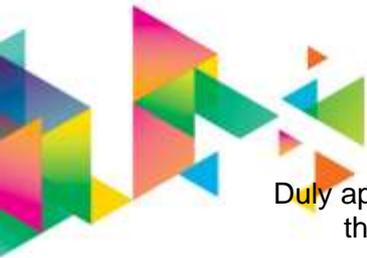


# **BOARD CHARTER FOR AXIATA GROUP BERHAD**

(242188-H)



Duly approved and adopted by the Board of Directors of Axiata Group Berhad at the Board of Directors' Meeting [No. 03-13] held on 20 February 2013

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## **1.0 Introduction**

This Charter sets out the key Corporate Governance principles adopted by the Board of Directors (“Board”) of Axiata Group Berhad (“Axiata” or “Company”). In adhering to the responsibilities set out in this Charter, the Board members are expected to perform their duties with integrity, honesty and in a professional manner in accordance with the law in serving the interests of its shareholders, employees, clients and the community.

The Board will carry out its mandate directly and through the various committees of the Board, and such other committees it may establish from time to time.

The Board and Directors’ performance will be assessed annually based on the expectations set out in this Charter. With the various positions held by each Director on the Board, they are expected to meet the expectations set for each position as these are crucial to the long-term success of the Company.

This Charter provides an overview of the following:-

- The delineation of the duties, responsibilities and powers of the Board and its Directors, the Managing Director/President & Group Chief Executive Officer (“President & GCEO”) and Senior Management of the Company;
- Delegation of authority by the Board to various committees established in assisting the Board to execute its duties and responsibilities;
- Matters reserved for consideration and approval by the Board ; and
- Board operating procedures and practices pertaining to meetings, nominations and appointments, training and development, performance management and evaluation, code of conduct and ethics and declarations on conflicts of interest.

This Charter serves as a reference for the Board members in executing their responsibilities and should be reviewed and revised in accordance with additional statutory or regulatory requirements. The provisions contained in this Charter neither replace nor supersede the laws of Malaysia or the regulatory frameworks applicable. The Charter is governed by, where applicable, the Companies Act 2016 (Act), Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Main LR), Malaysian Code on Corporate Governance 2017 (MCCG 2017), Constitution/ Articles of Association of the Company, regulatory and legislative requirements, and best practices on Corporate Governance.

## **2.0 Composition of the Board**

Every public-listed company should be headed by an effective Board, which can both lead and control the business. Within the context of a unitary board system, a Board made up of a combination of EDs (Executive Directors) and NEDs (Non-Executive Directors) should bring a broader view to the company's activities under a Chairman who accepts the duties and responsibilities that the post entails. The Board should also be capable of and perceived to exercise independent judgement.

NEDs should be persons who possess the right character, experience, integrity, competence and time to effectively discharge his/her role as Director and to bring an independent judgement to bear on the issues of strategy, performance and resources including key appointments and standards of conduct. The number of Independent Non-Executives should be significant to ensure their views will carry significant weight in Board decisions.

## **3.0 Members of the Board**

The Board should ideally consist of a Chairman and a suitable number of EDs and NEDs. The number of INEDs (Independent Non-Executive Directors) should comprise of at least half of the membership of the Board, in compliance with the MCCG 2017 best practices. Collectively, the Board should have all the necessary skills, competencies and experience to fulfil the duties and objectives of the Board.

## **4.0 Role of the Board**

In adherence to the call by the Government for self-governance, the Finance Committee on Corporate Governance has set out principles and best practices for good governance aimed at increasing the efficiency and accountability of Boards to ensure that the decision making process are not only independent but are seen as independent.

The role of the Board is to essentially review, approve and contribute to the long-term strategy of the company by bringing onto the Board their experience and expertise. Moreover, they are also responsible for monitoring the Management's implementation of the strategy. In this respect, they should evaluate, identify and understand both the internal and external environments of the company. In short, ensuring that the Company is properly run underpins their fundamental Board function. Further to the above, their principal role is also to identify and retain Directors who are able to add value to the Board as well as to the Company.

**5.0 Duties and Responsibilities of the Board**

- 5.1 Provides strategic drive for the Company by guiding Senior Management in developing corporate strategy.
- 5.2 Together with Senior Management, promote good Corporate Governance culture within the Company which reinforces ethical, prudent and professional behaviour.
- 5.3 Reviews, challenges and approves Management's proposal on a strategic plan for the Company and satisfies itself that Management has taken into account all appropriate considerations in establishing the strategic plan for the Company.
- 5.4 Formalisation of the Company's strategies on promoting sustainability with attention to environmental, social and governance aspects and balancing them with the interests of various stakeholders and ensuring the implementation and disclosure of sustainability policies in Annual Report and corporate website.
- 5.5 Responsible for monitoring the implementation of the strategic plan by the Management.
- 5.6 Oversees the conduct of the Company's Business and to evaluate whether the business is being properly managed. In this respect the Board must ensure that there are objectives in place against which Management's performance can be measured.
- 5.7 Establishes and formalises a corporate culture engendering ethical conduct throughout the Company and to commit ethical values through a code of conduct and ensure its implementation and compliance. Code of Conduct to include appropriate communication and feedback channels to facilitate whistleblowing and to be reviewed periodically.
- 5.8 Sets the tone and culture towards effective risk management and internal control in all aspects of the Company's activities, decides on Board's acceptable risk appetite and reviews the risk management framework, processes, responsibilities and assesses whether they provide reasonable assurance that risks are managed within tolerable ranges.
- 5.9 Identifies principal risks and ensure the implementation of appropriate systems to manage these risks. The target is to achieve a proper balance between risks incurred and potential returns to shareholders.
- 5.10 Reviews the adequacy and the integrity of the Company's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines. Board must ensure that there is a satisfactory framework of reporting on internal financial controls and regulatory compliance.

- 5.11 Establishes an internal audit function in order to obtain assurance of regular review and/or appraisal of the effectiveness of the system of internal controls within the Company. The Board should explain in summary the means that exist for obtaining such assurance of regular review and/ or appraisal.
- 5.12 Develops position descriptions for the Board and for the President & GCEO, involving definition of the limits to Management's responsibilities together with the President & GCEO.
- 5.13 Ensures succession planning, including appointing, training, fixing the compensation of and where appropriate replacing Senior Management. The Board will assess the President & GCEO's performance against the objectives established by the Board in co-operation with the President & GCEO and will assess his or her contribution on corporate strategy.
- 5.14 Appoints a committee of Directors composed, wholly or mainly of NEDs, a majority of whom are independent, with the responsibility of proposing new nominees for the Board and for assessing Directors on an on-going basis. The actual decision as to who shall be nominated should be the responsibility of the full Board after considering the recommendations of such a committee.
- 5.15 Examines its own size with a view to determine the impact of the number upon effectiveness. Bearing in mind the principal responsibilities, the Board should ensure that it has enough Directors to discharge these responsibilities and perform those functions.
- 5.16 Looks into the future assessment of existing Directors; identifies, nominates, appoints and orientates new Directors to enhance governance. The Board as a whole can perform this function but as a matter of best practice, this responsibility can also be delegated to a committee.
- 5.17 Ensures educational and continuous training programmes are in place to update the Board and the Directors of new developments pertaining to the laws and regulations and changing commercial risks which may affect the Board and/or the Company. Directors are expected to continuously upgrade themselves through these training programmes and other appropriate training programmes to effectively perform their duties.
- 5.18 Identifies a Senior INED of the Board to whom concerns may be conveyed.
- 5.19 Exercises an adequate degree of independence and have a process or practice in place to allow Directors to meet and exchange views. This gives the Board the opportunity to effectively assess the direction of the Company and the performance of the Management.
- 5.20 Develops criteria to measure and assesses independence of Independent Directors annually.

- 5.21 Endorses appointment, evaluation and development plans for pivotal positions based on discussions with Management.
- 5.22 Has in place a process to allow Director to excuse himself/herself from the meeting during discussions or deliberations of any matter which gives rise to an actual or perceived conflict of interest situation for him/her.
- 5.23 Sets remuneration at levels which are sufficient to attract and retain the Directors needed to run the Company successfully, taking into consideration all relevant factors including the function, workload and responsibilities involved. The responsibilities of Director's remuneration are discharged to the Board Nomination and Remuneration Committee ("BNRC").
- 5.24 Establishes an overall remuneration policy and framework and performance management philosophies for top key positions in Axiata and the entire organisation.
- 5.25 The Board's effectiveness in carrying out its role and duties shall be evaluated at least on an annual basis. This duty shall be discharged to the BNRC.
- 5.26 Ensures the Company has appropriate corporate disclosure policies and procedures.
- 5.27 Ensures the Management develop and implement an investor-relations programme or shareholder communications policy for the Company. The policy should ensure that it effectively interprets the operations of the Company to the shareholders and must accommodate feedback from shareholders, which should be factored into the Company's business decisions.
- 5.28 Ensures the Company leverages on information technology for effective dissemination of information including establishing a dedicated section for Corporate Governance on the Company's website. The Company's website provides easy access to corporate information pertaining to the Company and its activities and is continuously updated.
- 5.29 Allocates the responsibility for setting the Board agenda; for organising and circulating the information relevant to the agenda on a timely basis.
- 5.30 Receives and seeks information that is not just historical or bottom line and financial oriented but information that goes beyond assessing the qualitative performance of the Company and looks at other performance factors.
- 5.31 Lays down rules to determine the materiality of any transaction and should establish clearly which transactions require multiple Board signatures. Boards should also agree on the procedures to be followed especially when decision are required between Board meetings.
- 5.32 Have a formal schedule of matters specifically reserved to it for decision to ensure that the direction and control of the Company is firmly in its hands. A

schedule of matters should be given to Directors on appointment and should be kept up to date. The Schedule of Reserved Matters currently applicable is attached as annexure to this Board Charter.

- 5.33 Delegate important powers to an Executive Committee if necessary. Where the Executive Committee approves important corporate plans and actions on an on-going basis, the composition of such an Executive Committee should be proportionate to the composition of the full Board.

## **6.0 Powers of the Board**

There should clearly be an accepted division of responsibilities at the head of the Company, which will ensure a balance of power and authority such that no one individual has unfettered powers of decision. The division of responsibilities is to be regularly reviewed taking into consideration the operational, financial and business development aspects of the Company to ensure the Company's needs are consistently met.

Where the Board appoints a committee, it should spell out the authority of the committee and in particular whether the committee has the authority to act on behalf of the Board or simply has the authority to examine a particular issue and report back to the Board with a recommendation.

## **7.0 Frequency of Meetings of the Board**

The Board should meet regularly, with due notice of issues to be discussed in accordance with the annual Board Calendar as well as on ad-hoc requirements and should record its conclusions in discharging its duties and responsibilities. The Board should disclose the number of Board meetings held in a year and the details of attendance of each individual Director in respect of meetings held.

## **8.0 Separation of Positions of Chairman and Managing Director/ President & Group Chief Executive Officer (President & GCEO)**

The positions of the Chairman and President & GCEO should be held by different individuals. They have distinct and separate roles with clear division of responsibilities so as to ensure balance of authority, promote accountability and a greater capacity for independent decision-making.

## **POSITION DESCRIPTIONS**

### **9.0 Chairman of the Board**

- 9.1 Provides leadership to the Board so that the Board is able to perform its responsibilities effectively by assigning specific tasks to members of the Board.
- 9.2 Ensures that the Board plays a full and constructive part in the determination of the Company's strategies and policies.
- 9.3 Ensures proper flow of information to the Board, reviewing adequacy and timing of documentation in support of Management's proposals. In addition, the Chairman ought to plan and organise the Board agenda in advance alongside the Company Secretary and the President & GCEO with input from other Directors and Senior Management. The primary responsibility of the Chairman also involves him ensuring the provisioning of accurate and clear information necessary for the Board to deal with the agenda and that this information is provided to Directors on a timely basis.
- 9.4 Leads board meetings and discussions and provides a reasonable time for deliberations at meetings. Furthermore, the Chairman should encourage a healthy debate on issues and bring to the Board objectivity and independence in the deliberations. Chairman should also maintain control of proceedings without dominating discussions.
- 9.5 Ensures adequate lead time for effective study and discussion of business under consideration and that Board decisions taken are in the Company's best interests. If necessary Board resolutions should be put to a vote to ensure that it is the will of the majority and not that of the dominant shareholder that prevails and that genuine disagreements have been aired and resolved.
- 9.6 Establishes standards for preparation of Board papers and reports.
- 9.7 Acts as liaison between the Board and Management including developing a positive relationship with the President & GCEO and carries out other duties as requested by the Board as a whole, depending on need and circumstances.
- 9.8 Identifies guidelines for the conduct of the Directors and promotes a culture of openness and debate whilst ensuring that no one director dominates the discussion. Directors who are less vocal should be encouraged to be more proactive in providing views so as to ensure that each Director is making a significant contribution.
- 9.9 Ensures that all Directors, EDs and NEDs alike, are enabled and encouraged to participate fully in all its activities. This includes making certain that Directors, especially NEDs receive timely, relevant information tailored to their needs and that they are properly briefed on issues arising at Board meetings.

- 9.10 Manages the processes of the Board and ensures that the Board discharges their responsibilities.
- 9.11 Ensures the balance of membership, subject to Board and shareholder approval.
- 9.12 Develops position descriptions for the Board and for the President & GCEO, involving definition of the limits to Management's responsibilities together with the President & GCEO. In addition, the Chairman should approve, or develop with the President & GCEO, the corporate objectives, which the President & GCEO is responsible for meeting.
- 9.13 Provides a formal schedule of matters specifically reserved to the Board for its decision to ensure that the direction and control of the Company is firmly in its hands.
- 9.14 Maintains an effective communications policy (together with the President & GCEO) that enables both the Board and Management to communicate effectively with its shareholders, stakeholders and the public generally. Chairman acts as the spokesperson for the Board and as the main representative of the Company alongside the President & GCEO at shareholders meetings and on other occasions where key or major actions are taken or statements are made in the name of the Company.
- 9.15 Leads the Board in establishing and monitoring good Corporate Governance and ensures that EDs look beyond their Executive function and accept their full share of responsibilities of governance. Given the importance and particular nature of the Chairman's role, it should be separated from that of the President & GCEO.
- 9.16 Leads the creation of an effective Corporate Governance system, including the establishment of Board Charter and the terms of reference of the respective Committee, committee structure and induction as well as ongoing education programme for Directors. Chairman also oversees the Board Effectiveness Evaluation reviews and succession planning along with the Chairman of the BNRC.
- 9.17 Looks to the Company Secretary for guidance to the Board on what their responsibilities are under the rules and regulations to which they are subject and how those responsibilities should be discharged. The compliance advice should extend to embrace all laws and regulations and not merely the routine filing requirements and other administrative requirements of the Act.
- 9.18 Delineates rules to determine the materiality of any transaction and should establish clearly which transactions require multiple Board signatures. Board should also agree on the procedures to be followed especially when decisions are required between Board meetings.

**10.0 Managing Director/ President & Group Chief Executive Officer (President & GCEO)/ Executive-Directors (EDs)**

- 10.1 Meets regularly with the Board, with due notices of issues to be discussed and records its conclusions in discharging its duties and responsibilities.
- 10.2 Maintains an effective communications policy that enables both the Board and Management to communicate effectively with its shareholders, stakeholders and the public generally. This policy must effectively interpret the operations of the Company to the shareholders and must accommodate feedback from shareholders, which should be factored into the Company's business decisions. In addition, at the AGM, the ED and/or Management should also conduct a business presentation with a question and answer session.
- 10.3 Outlines rules to determine the materiality of any transaction and should establish clearly which transactions require multiple Board signatures. Board should also agree on the procedures to be followed, when decisions are required between Board meetings. Furthermore, provides a formal schedule of matters specifically reserved to the Board for its decision to ensure that the direction and control of the Company is firmly in its hands.

In the event that the ED is also acting as the President & GCEO, the additional duties and responsibilities of the President & GCEO are stated as follows:-

- 10.4 Develops and recommends to the Board annual business plans and budgets that support the Company's long-term strategy and vision for the Company that leads to the creation of shareholder value. In addition, the President & GCEO should strive to achieve the Company's financial and operational goals and objectives; maintain a satisfactory competitive position within its industry and ensures continuous improvement in the quality and value of the products and services provided by the Company.
- 10.5 Formulates and oversees the implementation of major corporate policies; runs the day-to-day business and implement the policies and strategies adopted by the Board.
- 10.6 Ensures that the Company has an effective Management team below the level of the President & GCEO and has an active plan for its development and succession.
- 10.7 Fosters a positive corporate culture that promotes ethical practices, encourages individual integrity and fulfils social responsibility to attract, retain and motivate a diverse group of top-quality employees at all levels.
- 10.8 Implements the processes for identifying, evaluating, monitoring and reporting of risks and internal control and to take appropriate and timely corrective actions as needed.

- 10.9 Provides assurance annually to the Board that the processes have been carried out on whether the Company's risk Management and internal control system is operating adequately and effectively based on the risk management model adopted.
- 10.10 Ensures in co-operation with the Board that there is an effective succession plan in place for the President & GCEO's position.
- 10.11 Serves as the chief spokesperson for the Company and attends the BNRC meetings at the discretion of the Chairman.
- 10.12 Develops position descriptions for the Board and for the President & GCEO involving definition of the limits to Management's responsibilities together with the Board.
- 10.13 Liaises with the Chairman and carries out other duties as directed by the Board as a whole.

**11.0 Non-Executive Directors (NEDs)/ Independent Non-Executive Directors (INEDs)**

- 11.1 Review, approve, or disapprove Management's corporate strategy proposal. In doing so, they should bring an objectivity and breadth of judgement to the strategic planning process, as they are not involved in the day to day management of the business. If they are to independently judge the merits of a Management's proposal concerning strategic or business plans, they need to evaluate elements, which should be taken into account in the process of creating the strategic plan for the Company. They are also responsible in monitoring Management's success in implementing the strategy.
- 11.2 Oversee the conduct of the Company's business and to evaluate whether the business is properly managed. In this respect, they must ensure that there are objectives in place against which Management's performance can be measured.
- 11.3 Develop position descriptions for the Board and for the President & GCEO together with the President & GCEO and the full Board, involving definition of the limits to Management's responsibilities. In addition, the NEDs should approve, or develop with the President & GCEO, the corporate objectives, which the President & GCEO is responsible for meeting.
- 11.4 Ensure the highest calibre of Senior Management when appointing, training, assessing and providing for succession.
- 11.5 Represent their interests on the Board in the case of NEDs representing substantial shareholders and to provide a balanced and independent view to the Board. INEDs however should bring independence of judgement and objectivity to Board deliberations.

- 11.6 Acquire and provide the necessary skill and experience to bring an independent judgement to bear on the issues of strategies, performance and resources including key appointments and standards of conduct.
- 11.7 Keep abreast of issues relating to the Company between meetings.
- 11.8 Meet regularly with the Board, with due notices of issues to be discussed and record its conclusions in discharging its duties and responsibilities.
- 11.9 Committed to a collective decision making process.
- 11.10 Appoint as the Company Secretary someone who is capable of carrying out the duties to which the post entails and his/her removal should be a matter for the Board as a whole.
- 11.11 Maintain an effective communications policy that enables both the Board and Management to communicate effectively with its shareholders, stakeholders and the public generally. This policy must effectively interpret the operations of the Company to the shareholders and must accommodate feedback from shareholders, which should be factored into the company's business decisions. The NED, INED and/or Management should also conduct a business presentation with a question and answer session.
- 11.12 Outline rules to determine the materiality of any transaction and should establish clearly which transactions require multiple Board signatures. Board should also agree on the procedures to be followed especially when decisions are required between Board meetings. In addition, provide a formal schedule of matters specifically reserved to the Board for its decision to ensure that the direction and control of the Company is firmly in its hands.

## **12.0 Senior INED**

- 12.1 The Board may select among its INEDs and appoint a Senior INED.
- 12.2 The selection of Senior INED is based on his experience and the significant influence he has within the Board, ability to act as a sounding Board for the Chairman and as an intermediary to convey concerns of the INEDs on the Board to the other members of the Board and in the event of dissention between the Chairman and/or EDs of the Company in the execution of their duties as INED.
- 12.3 The Senior INED is expected to play the following roles:-
  - i) Ensures all INEDs have an opportunity to provide input on the agenda, and advise the Chairman on the quality, quantity and timeliness of the information submitted by Management that is necessary or appropriate for the INEDs to perform their duties effectively;

- ii) Consults the Chairman regarding Board meeting schedules to ensure the INEDs can perform their duties responsibly and with sufficient time for discussion of all agenda items;
- iii) Serves as the principal conduit between the INEDs and the Chairman on sensitive issues, for example issues that arise from 'whistleblowing';
- iv) Serves as a designated contact for consultation and direct communication with shareholders and other stakeholders on areas that cannot be resolved through the normal channels of contact with the Chairman or President & GCEO, or for which such contact is inappropriate; and
- v) Be available for confidential discussions with other NEDs who may have concerns which they believe have not been properly considered by the Board as a whole.

### **13.0 Board Committees**

- 13.1 The Board may from time to time establish Committees as it considers appropriate to assist the Board in exercising its roles and responsibilities. The responsibilities delegated to these Committees will be captured in terms of references made available on the Company's website.
- 13.2 INEDs and NEDs play a leading role in these Committees. The Chairman of the respective Committees reports to the Board on the outcome of the respective Committee's meetings where relevant decisions shall be incorporated into the minutes of the Board meeting.

### **14.0 Company Secretary**

- 14.1 The Board should appoint a qualified Company Secretary to act as an advisor to the Board on governance matters.
- 14.2 The Company Secretary shall assist the Board and its Committees to perform its respective function effectively and in accordance with their terms of reference and best practices.
- 14.3 Amongst the roles and responsibilities of a Company Secretary are as follows:
  - i) Manages all Board and Board Committee meeting logistics, attend and record minutes of all Board and Committee meetings and facilitate Board communications;
  - ii) Advises the Board on its roles and responsibilities;
  - iii) Ensures adherence to the Board and Committees policies and procedures;
  - iv) Facilitates the induction of new Directors and assist in Director's training and development;

- v) Provides updates and advises the Board on corporate disclosures and compliance with company and securities regulations and listing requirements;
- vi) Manages processes pertaining to the annual shareholder meeting;
- vii) Monitors Corporate Governance developments and assist the Board in applying governance practices to meet the Board's needs and stakeholders' expectations;
- viii) Serves as a focal point for stakeholders' communication and engagement on Corporate Governance issues; and
- ix) Notifies the Chairman of any possible violations of regulatory requirements.

14.4 The Company Secretary should ensure that meeting materials are circulated to the Directors at least 5 business days prior to the Board meetings and the minutes of meetings accurately reflect the deliberations and decisions of the Board, including whether any Director abstained from voting or deliberating on a particular matter. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

14.5 The Company Secretary is expected to constantly keep abreast with the evolving regulatory changes and developments in Corporate Governance through continuous training.

14.6 The Board shall have unlimited access to the professional advice and services of the Company Secretary.

## **15.0 Directors' Commitment**

15.1 Each of the Board members is expected to commit sufficient time to carry out their role as Directors and/or member of the Committees in which they are a member. In this regard, a Director is expected to advise the Chairman of the Board or in his absence, the Chairman of the BNRC of his/her intention to join the Board of another company outside the Group. If necessary, the Chairman and/or Chairman of the BNRC will consult with the rest of the Board members whether the proposed new appointment is likely to impair the Director's ability to devote the necessary time and focus to their role as a Director of the Company.

15.2 In any given circumstances, the Board of Directors of the Company is expected to serve in no more than 5 and 10 directorships in public listed and private companies respectively.

15.3 Directors are also required to keep abreast of changes in regulatory, laws and accounting standards and development in Corporate Governance, broad business trends, strategy, financial instruments and technology advancement through reading of relevant industry and business publications and/or attending training programme and relevant conferences. Directors who are well informed

would be in a better position to evaluate proposals made by Management and to ask the right questions; hence, be more effective as Directors.

## **16.0 Directors' Independence**

16.1 The Board defines INED as one who is independent and free from any business or other relationship that could interfere with the exercise of independent judgment or the ability to act in the best interest of the Company and are willing to express their opinions at the Board table free of concern about their position or the position of any third party. The Board believes that is impossible and/or impractical to formulate a list of criteria which is appropriate to characterise, in all circumstances, whether a NED is independent and choose to recognise amongst others, the spirit, intention, purpose and attitude of each NED to be considered as exhibiting independent judgment or the ability to act in the best interest of the Company. In determining/assessing the 'independence' of its Directors, the Company also adopts the provisions of the Main LR as follows:-

- i) Not an ED of Axiata or any related corporation (Said Corporation);
- ii) Has not been within the last 2 years and is not an officer (except as a NED) of the Said Corporation;
- iii) Is not a major shareholder of the Said Corporation;
- iv) Is not a relative of any ED, officer or major shareholder of the Said Corporation;
- v) Is not acting as a nominee or representative of any ED or major shareholder;
- vi) Has not been engaged as a professional adviser or is not presently a partner, Director (except as an Independent Director) or a major shareholder, as the case may be, of a firm or corporation (Entity) which provides professional advisory services; and
- vii) Has not engaged in any transaction or is not presently a partner, Director or a major shareholder, as the case may be, of the Entity (other than subsidiaries of the Company) which has been engaged in any transaction.

16.2 The Board assesses, at least annually, the independence of each Director and includes this information in the annual report.

16.3 The Board has a policy which limits the tenure of its INEDs to 9 years.

### **17.0 Board Diversity**

The Board promotes and embraces diversity and gender mix in its composition and believes that the presence of diverse ethnicities, nationalities and gender mix on the Board can widen the Board's perspectives in effectively discharging its duties and responsibilities. While promoting diversity, due recognition to the financial, technical, experience and skill-sets of the Director's concern and business imperative should remain a priority.

The Board aims to appoint and maintain 30% women participation on its Board in line with Government's aspiration.

### **18.0 Rights to Information and Independent Professional Advice**

The Board shall have direct and unrestricted access to all the Company's information, whether as a full Board or in their individual capacities. In furtherance of their duties, they also have direct and unrestricted access to Management. In further ensuring the effective working of the Board, all Directors also have individual and independent access to legal, financial, governance advice and dedicated services of the Company Secretary. The Board has the authority to conduct or direct any investigation required to fulfil its responsibilities and has the authority to engage, at the Company's expense, such legal, accounting or other independent professional advisers, consultants or experts as it considers necessary from time to time in the performance of its duties in accordance with the agreed procedures laid down by the Board.

### **19.0 Financial Reporting**

In preparing the annual financial statements and quarterly announcements to the shareholders, including price-sensitive public reports and reports submitted to the regulators, the Board aims to present a clear and balanced assessment of the Company's financial position and future prospects.

The Board shall ensure that the financial statements are prepared in accordance with the Act and applicable accounting reporting standards, so as to give a true and fair view of the state of affairs of the Group and the Company.

### **20.0 APPLICATION**

The principles set out in this Charter are:-

- a) Kept under review and updated as practices on Corporate Governance develop and further guidelines on Corporate Governance are issued by the relevant regulatory authorities; and

- b) Applied in practice having regard to their spirit and general principles rather than to the letter alone.

The Board endeavours to comply at all times with the principles and practices set out in this Charter.

The Board will review this Charter from time to time and make any necessary amendments to ensure they remain consistent with the Board's objectives, current law and practice. Any updates to the principles and practices set out in this Charter will be made available on the Company's corporate website.

**Revision**

(1) Revisions to incorporate the relevant changes to the Malaysian Code on Corporate Governance 2017 (MCCG 2017) and Amendments to the Main LR. Approved by Axiata Board at the Board of Directors' Meeting [03-18] held on 22 February 2018.

(2) Revisions following the adoption of a 9-year independent director policy at the Board of Directors' Meeting [No.02-2020] held on 20 February 2020.

## V. Matters Reserved For Axiata Board

Below is a list of matters reserved for Axiata Board and its Board Committees which relates specifically to Axiata as an investment holding company.

This list is not exhaustive and when in doubt regarding a matter / issue, it shall be referred to the President & GCEO.

<b>STRATEGY AND BUSINESS PLANNING</b>	
1.	Axiata Group Business Plan and changes thereon
2.	Creation of new business or activities / termination of existing business or activities which significantly change the nature of Axiata Group and any of its businesses
3.	Business case for budgeted and unbudgeted CAPEX and OPEX, based on total cost or value of spending request (in accordance with Axiata Limits of Authority)
4.	Changes to Axiata's Corporate Identity and Brand Architecture

<b>FINANCE AND CONTROLS</b>	
5.	Quarterly, annually unaudited and audited accounts or any audited accounts for special purposes
6.	Interim dividend and recommendation of final dividend (including closure of Register of Members for Dividend Entitlement)
7.	Approval of any significant change in accounting policies and practices of Axiata and its Subsidiaries
8.	Remuneration of auditors and recommendations for appointment, renewal of appointment or removal of auditors
9.	Reports and findings of the external auditors
10.	Capitalisation of reserves
11.	Write-off / disposal of assets (in accordance with Axiata Limits of Authority)

	<b>FINANCE AND CONTROLS</b>
12.	Approval of payment voucher (in accordance with Axiata Limits of Authority)
13.	Opening and closing of bank accounts
14.	Change in mode of operation of bank accounts including cheque signatories
15.	Proposed increase / decrease in authorised and paid-up capital including share buy back, capitalisation of reserves, Initial Public Offering (“IPO”) and corporate restructuring
16.	Intercompany shareholder advances and loans
17.	Corporate / financial guarantee and letter of comfort / support
18.	Debt, loan agreements and working capital facilities by Axiata (in accordance with Axiata Limits of Authority)
19.	Financial instruments and derivatives (in accordance with Axiata Limits of Authority)
20.	Merger, Acquisition and Divestures (including strategic business alliances, acquisitions or disposal of investments and equity interests)
21.	Purchase of budgeted / unbudgeted CAPEX and OPEX (in accordance with Axiata Limits of Authority)
22.	Group Risk Management Framework
23.	Consolidated Risk Management reports
24.	Engagement of consultancy / professional services (in accordance with Axiata Limits of Authority)
25.	Tax investigation settlement
26.	Related party sale of assets / used equipment between Axiata and its Subsidiaries (in accordance with Axiata Limits of Authority)
27.	Write-off of intercompany transactions or balance (in accordance with Axiata Limits of Authority)

	<b>FINANCE AND CONTROLS</b>
28.	Issuance of credit note (in accordance with Axiata Limits of Authority)
29.	Schedule of Recurrent Related Party Transactions

	<b>PEOPLE</b>
30.	Company-wide Human Resources policy on terms and conditions of employment and benefits
31.	Changes to Axiata's organisational or management structure that significantly alters the governance or operational direction of Axiata
32.	Annual salary increment budget and performance bonus budget
33.	Misconduct and disciplinary matters
34.	Long term employment incentives (which is ESOS or cash)
35.	Axiata list of top key positions and any revisions or amendments thereto
36.	Appointment / termination or resignation of President GCEO, GCIA, GCoSec and Axiata top key positions (including Major Subsidiaries' CEO, CFO and COO)
37.	Delegation of President & GCEO's full decision making and approving authority exceeding 21 days.
38.	Restatement or re-delegation of authority upon resignation notice period or 3 months prior to the expiry of employment contract of President & GCEO, GCIA, GCoSec and Axiata top key positions (including Major Subsidiaries' CEO, CFO and COO)
39.	Remuneration, benefits and compensations and rewards (including terms and conditions of employment) of President & GCEO, GCIA, GCoSec and Axiata top key positions

	<b>PEOPLE</b>
40.	Succession plan of President & GCEO, GCIA, GCoSec and Axiata top key positions (including Major Subsidiaries' CEO, CFO and COO)
41.	Performance evaluation of President & GCEO, ED, GCIA and GCoSec (including Major Subsidiaries' CEO)
42.	Secondment of President & GCEO, GCIA, GCoSec and Axiata top key positions (including Major Subsidiaries' CEO, CFO and COO)

	<b>COMPLIANCE AND SUPPORT</b>
43.	Legal action against shareholders, directors, other entities within Axiata Group, regulators or government entities which will have a significant impact on Axiata's Group Business Plan or long term strategy
44.	Settlement of litigation (in accordance with Axiata Limits of Authority)
45.	Appointment of Power of Attorney by Axiata
46.	Development and adoption of Regulatory Compliance Framework and Regulatory Risk Management Framework
47.	Application / Bid submission for new licenses, spectrum, etc.
48.	Axiata Board and Board Committees' Terms of Reference and changes thereto
49.	Convening of AGMs / EGMs
50.	Key statements for Annual Reports, prospectuses, and circulars to shareholders
51.	Changes to the Memorandum and Articles of Association
52.	Appointment and termination of Share Registrars
53.	Change of Registered Office

<b>COMPLIANCE AND SUPPORT</b>	
54.	Appointment of proxy, corporate representative or such forms of representation
55.	Appointment of Axiata Board and Board Committee members
56.	Appointment of Axiata Nominee Directors to the Board of major Subsidiaries (as defined in Axiata Limits of Authority)
57.	Remuneration, benefits and terms and conditions of employment of Axiata Executive Directors
58.	Fees, remuneration, benefits and entitlements of Axiata Non-Executive Directors
59.	Winding up of Axiata's business
60.	Change of Company Name

<b>ASSURANCE</b>	
61.	Axiata Internal Audit Charter and any revisions or amendments thereto
62.	Axiata Internal Audit Plan (Group)
63.	Internal Audit Reports (Group)

<b>OTHERS</b>	
64.	Group Policies and any revisions or amendments thereto (in accordance with Axiata Limits of Authority)
65.	Recommendation of matters that are specifically reserved for the approval of Axiata's shareholders in general meetings
66.	Axiata Limits of Authority and any revisions or amendments thereto
67.	Any other matters not falling within the powers and authority of the shareholders, the President & GCEO or delegated to a committee of Axiata Board
68.	Any other matters which the President & GCEO considers ought to be approved by Axiata Board or which Axiata Board asks to be brought to it for approval