

AXIATA GROUP BERHAD

FIT & PROPER POLICY

1. OBJECTIVE

- 1.1 The objective of this policy is to formulate a policy (“**F&P Policy**”) to assess the following :-
- (a) if the proposed directors of the Board of Axiata Group Berhad (“**Axiata**”) and the Boards of its Major Operating Subsidiaries (*as defined hereunder*) are fit and proper before their appointment or reappointment as Directors thereof; and
 - (b) if the proposed appointments of Key Senior Management (*as defined hereunder*) of Axiata or its Major Operating Subsidiaries are fit and proper before their appointment or reappointment thereof.
- 1.2 The formulation of a F&P Policy was established by amendments to the Main Market Listing Requirements (“**Main LR**”) made by Bursa Malaysia Securities Berhad (“**the Exchange**”) as communicated to all listed issuers by way of a letter from the Exchange dated 19 January 2022.
- 1.3 Listed issuers are required to publish the F&P Policy on their websites from 1 July 2022 and to report and disclose the application of the F&P Policy by the nomination committee in the annual report issued for financial year ending on and after 31 December 2022 and after.

2. ADMINISTRATION OF THE F&P POLICY

- 2.1 In keeping with Paragraph 1.1 of the Terms of Reference of the Board Nomination and Remuneration Committee (“**BNRC**”) where the BNRC is tasked to oversee the selection and assessment of Directors as well as propose new nominees to the Board of Directors of Axiata, the F&P Policy shall be administered by the BNRC.

3. APPLICATION OF THE F&P POLICY

- 3.1 The F&P Policy shall be applied to the following areas:-
- (a) Appointments and reappointments of Directors to the Board of Axiata;
 - (b) Appointments and reappointments of Directors to the Board of Major Operating Subsidiaries of Axiata, save for nominee directors appointed by Axiata to the Board of its subsidiaries where such nominee directors are management members of Axiata (“**Management Members**”).

“**Major Operating Subsidiaries**” means subsidiaries of Axiata that undertakes an existing operating business but excludes:-

- (i) special purpose vehicles;
- (ii) purely investment holding intermediary companies;

- (iii) dormant companies;
 - (iv) the subsidiaries of such Major Operating Subsidiaries; and
 - (v) such other subsidiaries as may be determined by the BNRC from time to time.
- (c) Appointments and reappointments of Key Senior Management members of Axiata and its Major Operating Subsidiaries.

“Key Senior Management” means the following:-

- (i) President, Chief Executive Officer, Managing Director or President Director in Indonesia;
 - (ii) Chief Financial Officer;
 - (iii) Such other management members as may be determined by the BNRC from time to time.
- 3.2 The application of this F&P Policy to and assessment of the proposed appointments of Directors to the Axiata Board and appointments of Key Senior Management of Axiata will be undertaken by the BNRC.
- 3.3 The application of this F&P Policy to and assessment of proposed appointments of Directors to the Board of Major Operating Subsidiaries and appointments of Key Senior Management of Major Operating Subsidiaries shall be undertaken primarily by the Major Operating Subsidiaries before making their nomination and recommendation to the BNRC for such appointments. The Major Operating Subsidiaries are free to apply any other fit and proper assessment that they may have in place for such organisations.
- 3.4 The rationale for excluding the application of the F&P Policy to Management Members is that such persons, being employees of Axiata are already subject to assessments of fitness and propriety in the course of their employment. For the avoidance of doubt, Management Members may continue to be assessed by the Boards of the Major Operating Subsidiaries in accordance with any fit and proper assessment policy that such Major Operating Subsidiaries have in place.
- 3.5 Reappointments shall include reappointments following appointments to fill a casual vacancy as well as following mandatory retirement as imposed by applicable legislative or regulatory requirements.

4. F&P POLICY CONSIDERATION COMPONENTS

- 4.1 In applying the F&P Policy, the BNRC shall be guided by the three main considerations of the F&P Policy and its sub-components therein (“**F&P Criteria**”) which are as follows :-

(a) Character & Integrity

- (i) Probity;
- (ii) Personal Integrity;
- (iii) Financial Integrity; and
- (iv) Reputation.

(b) Experience & Competence

- (i) Qualifications, Training and Skills;
- (ii) Relevant Experience and Expertise; and
- (iii) Relevant Past Performance or Track Record.

(c) Time & Commitment

- (i) Ability to discharge role having regard to other commitments; and
- (ii) Participation and contribution on the board and track record thereof.

4.2 Additional description of the details of the F&P Criteria is as set out in **Appendix I** of this F&P Policy.

5. PROCEDURES

5.1 In the course of the BNRC's consideration of the appointment or reappointment of Directors in instances where the F&P Policy shall apply as determined by the provisions of Paragraph 3.2 above, the BNRC shall proceed to apply the F&P Policy.

5.2 In the course of assessing the candidates, the BNRC shall apply the F&P Criteria and may utilise such Fit and Proper Assessment Form as developed from time to time, which includes self-evaluation forms by the candidates assessed to assist in such assessment.

5.3 Additionally, the BNRC shall have the authority to engage and employ such third-party external service providers that are required to assist in the assessment of the proposed candidates, including but not limited to background checks, checks on bankruptcy and financial defaults and checks on past employment.

6. ASSISTANCE TO THE BNRC

6.1 In implementing this F&P Policy, the BNRC shall have access to the assistance of the Group Company Secretary, Group People Division, Group Legal and such other division or department in Axiata as required.

7. REVIEW OF THIS POLICY

7.1 The BNRC may periodically review this F&P Policy, as appropriate to ensure its continued effectiveness and recommend any such revision to the Board for consideration and approval.

8. DISCLOSURE OF THIS POLICY

8.1 This F&P Policy is authorised to and shall be published on Axiata's website for public information as required by the provisions of Main LR.

9. DISSEMINATION OF POLICY TO AXIATA GROUP

9.1 This F&P Policy shall be disseminated to the Major Operating Subsidiaries for consideration and adoption in such manner as befitting the Major Operating Subsidiaries.

10. APPROVAL

10.1 This Policy was reviewed and approved by the Board at its [10-22] Board Meeting held on 25 May 2022 and to be effective from 1 July 2022.

APPENDIX I

**CONSIDERATIONS THAT UNDERPIN A FIT AND PROPER POLICY FOR
DIRECTORS OF A LISTED ISSUER AND ITS SUBSIDIARIES**

1) CHARACTER AND INTEGRITY

(i) Probity

- Is compliant with legal obligations, regulatory requirements and professional standards.
- Has not been obstructive, misleading or untruthful in dealings with regulatory bodies or a court.

(ii) Personal Integrity

- Has not perpetrated or participated in any business practices which are deceitful, oppressive, improper (whether unlawful or not), or which otherwise reflect discredit on his professional conduct.
- Has not had any service contract (i.e. in the capacity of management or director) terminated in the past due to concerns on personal integrity.
- Has not used his/her position or authority to secure, obtain or enjoy benefits in a manner that contravenes the principles of good governance.

(iii) Financial Integrity

- Manages personal debts or financial affairs satisfactorily.
- Demonstrates the ability to fulfil personal financial obligations as and when they fall due.

(iv) Reputation

- Is of good repute in the financial and business community.
- Has not been the subject of civil or criminal proceedings or enforcement action, in relation to managing or governing an entity for the past 10 years.
- Has not been substantially involved in the management of a business or company which has failed, where that failure has been occasioned in part by deficiencies in that management.

2) **EXPERIENCE AND COMPETENCE**

(i) Qualifications, Training and Skills

- Possesses education and qualification that is relevant to the skill set that the director is earmarked to bring to bear onto the boardroom (i.e. a match to the board skill set matrix).
- Has a considerable understanding on the workings of a corporation.
- Possesses general management skills as well as understanding of corporate governance and sustainability issues.
- Keeps knowledge current based on continuous professional development.
- Possesses leadership capabilities and a high level of emotional intelligence.

(ii) Relevant Experience and Expertise

- Possesses relevant experience and expertise with due consideration given to past length of service, nature and size of business, responsibilities held, number of subordinates as well as reporting lines and delegated authorities.

(iii) Relevant Past Performance or Track Record

- Have had or is currently in a career occupying a high-level position in a comparable organisation.
- Was accountable for driving or leading the organisation's governance, business performance or operations.
- Possesses commendable past performance record as gathered from the results of the board effectiveness evaluation.

3) **TIME AND COMMITMENT**

(i) Ability to Discharge Role Having Regard to Other Commitments

- Able to devote time as a board member, having factored other outside obligations including concurrent board positions held by the director across listed issuers and non-listed entities (including not-for-profit organisations).

(ii) Participation and Contribution on the Board and Track Record Thereof

- Demonstrates willingness to participate actively in board activities.
- Demonstrates willingness to devote time and effort to understand the businesses and exemplifies readiness to participate in events outside the boardroom.
- Manifests passion in the vocation of a director.
- Exhibits ability to articulate views independently, objectively and constructively.
- Exhibits open mindedness to the views of others and ability to make considered judgment after hearing the views of others.
