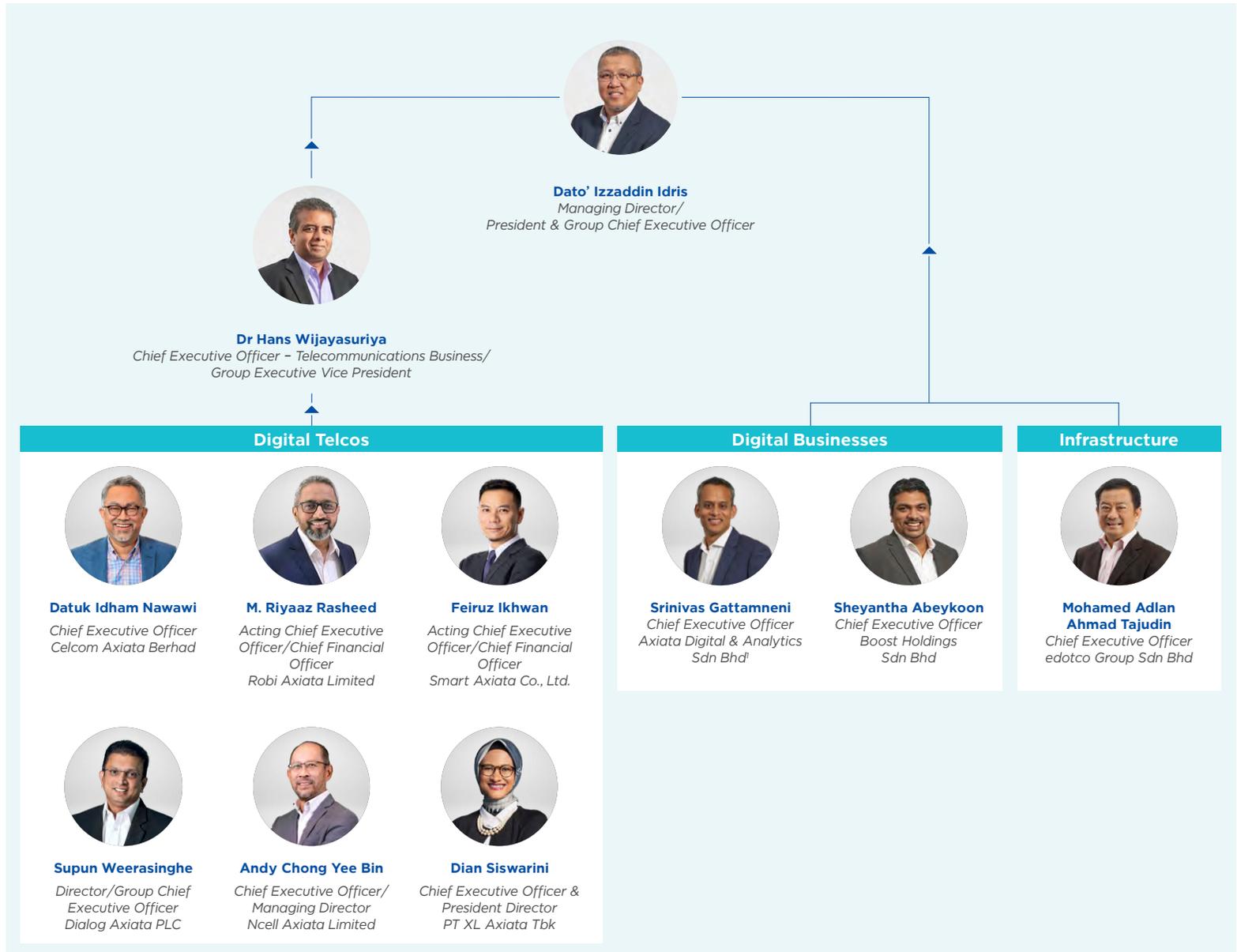
A transitional leadership at Smart was established in late 2021, where Feiruz Ikhwan, CFO of Smart assumed the role of Acting CEO. This followed the assumption by Thomas Hundt, the previous CEO of Smart, of the role of Group Chief Strategy & Technology Officer.

In August 2021, M. Riyaz Rasheed, the CFO of Robi was appointed to the position of Acting CEO, upon notification by the previous Managing Director & CEO of Robi of his intention not to seek renewal of his contract expiring on 31 October 2021. M. Riyaz Rasheed continues to retain his role as CFO, which ensures a smooth transition and continuity of the business.

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 18 years since he joined Celcom in 2003 as Vice President, Finance.

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 frequency of which has been increased to be quarterly in 2022. 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.



Notes:  
 Information as at 31 March 2022

<sup>1</sup> Axiata Digital & Analytics Sdn Bhd (formerly known as Axiata Digital Advertising Sdn Bhd)

## 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 the Company's website under the Corporate Governance section. 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, details on the Chairman on page 85](#)

#### Senior Independent Non-Executive Director (SINED)

SINED acts as an intermediary to convey concerns of the INEDs on the Board to the other members of the Board and in the event of any dissension in the execution of their duties.

[IAR, details on SINED on page 85](#)

#### Independent Non-Executive Directors (INEDs)

The primary responsibility of an INED is to protect the interests of minority shareholders and other stakeholders. In addition, the INEDs play a key role in strategy and business performance.

[IAR, details on INEDs on page 85](#)

#### 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, details on the Managing Director/President & Group Chief Executive Officer on page 85](#)

#### 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, details on the Company Secretary on page 87](#)

### APPOINTMENT OF DIRECTORS

There is a clear and transparent process for the selection, nomination and appointment of suitable candidates to the Board of Axiata and achieving board balance through diversity in skill set, experience, age, nationality, and gender is a key objective. This principle is encapsulated in the Axiata Board Composition Framework. Based on this framework, both merit and diversity are factors considered hand in hand when selecting board members.

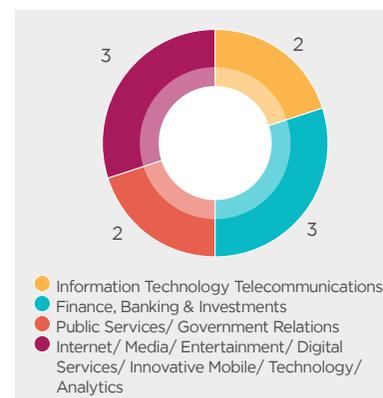
The formal process involves the Board Nomination and Remuneration Committee (BNRC) first identifying the gap in Board composition before sourcing for candidates. Subsequently, the BNRC evaluates and recommends to the Board suitable candidates who fulfil the requirements. Other criteria such as integrity, existing commitments, potential risks and/or conflicts of interest and ability to bring a different perspective and increase diversity of the Board are also considered in the BNRC's review. The process for Board appointment also mandates the BNRC and Managing Director/President & Group Chief Executive Officer to engage external consultants and this has been utilised on many occasions.

Additionally, the Board is in the process of adopting a Fit & Proper Policy where the proposed candidates to be appointed to the Board or reappointments of directors to the Board are assessed to determine fitness and probity. This is also in keeping with the amendments to the Main LR made by Bursa Securities as communicated to all listed issuers by way of a letter from Bursa Securities dated 19 January 2022.

The attendance of the respective Directors at meetings of the Board and Committees held in 2021 are provided below:

Name of Board Members	Board	BAC	BNRC	BRCC	AEIB	BARC*
Tan Sri Ghazzali Sheikh Abdul Khalid <sup>~</sup>	23/23					
Tan Sri Shahril Ridza Ridzuan <sup>#</sup>	1/1					
Dato' Izzaddin Idris	23/23			6/6	2/2	5/5
Dato Dr Nik Ramlah Nik Mahmood	23/23		15/15	6/6		
Dr David Robert Dean	23/23	7/7		6/6	2/2	
Khoo Gaik Bee	23/23		15/15			5/5
Thayaparan S Sangarapillai	23/23	7/7			2/2	5/5
Ong King How	23/23		15/15			
Tan Sri Dr Halim Shafie	23/23			6/6		
Syed Ali Syed Salem Alsagoff	23/23	7/7			2/2	

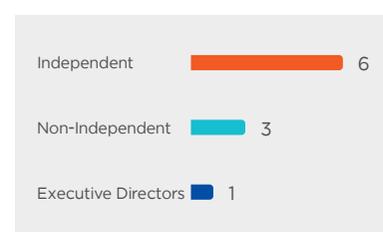
### Industry Experience



### Functional Experience



### Board of Directors



### Total Hours For Board & Board Committee Meetings 2021

<b>132.38 hours</b> Board (Including Board Retreats)	<b>39.58 hours</b> BNRC	<b>24.00 hours</b> BAC
<b>6.52 hours</b> BARC*	<b>2.00 hours</b> AEIB	<b>17.50 hours</b> BRCC

Notes:

<sup>~</sup> Nurhisham Hussein was appointed on 25 January 2022

<sup>~</sup> Resigned on 31 December 2021

<sup>#</sup> Appointed on 29 November 2021

\* Now known as the Board Sustainability Committee effective 8 April 2022

## Embedding Sustainability Into Our Governance Structures

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

Overall, Axiata Board of Directors is accountable for Axiata’s sustainable strategies. At the Board level, we’ve actively brought forward topics of key sustainability issues and management across Group including development and implementation of the Net-Zero Carbon Roadmap, with emphasis on 2022 being the planning year that brings together a collaborative effort in organisational readiness. This top-down approach marks our commitment to embracing sustainability as a Group-wide agenda.

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.

The management of sustainability at Group, is driven and supported by Axiata Sustainability Steering Committee, established in 2020, which further strengthened sustainability governance at Group.

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
- ensuring management of ESG risk on our Group Risk Profile, assessed and evaluated every quarter
- 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
- continue to collaboratively work with functions across Axiata to further integrate ESG considerations into our risk management processes

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 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’s material matters. OpCos are also encouraged to produce their own Sustainability Report in compliance with the Global Reporting Initiative (GRI) Standards.



Note: The Board Annual Report Committee was rescoped, remodeled and renamed as the Board Sustainability Committee effective 8 April 2022 to provide enhanced oversight on ESG management across Axiata Group

## Board Leadership And Effectiveness

### 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 mergers and acquisitions (M&A).

The Board also considered new opportunities and new ways 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.

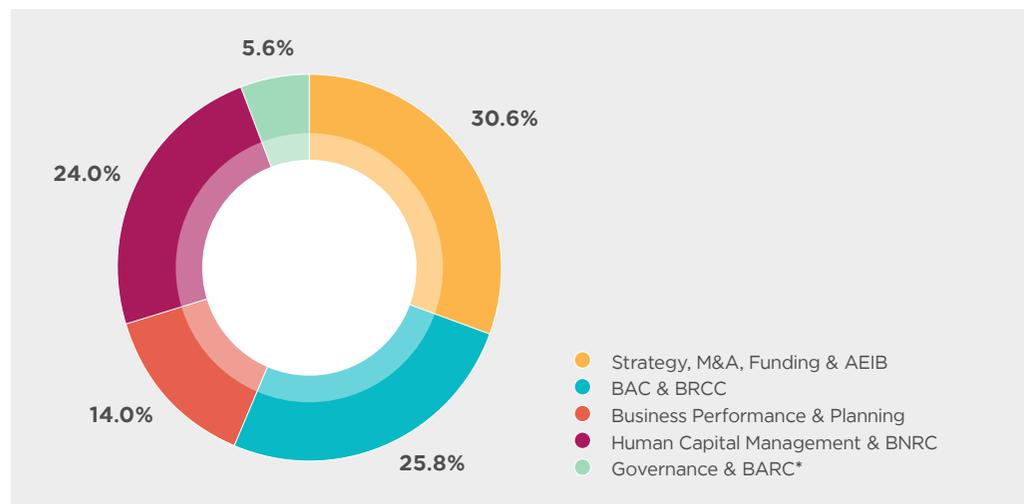
### BOARD ACTIVITIES IN 2021

- The Board allocated approximately 30.6% of its time in 2021 during Board meetings focusing on strategic matters and M&A.
- At the Board Retreat held in October 2021, the Board focused on deliberating on Axiata's strategic direction across its businesses and footprint, taking into account the state of the telecommunications industry and the direction that the industry is heading to.

### PRIORITIES FOR 2022

The focus of the Board for 2022 would be to ensure Axiata sustains its growth momentum while delivering value through the execution of the Axiata 5.0 Vision to become The Next Generation Digital Champion by 2024 and repositioning Axiata as a High Dividend Company. Axiata's ESG proposition is expected to be augmented with the launch of the Net-Zero Carbon Roadmap in 2022 and the commencement of its Task Force on Climate-Related Financial Disclosures (TCFD) journey to deep dive into the Group's climate-related risks and opportunities. Focus shall also be placed on regional expansion opportunities of our core businesses to enable Axiata to better serve our customers.

### TOPICS FOR DISCUSSION AT BOARD MEETINGS



\* Now known as the Board Sustainability Committee effective 8 April 2022

### CODE OF CONDUCT AND ETHICS (CODE)

The Code is in line with the practices in the Malaysian Code on Corporate Governance under both the 2017 and 2021 iterations as well as the provisions of the Securities Commission Guidelines on the Conduct of Directors of Public Listed Companies issued in July 2020. All of the OpCos adopt a code of conduct similar to that of Axiata leading to a shaping of a common ethical culture within the Group. 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.

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

### AXIATA ADVISORY PANEL

The Axiata Advisory Panel (AAP) advises 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 AAP comprises members with extensive and established knowledge and experience of the business and industry environment that Axiata is involved in.

The current members of the AAP are Tan Sri Jamaludin Ibrahim and Gita Irawan Wirjawan. In the course of the year, the counsel and advice of the AAP were sought as required. A briefing and engagement session was organised in July 2021 for the Board to assess the political climate and developments in corporate Indonesia.

### BOARD EFFECTIVENESS EVALUATION

The Board engaged the services of Towers Watson (Malaysia) Sdn Bhd (TWM) to assist with the 2021 Board Effectiveness Evaluation (2021 BEE) of the Board's performance.

TWM is a professional HR consultancy firm that specialises in facilitating board reviews. Board members (except Tan Sri Shahril Ridza Ridzuan and Nurhisham Hussein whose appointments were only after the start of the BEE) and selected members of the Senior Leadership Team were invited to participate in interviews and complete a questionnaire, which amongst others, addressed the performance of the Board and its Committees, and the Board's role in integrating sustainability considerations in Axiata's corporate strategy in line with the emphasis of the Malaysian Code on Corporate Governance 2021. 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 Managing Director/President & Group Chief Executive Officer (GCEO).

## Board Leadership And Effectiveness

### BOARD EFFECTIVENESS EVALUATION (CONT'D)

#### STRENGTHS

The 2021 BEE was undertaken with an intermediate approach involving three modules, which were Interviews with the Board of Directors and selected members of the Senior Leadership Team (qualitative), Board, Committee, Self and Peer Assessment (quantitative), and Composition and Diversity Assessment (quantitative). Some of the key findings of the 2021 BEE are as follows:

- The Board composition enables diversity of thought as Board members provide multiple perspective given their diverse background and experiences
- There is a high degree of trust in the GCEO and a professional relationship between the Board and management
- On Boardroom conduct and dynamics, there is a good level of respect with acknowledgement of each individual's strengths and no domineering person on the Board

#### IMPROVEMENT

The findings of the 2021 BEE have also recommended areas for continuous improvement which reinforced the continuing agenda of the Board in the following areas:

- On the matter of corporate strategy and direction setting, the Board should continue to deliberate and define the role and focus of Axiata and the Board moving forward
- In order to further enhance the effectiveness of board governance and oversight, clear demarcation of responsibilities between Group and OpCos and delegated authority to Board Committees would make for more efficient use of Board meeting time and more effective deliberation and decision making of the Board
- More time should be spent on deliberating Senior Management succession planning and providing mentoring and coaching support to Senior Management

#### BOARD RE-ELECTION

In respect of the Directors standing for election/re-election, the BNRC and Board took into consideration the self and peer ratings and other feedback on the areas evaluated as undertaken in the 2021 BEE with the following findings:

##### Dato' Izzaddin Idris

He is acknowledged for his integrity and compliance to regulations along with a diligent and successful undertaking of duties and responsibilities expected within the stipulated time frame.

As the Managing Director/President & Group Chief Executive Officer of Axiata, his wide ranging strategic, commercial, operational and leadership experience in the corporate sector brings a well rounded perspective in steering Axiata's growth across its footprint and complements the diversity of the Board.

##### Dato Dr Nik Ramlah Nik Mahmood

As a Senior Independent Non-Executive Director, she is acknowledged for her effective and tactful communication with stakeholders along with an objective manner of seeking as well as incorporating information and feedback into the decision making process.

Her extensive experience in policy and regulatory reform, capital market regulation as well as corporate governance are valuable to Axiata's business that is continuously pursuing strategic growth opportunities and operating across multiple jurisdictions.

##### Dr David Robert Dean

He is acknowledged for demonstrating good understanding of fundamental issues affecting Axiata and its stakeholders, strength in probing Senior Management and showing foresight which enables him to anticipate opportunities and provide practical advice to the Board.

This, together with his wealth of international experience in the technology and telecommunications space, enables him to provide macro industry perspective and insights which contribute to his effectiveness as the Chairman of the BRCC and AEIB, especially from a strategy and business outlook and ability to probe on risk matters.

##### Tan Sri Shahril Ridza Ridzuan

The Board had at its meeting on 23 March 2022 recommended the re-election of Tan Sri Shahril Ridza Ridzuan. His profile is set out in the 'Profile of Directors' section of the Governance & Audited Financial Statements 2021 on page 4.

##### Nurhisham Hussein

The Board had at its meeting on 23 March 2022 recommended the re-election of Nurhisham Hussein. His profile is set out in the 'Profile of Directors' section of the Governance & Audited Financial Statements 2021 on page 7.

The assessment in respect of Directors' independence in the 2021 BEE was carried out using the criteria prescribed under the Main LR of Bursa Securities. All Independent Directors assessed have declared adherence to all the relevant stipulations in accordance with Paragraph 1.01 and Practice Note 13 of the Main LR 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:

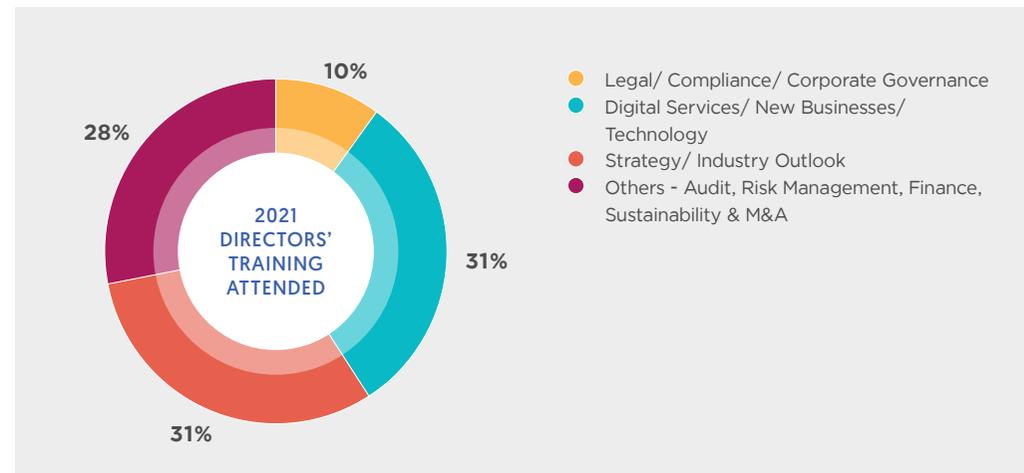
- Sector Outlook and Total Shareholder Return (TSR) Expectation
- Building an ICT Business
- Economist: Macro & Market
- Value Creation

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 2021.

#### 2021 DIRECTORS' TRAINING AREAS

The Group Company Secretary actively disseminates training programmes to the Directors, which amounted to 36 in 2021 and includes 6 on digital services, new business and technology. Inclusive of in-house programmes, the Directors attended 75 training programmes in 2021, mainly in the areas of digital services, new business, technology, strategy and industry outlook.



### 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 levels 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.

The following table outlines the remuneration structure for NEDs of the Group in 2021:

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
Board Audit Committee (BAC)	4,000.00	2,000.00	3,000.00	2,000.00
Board Risk and Compliance Committee (BRCC)	3,000.00	1,500.00	2,250.00	1,500.00
Board Nomination and Remuneration Committee (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

## Board Leadership And Effectiveness

### REMUNERATING FAIRLY (CONT'D)

#### Non-Executive Directors (NED) (cont'd)

In 2021, a review of the NEDs' remuneration structure was conducted by Aon Malaysia Sdn Bhd. The review covered the following areas:

- Quantum of fees and meeting allowance for Board and Board Committees;
- Frequency and timing of payment of fees;
- Review of Benefits package;
- Review of travel allowances;
- Rates of Committees; and
- Mix of cash and equity.

Based on the analysis which included benchmarking Axiata against Malaysian similarly sized and regional-based international telecommunication peers, the recommendation was to increase the Chairman monthly fees to align with median and to align Board Committee ratios to P50 among similar-sized companies in Malaysia. The BNRC and Board had considered the proposal and decided to recommend for the increase in monthly fees for the Board Committees and to align the BRCC meeting allowances with that of the BAC.

In enabling Axiata to bring its focus on sustainability to the next level, the BNRC had recommended and the Board resolved to rescope, remodel and rename the Board Annual Report Committee as the Board Sustainability Committee (BSC) with expanded roles and responsibilities which includes oversight of the Sustainability Practices of the Group and the preparation of the Integrated Annual Report Suite. In line with this, the Board recommended the proposed payment of BSC monthly fees and meeting allowances.

The revised remuneration structure for NEDs of the Group which will be tabled for Shareholders' approval at the 30<sup>th</sup> Annual General Meeting is as below:

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	9,000.00	4,000.00	3,000.00	2,000.00
BRCC	9,000.00	4,000.00	3,000.00	2,000.00
BNRC	5,000.00	3,000.00	1,500.00	1,000.00
BSC	2,500.00	1,500.00	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> No new meeting allowance paid if meeting is adjourned to or continued on a different date or time

<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.

At the 29<sup>th</sup> AGM of the Company, the Shareholders approved the extension of Travel Allowance for Non-Resident NEDs for their attendance at Board and Board Committee meetings virtually. The total extended Travel Allowance paid in 2021 including accrued extended Travel Allowance for 2020 is RM183,400.00. The extended Travel Allowance is expected to continue to be paid to the Non-Resident NEDs after the 30<sup>th</sup> AGM until the restrictions imposed on global travel are fully uplifted and travel may be safely undertaken thereafter.

#### 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. It also takes into account total compensation of comparable companies (of similar size and complexity to Axiata locally; and in the same industry in the region), based on benchmarking conducted by independent consultants.

The current remuneration framework of the EDs consists of basic salary, benefits-in-kind and Employees Provident Fund (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 achievement 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 ROIC and Earning Per Share (EPS) including aggregate overall performance within the vesting period.

## Board Committees

BNRC

### Board Nomination and Remuneration Committee

#### 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
- 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
- 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 2021

##### Nomination

- Considered the changes to the Board of Axiata involving the appointment of one new Director and retirement of one Director in 2021 and the appointment of one new Director in 2022
- 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 recommendations of the 2021 BEE and follow-up actions for 2022 BEE
- Succession Planning and Talent Management Review
- Reviewed the suitability of the Directors due for re-election at the 2021 AGM
- Reviewed and recommended the GCEO's succession plan

##### Remuneration

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

- GCEO KPI 2020 - Performance Evaluation and Remuneration
- Company Bonus Payment and Salary Review Budget
- 2021 Restricted Share Plan Grant and Vesting
- 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 following changes to the composition of the Board of Axiata and OpCos occurred during the year 2021 and in early 2022:

- Appointment of Tan Sri Shahril Ridza Ridzuan as Director and Chairman of Axiata in place of Tan Sri Ghazzali Sheikh Abdul Khalid
- Appointment of Nurhisham Hussein as Director of Axiata
- Appointment of Muhammad Afhzal Abdul Rahman as Director of Celcom
- Appointment of Tan Sri Dr Halim Shafie as Director and Chairman of Smart in place of David Lau Nai Pek
- Resignation of Simon Perkins as Director and Thomas Hundt as CEO and Director of Smart
- Appointment of Thayaparan S Sangarapillai as Chairman of Robi in place of Dato' Izzaddin Idris
- Appointment of Kamal Dua, Nasir Uddin Ahmed and Dr M Sadiquul Islam as Directors and resignation of Badal Bagri and Kamran Bakr as Directors and Mahtab Uddin Ahmed as Managing Director and CEO of Robi
- Resignation of Tan Sri Jamaluddin Ibrahim as Commissioner of XL
- Appointment of Raja Noorma Othman and Amali Nanayakkara as Directors and resignation of Mahtab Uddin Ahemd as Director of Ncell
- Appointment of Dr Indrajit Coomaraswamy as Director and resignation of James Maclaurin as Director of Dialog
- Appointment of Norlida Abdul Azmi, Abraham Verghese TV Abraham and Asuka Nomura as Directors and Saiful Bahri Hassan as Alternate Director of edotco
- Resignation of Darke Mohamed Sani, Charles Campbell Green III, Thayaparan S Sangarapillai and Rossana Annizah Ahmad Rashid as Directors of edotco
- Resignation of Thayaparan S Sangarapillai as Director and Mohd Khairil Abdullah as CEO and Director of Axiata Digital Services Sdn Bhd (ADS)
- Appointment of Dato' Izzaddin Idris as Director and Chairman of Axiata Digital & Analytics Sdn Bhd (formerly known as Axiata Digital Advertising Sdn Bhd) and Boost Holdings Sdn Bhd in place of Mohd Khairil Abdullah

#### Priorities for 2022

- 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 2021 BEE findings and decide on the approach for the 2022 BEE
- Routine matters such as performance bonus, increment for employees and KPIs for GCEO
- To formulate, implement and monitor the proposed Fit & Proper Policy planned to be undertaken by the the first half of 2022
- Other new matters proposed by Management/Board

## Board Committees

### AEIB Axiata Enterprise Investment Board Committee

#### Members

- Dr David Robert Dean (Chairman) (INED)
- Dato' Izzaddin Idris
- Thayaparan S Sangarapillai (INED)
- Syed Ali Syed Salem Alsagoff (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 2021

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

### BARC Board Annual Report Committee\*

#### 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

On 8 April 2022, the Axiata Board resolved to rename the BARC as the Board Sustainability Committee with expanded roles and responsibilities which includes the oversight of the Sustainability Practices of the Group and preparation of the Integrated Annual Report Suite.

#### Activities in 2021

- 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 Integrated Annual Report Suite

 The roles and responsibilities of AEIB are available online, <https://www.axiata.com/sites/default/files/docs/Terms-of-Reference-Axiata-Enterprise-Investment-Board-Committee.pdf>

 The roles and responsibilities of BARC are available online, <https://www.axiata.com/sites/default/files/docs/Terms-of-Reference-Board-Annual-Report-Committee.pdf>

\* Now known as the Board Sustainability Committee effective 8 April 2022

## Board Accountability

### PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

#### BAC Board Audit Committee

##### 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 2021

##### Nomination

- Continued to work with Management in enhancing the 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
- Reviewed and approved the enhanced Axiata Group Internal Audit Charter and the Internal Auditing Procedures and Guideline Manual
- Reviewed the Board Audit Committee membership composition across the Group for continuity in leadership and roles and recommended to Management the areas for improvements
- Continued to review the progress of the Group on alignment with the Securities Commission's (SC) Guidelines on Conduct of Directors of Listed Corporations and Their Subsidiaries (issued on 30 July 2020) including the corporate governance (CG) disclosure practices across all OpCos
- Reviewed the effectiveness of IA function in all OpCos via the OpCos IA Supervision Dashboard mechanism
- Reviewed the governance, risks and internal controls of Business Control Incidents (BCIs) across the Group
- Reviewed and recommended for approval the Policy on Accounting and Tax Records Retention & Retrieval
- Reviewed and recommended for approval the Branding, Advertising, Marketing and Sponsorship Policy
- Reviewed the Accounting treatment for the proposed settlement of Axiata Digital Services Sdn Bhd (ADS) Long Term Incentive Plan (LTIP)
- Encouraged the pilot of Continuous Auditing using analytics amongst the internal audit teams across the Group to modernise the internal audit works with the use of technologies
- 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 considering ongoing COVID-19, oil price and currency volatility

##### Other recurring work include:

- Reviewed and approved the Internal Audit Plan and Budget 2022
- Reviewed the execution of all 2021 Audit Plan across the Group in terms of audit findings and timely closure of major audit issues. A total of 158 internal audit reviews were completed across the Group
- Supported extensive internal audit assignments Groupwide in the area of Procurement, IT User Access Management, Cyber Security, Data Privacy, and Related Party Transactions which have contributed to improvements in controls across the Group
- Supported relevant competency development of auditors 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 31 December 2021, 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 M&A deals and revised accounting policies when required for better governance and controls
- Reviewed the potential exposure of major investments made by the Group
- 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 transaction entered into by Axiata pursuant to the shareholders mandate on Recurrent Related Party Transactions (RRPT) procured at the 29<sup>th</sup> AGM of the Company held on 15 June 2021 and the reporting of these transactions in the 2021 Financial Statements
- During the financial year ended 31 December 2021, Axiata has granted a total of 3,123,700 shares under the Performance Based Long Term Incentive Plan (details provided under Note 14 of the Audited Financial Statements) at the Share Reference Price of RM3.45 for 28 February 2021 and RM3.79 for 15 August 2021 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

## Board Accountability

### Board Audit Committee

#### Activities in 2021

- Held two (2) private meetings with the external auditors on 23 February 2021 and 24 November 2021 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 recommended to the Board the fees payable to the external auditors
- Reviewed and approved the non-audit services to the external auditors after due consideration that the transparency and independence of the external auditors remain intact
- Reviewed business control incidents including fraud
- Reviewed the Whistleblow Dashboard, investigations outcome 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 2022

- Continue to review the effectiveness of Anti-Bribery and Anti-Corruption (ABAC) operationalisation
- Review of Groupwide 3G Network Decommissioned & Fixed Assets Management
- Continuous enhancements of CG as well as Group oversight in relation to the MCCG 2021 and SC's Corporate Governance Strategic Priorities 2021-2023 (dated 24 November 2021) (CG Strategic Priorities)
- Continuous review of BAC membership composition to support Board on changing governance and regulatory landscape in relation to the MCCG 2021 and CG Strategic Priorities
- Review of BAC Terms of Reference across the Group to align with the changing landscape of MCCG 2021 and CG Strategic Priorities
- Reviews 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 IFRS and MFRS
- Review external auditors audit plan, auditors independence/objectivity, and external audit findings
- 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 Groupwide Network Capex Efficiency & Capex Procurement under Collective Brain initiative
- Continuous review of the carrying value of assets and its useful life, and goodwill for impairment in particular those assets which are still on the old technology (2G, 3G and 3.5G) with 4G network expansion and the upcoming 5G technology roll out
- Continuous review of the Group foreign currency exposure, impact of currency translation on Axiata Group's Financial Statements consequent to volatile economic environment, geo-political situations, oil price movement, interest rate movement and currency volatility
- Review of Groupwide Business Controls Incidences (BCIs) Report
- Review of the execution of all 2022 Audit Plan, audit findings and closure of major audit issues
- Continuous enhancement of Internal Audit Function effectiveness, independence, objectivity, resources adequacy, and competencies
- Continues to ensure that internal auditors are given the right training on relevant and new competencies such as continuous auditing
- Continue to support Internal Audit to explore artificial intelligence in audits as a pilot initiatives to keep Internal Audit relevant with technologies evolution
- Support the expansion of "Continuous Auditing" footprint in keeping up with the business digitalisation and IR 4.0 technologies
- Continuous enhancement on Quality Assurance review on Internal Audit activities
- Review of Whistleblow Policy, standard operating procedures (WB SOP) throughout the Group
- Continuous monitoring of security, independence, and awareness of whistle blowing channel established by Management for employees and other stakeholders
- Continuous review of Whistleblowing awareness and communications in the organisation and with business partners/suppliers
- Continue to review the effectiveness of Related Party Transactions (RPT)
- Continue to review the effectiveness of cyber security, IT systems access, and procurement, Data Privacy, and risks management systems
- Review the governance, risks, and internal controls on Environmental, Social and Governance (ESG) initiatives



## Internal Control And Risk Management

BRCC

### Board Risk and Compliance Committee

#### Members

- Dr David Robert Dean (Chairman) (INED)
- Dato Dr Nik Ramlah Nik Mahmood (SINED)
- Tan Sri Dr Halim Shafie (INED)
- 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;

- key business risks to safeguard shareholders' investment and the Company's assets;
- cyber security risks and risks relating to data privacy; and
- 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, the 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 implemented 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 KPIs 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 2021

- Continued to monitor and enhance the stature of Data Privacy, Cyber Security, Enterprise Risk, Compliance & Ethics Governance with firm maturity targets
- Strengthened GRC culture via various awareness and training initiatives namely the first virtual annual Group Risk & Compliance (GRC) conference participated by more than 200 participants both at Senior management and Board level across the Group, roll out of ERM training module, refresher of Data Privacy and Cyber security training module, cross collaboration of ESG risk workshop, Integrity and Data Privacy days and launch of our quarterly GRC newsletter
- Rolled out the Axiata Anti-Bribery and Anti-Corruption Plan: 2020-2023 and ongoing implementation of Digital Trust & Resilience2023 (DT&R2023) strategy
- Embedded and aligned GRC principles in the day-to-day business operation with focus in the areas of M&A activities, third-party risk management and ESG risk. Additionally, continuously aim to ensure alignment of GRC processes with its distinct verticals namely Cyber security, Data Privacy, ABAC Compliance and Enterprise Risk Management
- Ensured a Robust Cyber Defence framework with continuous monitoring through the Group Security Operations Centre (GSOC)
- Reviewed related GRC policies and framework to align with the latest ISO and other related standards
- Strengthened the governance process with the establishment of SORMIC Methodology for SORMIC Assessment Review 2020, GRC Policies and LOA reviews and implementation of various governance instruments across the business
- Fostered cross-collaboration with the OpCos GRC teams to build synergy and teamwork within the GRC fraternity

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 31000:2018, is adopted across the Group. A risk reporting structure has been established based on the ERM framework to ensure prompt communication with the BRCC and the Board.

### Priorities for 2022

- 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 adequate 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 oversee the effective execution of the Cyber Security Strategy DT&R2023, Axiata Anti-Bribery and Anti-Corruption Plan: 2020 - 2023 and establish the functional ERM Strategic Plan for 2021 - 2023
- 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
- Focus on building technical capabilities within the GRC fraternity via formal training and professional certification
- Focus on automation and digitisation initiatives with planned roll out of integrated Cyber security and ERM risk management systems, roll out of VITAL systems to track Gifts, Donations and Sponsorships (GDS) management system
- To enhance the SORMIC Assessment Review 2022 to have an integrated approach within GRC and other assurance functions

## Internal Control And Risk Management

### RCMC Risk and Compliance Management Committee

#### Members

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

#### 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 is 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/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'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 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 KPIs 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 2021

- Quarterly RCMC meetings were held in 2021 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 BRCC meeting agendas that encompasses the relevant subjects across all verticals covered under the oversight of RCMC and BRCC
- Established the Compliance function at Group and OpCos level as part of the Corporate Compliance Project in meeting the requirement under MACC Section 17A
- Enhanced the overall Compliance maturity level (evolving state)

#### Priorities for 2022

- 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 on 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 developments 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

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

#### Communication via Mass Media

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

#### Communication to Analysts and Investors

- Analyst & Investor Day
- Analyst/Investor Meetings
- Conference Calls on Financial Results and Corporate Development
- Investor Relations Website
- Conferences/Non-Deal Roadshows
- 26 Equity Research Coverage

### INVESTOR RELATIONS

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

<b>6 January</b> CGS - CIMB 13 <sup>th</sup> Annual Malaysia Virtual Corporate Day	<b>1 March</b> Morgan Stanley Virtual ASEAN STAR Corporate Day	<b>22 March</b> 24 <sup>th</sup> Credit Suisse Asian Investment Conference (Virtual)	<b>23 March</b> JP Morgan ASEAN TMT 1x1 Forum (Virtual)	<b>14 April</b> UOB Kay Hian Malaysia Corporate Day E-Conference	<b>30 June</b> Morgan Stanley Virtual Flagship ASEAN Conference	<b>9 July</b> Maybank Kim Eng Invest ASEAN 2021 Malaysia Week (Virtual)
<b>29 July</b> UOB Kay Hian New Economy Virtual Conference	<b>27 August</b> JP Morgan ASEAN TMT & Fintech 1x1 Forum (Virtual)	<b>13 September</b> CLSA Investors' Forum 2021 (Virtual)	<b>5 October</b> Credit Suisse ASEAN New Economy Conference (Virtual)	<b>20 October</b> Nomura Virtual Malaysia Corporate Day 2021	<b>8 December</b> Axiata Analyst & Investor Day (Virtual)	

### 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 29<sup>th</sup> AGM as a fully virtual meeting conducted via live streaming
- Members had joined the AGM online and remotely and also voted 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
- In 2020, Axiata was amongst the first PLCs to appoint an Independent Moderator at the virtual AGM in response to the call by Minority Shareholders Watch Group (MSWG) to do so. Axiata had maintained the practice of appointing an Independent Moderator for its 29<sup>th</sup> AGM
- All questions from shareholders received by Axiata were addressed at the 29<sup>th</sup> AGM and the list of questions and answers had been made available with the Minutes of the 29<sup>th</sup> AGM on Axiata's website within 30 business days from the meeting date
- 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 15 June 2021
- 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
- The full recording of the AGM Webcast had been made available on Axiata's website

## Communication With Stakeholders

### FINANCIAL CALENDAR

#### Financial Results

25 May 2021	27 August 2021	26 November 2021	22 February 2022	23 March 2022
Unaudited consolidated results for the first quarter ended 31 March 2021	Unaudited consolidated results for the second quarter and half-year ended 30 June 2021	Unaudited consolidated results for the third quarter ended 30 September 2021	Unaudited consolidated results for the fourth quarter and financial year ended 31 December 2021	Issuance of audited financial statements for the financial year ended 31 December 2021

#### Dividends

10 March 2021	25 March 2021	8 April 2021	30 August 2021	15 September 2021	24 September 2021
Notice of Book Closure for Interim Tax-Exempt Dividend under Single-Tier System of 5.0 sen per Ordinary Share	Date of Entitlement for Interim Tax-Exempt Dividend under Single-Tier System of 5.0 sen per Ordinary Share	Payment for Interim Tax-Exempt Dividend under Single-Tier System of 5.0 sen per Ordinary Share	Notice of Book Closure for Interim Tax-Exempt Dividend under Single-Tier System of 4.0 sen per Ordinary Share	Date of Entitlement for Interim Tax-Exempt Dividend under Single-Tier System of 4.0 sen per Ordinary Share	Payment for Interim Tax-Exempt Dividend under Single-Tier System of 4.0 sen per Ordinary Share