

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 6888  
**COMPANY NAME** : AXIATA GROUP BERHAD  
**FINANCIAL YEAR** : December 31, 2021

## OUTLINE:

### **SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE**

*Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.*

### **SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA**

*Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.*

## SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

*Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.*

### Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.1

The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board of Directors is responsible for leading the Company and ensuring that the interest of shareholders and stakeholders are protected whilst enabling the Company to achieve long-term sustainability. The Board's commitment to long-term value creation through the Group Value Creation Model is disclosed on page 39 of the Integrated Annual Report 2021 ("IAR").</p> <p>In order to ensure the effective discharge of the Board's functions, Axiata has put in place the Governance Structure as illustrated on page 84 of the IAR. Five Board committees have been established as identified in the Corporate Governance Structure. The Board promotes a healthy corporate governance culture and ethical values through its transparent and objective conduct formalised via the adoption of the Board Code of Conduct and Ethics ("Code") (<a href="https://www.axiata.com/sites/default/files/docs/Board-Code-of-Conduct-and-Ethics.pdf">https://www.axiata.com/sites/default/files/docs/Board-Code-of-Conduct-and-Ethics.pdf</a>). The Group wide core values of Uncompromising Integrity Exceptional Performance ("UI.EP") are embodied in the Code and consistent with the Employees' Code of Conduct.</p> <p>The Board has clearly demarcated the day-to-day operational functions of the Management and the overall responsibilities of the Board through the Axiata Board Charter, the Group Policies and Limits of Authority documents, Terms of References and other governance documents. The following paragraphs describe the Board's role in setting the strategy for the Company and in discharging its fiduciary duties:</p> <p><b>i) Review and Approve Strategic and Annual Business Plan and Budget</b></p> <p>The Board plays a key and active role in the formulation and development of the Company's strategy. Based on the analysis</p>

	<p>of the Board’s agenda, 14.0% of the Board’s time in 2021 was spent on business performance and planning and providing strategic direction for the Company by guiding the senior leadership team in developing the corporate strategy to be employed by Axiata Group in pursuit of Axiata’s vision to be “The Next Generation Digital Champion” by 2024. Annually, offsite retreat sessions are held for discussions on key strategies and proposed business plan for the following year. The Board Strategy Retreat was held on 26 and 27 October 2021 where the Board was briefed on the current industry outlook, how it impacted Axiata and what Axiata can do to further improve its position in the market. Specifically, the Board was brought through Axiata's strategic direction across its businesses and footprint, taking into account the state of the telecommunications industry and the direction that the industry is headed to.</p> <p><b>ii) Overseeing Conduct of Company’s Business</b></p> <p>On a quarterly basis, execution of annual strategy and challenges thereof are reported to the Board. Progress is monitored against the agreed Key Performance Indicators (“KPIs”) as approved by the Board. Operating Companies (“OpCos”) are also invited to present their performance on a rotational basis. This enables the Board to receive first hand updates from the Management of the respective OpCos on their performance, key developments and/or issues and prospects.</p> <p><b>iii) Assessing the Company’s performance</b></p> <p>In order to ensure that the Company’s short, medium and long-term strategies are met, the Board approves a set of targets/aspirations of future performance aligned to the Group's strategies. The targets comprise both quantitative and qualitative matters. Consistent with its open and transparent conduct, Axiata announces its Headline KPIs each year and thereafter measures its achievements against these Headline KPIs. Axiata announced its Headline KPIs for 2021 on 25 February 2021.</p> <p><b>iv) Succession planning</b></p> <p>The Board through the Board Nomination and Remuneration Committee (“BNRC”) has oversight of the succession planning of Key Senior Management positions across the Group. A Group Talent Management Framework is put in place to identify and develop a group talent pipeline for future leadership across the Group. Through the framework and structured leadership development programme, mentoring and coaching, regular leadership assessments as well as cross-functional and cross-</p>
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	<p>country assignments, the Group sets a target of identifying potentials for critical C-Suite positions providing a cover ratio of 2:1 from within the Group. Leadership talent pipeline is regularly reviewed via the Group Talent Council and assessed as potential successors for key positions in the Group against internal and external benchmarks. Update on talent framework, talent pool, succession plan and robustness of talent pipeline is presented to the BNRC and Board at least twice yearly.</p> <p><b>v) Ensuring the implementation of internal controls and mitigation measures</b></p> <p>The Board Audit Committee (“BAC”) reviews, amongst others, the system of internal controls, the audit process, and the process for monitoring compliance with applicable laws and regulations as well as the Company’s Code of Conduct. In meeting these duties and striving for a preventive management of non-compliance from occurring, the BAC reviews the Management’s implementation of the system of internal controls to ensure the right governance. It is to be noted however, that the system of internal controls strives to manage rather than eliminate risks and provides only reasonable assurance against non-compliances, non-adherence, misstatement or loss.</p> <p><b>vi) Identifying principal risks that applies to the Group</b></p> <p>The Board Risk and Compliance Committee’s (“BRCC”) duties and responsibilities include areas of Enterprise Risk Management (including Business Continuity and Crisis Management), Cyber Security, Data Privacy, Compliance, Ethics and Integrity which include but is not limited to the requirements imposed by Local Authorities, Telecommunication Regulators and Digital Financial Services Regulators, if applicable (e.g. site permits, core operating licenses, spectrums, tariffs, health and safety, AML/CFT). These 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.</p> <p><b>vii) Overseeing development and implementation of shareholder communication policy</b></p> <p>Axiata believes in building investor confidence and trust through transparent communication and sound corporate reporting. Due care and attention are given not just on financial reporting but also to disclosures on corporate governance, sustainability and others.</p>
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	<p>The Company carried out its Investor Relations (“IR”) activities in accordance with its annual IR calendar, of which major activities are subsequently made available on the IR section of Axiata’s corporate website. On a periodic basis, the Board is apprised of these activities including the number of non-deal roadshows and conferences attended, summary of analysts’ recommendations, investors’ feedback and market consensus of the Group’s annual performance against the KPIs. Report on movements of the share price of Axiata and Total Shareholder Returns against indices and peers are also included.</p> <p>Further details on communication with the stakeholders and investors are provided on pages 101 to 102 of the IAR.</p> <p><b>viii) Reviewing adequacy and integrity of management information and internal control system</b></p> <p>The Board has the overall responsibility and accountability for the Group’s internal control system and continues to maintain and review its internal control system to ensure, as far as possible, the protection of the Group’s assets and the Company’s shareholders’ investments. The Board is ultimately responsible for the adequacy and integrity of the Company’s internal control system. Details pertaining to the Company’s internal control system and its effectiveness are captured in the Statement on Risk Management and Internal Control on pages 25 to 32 of the Governance &amp; Audited Financial Statements 2021.</p>
<p><b>Explanation for departure</b></p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p><b>Measure</b></p>	<p>:</p>
<p><b>Timeframe</b></p>	<p>:</p>

## Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

## Practice 1.2

A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>During the financial year, the Board of Directors was helmed by Tan Sri Ghazzali Sheikh Abdul Khalid, a Non-Independent Non-Executive Director of Axiata who has been on the Board since 2008 and who was appointed as Chairman on 1 November 2018. Tan Sri Ghazzali Sheikh Abdul Khalid retired as Chairman on 31 December 2021 and was succeeded by Tan Sri Shahril Ridza Ridzuan, an Independent Non-Executive Director of Axiata, on 1 January 2022.</p> <p>Axiata Chairman is responsible for the operations, leadership and governance of the Board, ensuring its effectiveness and assumes the role as the leader in chairing all Board meetings and shareholders' meetings. He has a leading influence on board agenda and matters reserved for Axiata Board. As Chairman, he leads the Board in overseeing Management and principally ensures that the Board fulfils its obligations under the Axiata Board Charter and as required under the relevant legislations. Some of the specific responsibilities of the Chairman include: -</p> <ul style="list-style-type: none"><li>i) Managing Board meetings and boardroom dynamics by promoting a culture of openness and debate where Directors are encouraged to provide their views;</li><li>ii) Working closely with the Managing Director/President &amp; Group Chief Executive Officer to ensure the provision of accurate, timely and clear information to facilitate the Board to perform effectively, be able to make informed decisions and to monitor the effective implementation of the Board's decisions; and</li><li>iii) Ensuring meetings of the shareholders are conducted in an open and proper manner with appropriate opportunity for them to ask questions.</li></ul> <p>Outside the boardroom, the Chairman acts as spokesperson for the Board and whenever appropriate, the Chairman undertakes engagement with other stakeholders and the public in accordance with the communication policy.</p> <p>The roles and responsibilities of the Chairman of the Board have been clearly specified in item 9.0 of the Axiata Board Charter, which is</p>

	<p>available online on Axiata’s corporate governance page at <a href="https://www.axiata.com/sites/default/files/docs/Board-Charter-2.pdf">https://www.axiata.com/sites/default/files/docs/Board-Charter-2.pdf</a></p> <p>At the inaugural meeting of the Non-Executive Directors (“NEDs”) held on 21 February 2022, the NEDs discussed the approach to take in assessing the current management methodology over Operating Companies in its geographic footprint and possibly revising the engagement model as required.</p>	
<p><b>Explanation for departure</b></p>		
	<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p><b>Measure</b></p>		
<p><b>Timeframe</b></p>		

**Intended Outcome**

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

**Practice 1.3**

The positions of Chairman and CEO are held by different individuals.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The separation of the positions of Chairman and Managing Director/President &amp; Group Chief Executive Officer (GCEO) ("President &amp; GCEO") is provided in item 8.0 of the Axiata Board Charter. The description of the positions of the Chairman of the Board and the President &amp; GCEO / Executive Directors are provided in item 9.0 and item 10.0 of the Axiata Board Charter respectively and is available online on Axiata's corporate governance page at <a href="https://www.axiata.com/sites/default/files/docs/Board-Charter-2.pdf">https://www.axiata.com/sites/default/files/docs/Board-Charter-2.pdf</a></p> <p>The positions of Chairman and President &amp; GCEO are held by 2 different individuals. The distinct and separate roles of these individuals with clear division of responsibilities ensures a balance of authority and promotes accountability and a greater capacity for independent decision making. It also ensures that the time commitment of these individuals is not impaired by combined roles which would hinder the effective discharge of their duties. The division of responsibilities is to be regularly reviewed taking into consideration the operational, financial and business development requirements of the Company so as to ensure that the Company's needs are consistently met.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



## Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.4

The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: During the financial year ended 31 December 2021, the Chairman of the Board, Tan Sri Ghazzali Shekh Abdul Khalid did not sit as a member of any Committee of the Board of Axiata. This practice continues with the change of chairmanship of the Board to Tan Sri Shahril Ridza Ridzuan as of 1 January 2022.  The application of this practice signifies the Board's commitment to safeguard against the risk of self-review and impairment of objectivity in the deliberations of the respective Board Committees. The non-participation of the Chairman in the Board Committees also ensures there are adequate levels of check and balance in the deliberations conducted and recommendations put forth by the Board Committees. The Chairman of the Board is also not present as an invitee in any of the Board Committee meetings.
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  

## Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

## Practice 1.5

The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Group Company Secretary of Axiata, Suryani Binti Hussein is a qualified Advocate and Solicitor of the High Court of Malaya and licensed by the Registrar of Companies.</p> <p>The breadth of the role of the Group Company Secretary includes the following:</p> <ul style="list-style-type: none"><li>i) Managing Board and Board Committee meeting logistics, attending, recording and communicating relevant decisions;</li><li>ii) Corporate governance advisory such as on Board's roles and responsibilities, corporate governance developments and best practices, Board induction, training and development as well as ensuring adherence to policies and procedures;</li><li>iii) Compliance advisory, particularly advising the Board on corporate disclosure and compliance with Company and securities regulations and listing requirements; and</li><li>iv) Serve as a focal point for stakeholder communication and engagement on corporate governance issues.</li></ul> <p>The Group Company Secretary of Axiata sits on the Senior Leadership Team ("SLT") and works closely with the Managing Director/President &amp; Group Chief Executive Officer and the SLT to ensure timely and appropriate information flow within the Board and Board Committees and between the Board and SLT. She has sufficient standing and authority to discharge her duties effectively. In order to ensure that the role of the Group Company Secretary is not diluted or compromised, the function is not combined with any other position.</p> <p>The appointment, remuneration and removal of the Group Company Secretary are matters for the Board to decide to ensure that a qualified and suitable individual is selected. Annual assessment of the Group Company Secretary is also done by the Board and the 2021 Board Effectiveness Evaluation findings indicate that there is effectiveness in the level of support given by the Group Company Secretary in the discharge of the Board's duties.</p> <p>In ensuring uniformity of Board conduct and effective boardroom practices, the Group Company Secretary has oversight on the overall corporate secretarial functions of Axiata Group, both in Malaysia and in</p>

	<p>the countries where the Group operates. The Group Company Secretary also serves as an adviser and support centre to other company secretaries in the Group on matters pertaining to governance and facilitates the flow and sharing of information.</p> <p>The Group Company Secretary constantly keeps abreast of the regulatory changes and developments in corporate governance through attendances at relevant conferences, training programmes and networking. Relevant updates are communicated to the Board and Management through in-house training programmes and briefings.</p> <p>The profile of the Group Company Secretary is provided on page 15 under the Profile of Group Senior Leadership Team of the Governance &amp; Audited Financial Statements 2021.</p> <p>The roles and responsibilities of the Company Secretary are specified under item 14.0 of the Axiata Board Charter, available online on the corporate governance page at <a href="https://www.axiata.com/sites/default/files/docs/Board-Charter-2.pdf">https://www.axiata.com/sites/default/files/docs/Board-Charter-2.pdf</a></p>
<p><b>Explanation for departure</b></p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p><b>Measure</b></p>	<p>:</p>
<p><b>Timeframe</b></p>	<p>:</p>

## Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.6

Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The annual Board Meeting Schedule ("Schedule") is prepared and circulated in advance of each new year in order to facilitate the Directors' time planning. The Schedule provides Directors with all of the meeting dates of the Board and Board Committees, including pre-Board and Board Retreats and the Annual General Meeting for the upcoming year.</p> <p>In addition, the Group Company Secretary, in consultation with the Chairman and the Managing Director/President &amp; Group Chief Executive Officer ("President &amp; GCEO") also identifies that the annual Board Meeting Agenda ("Board Calendar") is synchronised with some key events in the annual management planning cycle. New agenda items will be added from time to time on the request of the Chairman, the Board or Management.</p> <p>Board and Management receives formal notification of Board and Board Committee meeting dates one month in advance and the draft Board Meeting agenda is circulated 14 days before the meeting seeking further input. Any issues or constraints that arise will be discussed between the Chairman, the President &amp; GCEO and Group Company Secretary. While the Axiata Board Charter stipulates that the meeting materials should be circulated to the Directors at least five business days prior to the Board meetings, in practice, Management sets a higher target of seven days prior to Board meetings.</p> <p>Board papers follow a prescribed format as follows:</p> <ul style="list-style-type: none"><li>i) Action required for Board (Approval/Discussion/Information);</li><li>ii) Parties responsible for preparing, reviewing and approving the paper;</li><li>iii) Executive Summary – Summary of objective and context;</li><li>iv) Key issues and risks, with a clear response plan; and</li><li>v) Required actions with clear accountabilities and timelines.</li></ul> <p>The maximum number of pages is also prescribed based on input from the Board to ensure that the Board is not burdened with unnecessary detail and is able to focus on key issues.</p> <p>Axiata adopts a common digital platform across the Group to distribute Board documents in a more efficient, secure and timely manner. The</p>

	<p>digital solution is accessible via iPad and laptops giving the Board easy access to Board documents, a platform to approve circular resolutions and a repository for the safekeeping of Board papers, minutes, circular resolutions and other Board documents.</p> <p>In order for Board meetings to be more effective and to enable in-depth deliberation of matters, the Board meeting agenda is sequenced in a manner that prioritises approval papers and complexity of the proposals. Time allocation is also determined for each agenda item in order for Board meetings to be conducted efficiently.</p> <p>Key decisions are always made in a Board meeting with Circular Resolutions confined to administrative matters or to formalise matters that have already been debated at a Board meeting. Circular Resolutions are also accompanied by Board papers in the same prescribed format. All Circular Resolutions are tabled for confirmation at the next Board meeting. Where the Board requires independent professional advice to be sought on any matter, they are able to do so in consultation with the Chairman.</p> <p>The Group Company Secretary has the responsibility of ensuring that the minutes of meeting 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. Every Director has the opportunity to review and make corrections to the minutes. Board's decisions or action items are also communicated to the relevant members of Management and the Group Company Secretary follows up on the progress and updates which is thereafter reported back to the Board until closure of the matter.</p>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

**Intended Outcome**

There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

**Practice 2.1**

The board has a board charter which is periodically reviewed and published on the company’s website. The board charter clearly identifies–

- the respective roles and responsibilities of the board, board committees, individual directors and management; and
- issues and decisions reserved for the board.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Axiata Board Charter is an authoritative policy document that sets out the Board’s strategic intent, authority and terms of reference. It serves as a primary reference for the Directors of their fiduciary duties as directors of Axiata. Axiata’s Board Charter is sufficiently detailed and reviewed in timely intervals to ensure that the allocation of responsibilities within the Board facilitates adaptation to changing circumstances. The Board Charter was last reviewed in 2020 to incorporate the recommendation by the Malaysian Code on Corporate Governance to introduce a 9-year policy on the independence of directors.</p> <p>The Axiata Board Charter covers inter-alia, the role of the Board, duties and responsibilities, powers, roles of the Chairman, Managing Director/President &amp; Group Chief Executive Officer/Executive Directors, Non-Executive Directors/Independent Non-Executive Directors (“INED”), Senior INED, Board Committees and Company Secretary. It provides insight into the function of the Board and setting up of Board Committees and their Terms of References. The Board’s specific reserved matters covering areas such as strategy and business planning, finance and controls, people, compliance, support and assurance are entrenched in the Axiata Board Charter.</p> <p>The Axiata Board Charter is available online on Axiata’s Corporate Governance page at <a href="https://www.axiata.com/sites/default/files/docs/Board-Charter-2.pdf">https://www.axiata.com/sites/default/files/docs/Board-Charter-2.pdf</a></p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

### Practice 3.1

The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>In discharging its functions, the Board adheres strictly to the Board Code of Conduct and Ethics it has in place. Directors are expected to conduct themselves with the highest ethical standards and corporate governance. The current Board Code of Conduct and Ethics was adopted by the Board in February 2018. Periodic reviews ensure that the document remains current and relevant.</p> <p>The Board Code of Conduct and Ethics serves as a guideline for the Board to act in the best interest of the company and fulfil their fiduciary obligations to all its shareholders. It covers the areas of conflicts of interest, bribes and corruption, gifts and hospitality, competing against Axiata Group, insider trading, related parties of directors, data privacy, investors, media, analysts, money laundering, corporate opportunities, confidentiality, protection of assets and fair dealing.</p> <p>In 2015, the Board endorsed the Common Code of Conduct in which the values of Uncompromising Integrity, Exceptional Performance (“UI.EP”) were institutionalised in a common code of rules that regulate the conduct of employees and the conduct of business. The common Code of Conduct is applicable to all employees across the Group and lays down the baseline standards and guidelines grounded on UI.EP values covering, inter-alia, employees’ responsibilities and accountabilities, working attitude, protection of the Group’s assets, data integrity and retention, business conduct, dealings with customers, insider trading, conflicts of interest, gifts, entertainment, violation reporting and training and evaluation.</p> <p>The corporate culture of Uncompromising Integrity and Exceptional Performance is applicable across the Group. The Employees’ Code of Conduct is disseminated throughout employees of Axiata through its intranet. As part of its enforcement, employees are required to submit their declaration to adhere to and observe its provisions.</p>



	<p>An employee survey to assess the engagement index is conducted annually and amongst others, the awareness and the level of embrace of the values are measured.</p> <p>In January 2018, Axiata and its subsidiaries reaffirmed their pledge to be free from corruption in the presence of the Malaysian Anti-Corruption Commission. The pledge signified Axiata’s support towards greater levels of transparency, governance, integrity and ethical standards and its commitment to practise and uphold the highest levels of integrity and corporate governance across all its market.</p> <p>The Board Code of Conduct and Ethics and Employees’ Code of Conduct are available at:-</p> <p>1) <a href="https://www.axiata.com/sites/default/files/docs/Board-Code-of-Conduct-and-Ethics.pdf">https://www.axiata.com/sites/default/files/docs/Board-Code-of-Conduct-and-Ethics.pdf</a> ;and</p> <p>2) <a href="https://www.axiata.com/sites/default/files/docs/Employee-s-Code-of-Conduct.pdf">https://www.axiata.com/sites/default/files/docs/Employee-s-Code-of-Conduct.pdf</a></p> <p>respectively.</p>
<p><b>Explanation for departure</b></p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p><b>Measure</b></p>	<p>:</p>
<p><b>Timeframe</b></p>	<p>:</p>

### Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

### Practice 3.2

The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Axiata has in place a Whistle-Blowing Policy and Procedures which encourages employees and other parties (such as suppliers, business partners and customers) to report, in confidence, genuine concerns about actual or suspected misconduct, illegal or unethical behaviour that they have witnessed at work or in dealings with Axiata or its operating companies/subsidiaries (“Opcos”). Concerns reported in good faith will not be subjected to victimisation or retaliation.</p> <p>This Policy and Procedures, which is accessible on Axiata’s website at <a href="https://www.axiata.com/sites/default/files/docs/Whistleblowing_Policy_Procedures.pdf">https://www.axiata.com/sites/default/files/docs/Whistleblowing_Policy_Procedures.pdf</a> is administered by the Group Chief Internal Auditor (“GCIA”) and overseen by the Board Audit Committee (“BAC”).</p> <p>Concerns received would be directed to the Investigations Unit (reporting into GCIA) for further action, according to a well-defined process, including a Governance Matrix for both management and employees within Axiata and Opcos.</p> <p>The Investigations Unit will also update the BAC on a quarterly basis of all concerns received as well as follow-up actions taken (including the due process of investigation), to ensure completeness and transparency.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

**Practice 4.1**

The board together with management takes responsibility for the governance of sustainability in the company including setting the company’s sustainability strategies, priorities and targets.

The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

Strategic management of material sustainability matters should be driven by senior management.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Axiata Board of Directors is accountable for Axiata’s sustainability management and strategic direction. Sustainability-related key performance indicators (“KPIs”) have been included in the Group Chief Executive Officer (“CEO”) and OpCo CEOs’ annual KPIs to ensure accountability to our sustainability commitments. Additionally, all OpCo CEOs sign-off on sustainability-related governance are part of internal control assurance.</p> <p>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.</p> <p>Further details on the sustainability governance structure are provided on page 90 of the IAR.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

**Practice 4.2**

The board ensures that the company’s sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	Since 2018, Axiata Group Berhad has implemented integrated reporting of its annual report which includes a separate booklet on Sustainability & National Contribution where the Group’s sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

**Practice 4.3**

The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>In order for the Board to stay aware of and understand the sustainability issues relevant to the Group, the Board has scheduled a minimum of twice annually sustainability presentations to the Board where issues relating to the matter are presented, deliberated and resolved in an appropriate manner.</p> <p>Additionally, during the financial year, several Board members have attended sustainability-related trainings to stay abreast with sustainability developments. The trainings attended by the Board members during FY 2021 are provided on pages 9 to 11 of the Governance &amp; Audited Financial Statements 2021.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

**Practice 4.4**

Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company’s material sustainability risks and opportunities.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>Key performance indicators for the President &amp; Group Chief Executive Officer for 2021 was revised at the last quarter of 2021 where sustainability matters and risk surrounding the same was incorporated. With the inclusion of sustainability matters therein, the performance of the senior management would be assessed on this basis.</p> <p>The Board’s role in integrating sustainability considerations in corporate strategy and direction setting was assessed in the Board Effectiveness Evaluation 2021.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

**Practice 4.5- Step Up**

The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

*Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.*

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	<p>It has been identified that the Group Chief Corporate Officer be the designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the Company.</p> <p>The Group Chief Corporate Officer is a member of the Senior Leadership Team and his profile can be found at on page 14 under the Profile of Group Senior Leadership Team of the Governance &amp; Audited Financial Statements 2021.</p>

### Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

### Practice 5.1

The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>In recommending the Directors standing for election/re-election, the Board Nomination and Remuneration Committee and Board takes into consideration the self and peer ratings and other feedback from their assessment during the annual Board Effectiveness Evaluation. The commentary on the Directors standing for election/re-election in the 2022 Annual General Meeting are provided on page 92 of the Integrated Annual Report 2021.</p> <p>The Board is in the process of adopting a Fit &amp; Proper Policy where the proposed candidates to be appointed to the Board or re-appointments of directors to the Board are assessed to determine fitness and probity. This is also in keeping with the amendments to the Main Market Listing Requirements made by Bursa Malaysia Securities Berhad ("Bursa Securities") as communicated to all listed issuers by way of a letter from Bursa Securities dated 19 January 2022.</p> <p>Additionally, a policy to limit the independence of its directors to 9 years ("9-Year Policy") has been adopted and implemented. All of the independent directors currently serving on the Board have served for less than 9 years.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



## Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

## Practice 5.2

At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

<b>Application</b>	: Applied															
<b>Explanation on application of the practice</b>	<p>Axiata's Board Composition Framework adopted in 2008 and revised in 2020, is as follows:</p> <ul style="list-style-type: none"><li>i) Maximum of 12 Board members (up to two Executive Directors ("EDs");</li><li>ii) Up to three Non-Independent Non-Executive Directors ("NINEDs") representing major shareholders;</li><li>iii) More than 50% of the Board to comprise Independent Non-Executive Director ("INEDs") with various mix of skills, experience and diversity, including in terms of nationality and gender; and</li><li>iv) Up to three members with international experience or geographical experience matching Axiata's footprint.</li></ul> <p>The terms of the Framework as referred to above has led to Axiata constituting its Board to be made up of more than 50% INEDs exceeding the 1/3 requirement of the Main Market Listing Requirements ("Main LR") of Bursa Malaysia Securities Berhad ("Bursa Securities") even before the same was introduced in the Malaysian Code on Corporate Governance 2017. The Board composition as at 31 December 2021 is as follows: -</p> <table border="1"><thead><tr><th>Designation</th><th>Number of Director</th><th>Percentage (%)</th></tr></thead><tbody><tr><td>Executive Director</td><td>1</td><td>10</td></tr><tr><td>Non-Independent Non-Executive Director</td><td>3</td><td>30</td></tr><tr><td>Independent Non-Executive Director</td><td>6</td><td>60</td></tr><tr><td><b>Total</b></td><td><b>10</b></td><td><b>100</b></td></tr></tbody></table> <p>Axiata measures the independence of its Directors based on the criteria prescribed under the Main LR of Bursa Securities in which a Director should be 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. A Director should also be willing to express his opinion at Board meetings free of concerns about his position or the position of any third party. Objective assessment of the independence of Directors based on the provisions of</p>	Designation	Number of Director	Percentage (%)	Executive Director	1	10	Non-Independent Non-Executive Director	3	30	Independent Non-Executive Director	6	60	<b>Total</b>	<b>10</b>	<b>100</b>
Designation	Number of Director	Percentage (%)														
Executive Director	1	10														
Non-Independent Non-Executive Director	3	30														
Independent Non-Executive Director	6	60														
<b>Total</b>	<b>10</b>	<b>100</b>														

	<p>the Main LR of Bursa Securities is carried out before the appointment of Directors and re-affirmed annually. The review of Directors' independence also forms part of the annual Board Effectiveness Evaluation ("BEE") exercise carried out by the Board Nomination and Remuneration Committee.</p> <p>The assessment in respect of Directors' independence in the annual BEEs were carried out using the criteria prescribed under the Main LR of Bursa Securities. All Independent Directors assessed have declared adherence to all the relevant regulatory stipulations in accordance with paragraph 1.01 and Practice Note 13 of the Main LR of Bursa Securities. In the BEE 2021, all of the independent directors have assessed and declared continued independence.</p>	
<p><b>Explanation for departure</b></p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b></p>		
<p><b>Timeframe</b></p>		

**Intended Outcome**

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

**Practice 5.3**

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

<b>Application</b>	:	Not applicable - Step Up 5.4 adopted	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

**Practice 5.4 - Step Up**

The board has a policy which limits the tenure of its independent directors to nine years without further extension.

<i>Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.</i>	
<b>Application</b>	: Adopted
<b>Explanation on adoption of the practice</b>	: The Board of Directors had at its meeting in February 2020 resolved to adopt and implement a policy to limit the independence of its directors to 9 years ("9-Year Policy").  All of the independent directors currently serving on the Board have served for less than 9 years.

## Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

## Practice 5.5

Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.

<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	<p><b>Appointment of Directors</b></p> <p>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.</p> <p>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 &amp; Group Chief Executive Officer to engage external consultants and this has been utilised on many occasions.</p> <p>The Board is in the process of adopting a Fit &amp; Proper Policy where the proposed candidates to be appointed to the Board or re-appointments of directors to the Board are assessed to determine fitness and probity. This is also in keeping with the amendments to the Main Market Listing Requirements made by Bursa Malaysia Securities Berhad (“Bursa Securities”) as communicated to all listed issuers by way of a letter from Bursa Securities dated 19 January 2022.</p> <p>The Board skill set matrix is disclosed on page 89 of the Integrated Annual Report 2021.</p> <p>The Board Charter sets out the expectation on the Directors’ commitment to the Company. 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</p>

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. Each of the Board members is expected to serve in no more than 5 and 10 directorships in public listed and private companies respectively.

The Directors' other directorships in public companies are disclosed on pages 4 to 7 of the Governance & Audited Financial Statements 2021.

#### **Appointment of Key Senior Management**

For appointment of Key Senior Management, the BNRC will consider/review the candidates based on our leadership framework called People Quality Framework that assesses leadership competencies, functional competencies, learning agility, culture fit and pivotal experience required of the role before making any recommendation to the Board for approval. The profiles of the Group Senior Leadership Team are provided on pages 12 to 15 of the Governance & Audited Financial Statements 2021.

As of 31 March 2022, the Diversity Composition Disclosures for Axiata are as follows: -

#### **Board of Directors**

No. of Directors	Race/Ethnicity				Nationality	
	Bumiputera	Chinese	Indian	Others	Malaysian	Foreigner
	6	2	1	1	9	1

No. of Directors	Age Group				Gender	
	40-49	50-59	60-69	70 -79	Male	Female
	2	3	4	1	8	2

#### **Senior Management**

No. of C-Level Executives	Race/Ethnicity				Nationality	
	Bumiputera	Chinese	Indian	Others	Malaysian	Foreigner
	6	1	0	5	7	5

**Explanation :**  
**for**  
**departure**

*Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.*

<b>Measure</b> :		
<b>Timeframe</b> :		

### Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

### Practice 5.6

In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>: There is a formal and transparent procedure for the selection, nomination and appointment of suitable candidates to the Board of Axiata as described in the steps below:</p> <ul style="list-style-type: none"> <li>i) Identify Gaps/Vacancy</li> <li>ii) Identification of Candidates</li> <li>iii) Evaluation of Suitability of Candidates</li> <li>iv) Meeting Short-listed Candidates</li> <li>v) Final Deliberation by the Board Nomination and Remuneration Committee (“BNRC”)</li> <li>vi) Recommendation to the Board</li> </ul> <p>The process for Board appointment also mandates the BNRC/Managing Director/President &amp; Group Chief Executive Officer to engage external consultants.</p> <p>The selection process is a robust and objective process where candidates are screened to ensure they possess the right character, experience, integrity, competence and time to effectively discharge their roles as Directors. For foreign candidates, culture fit is an important consideration. Independent referrals are obtained, and potential conflicts of interest are checked along with the candidates’ other Board memberships.</p> <p>The appointments of Khoo Gaik Bee and Thayaparan S Sangarapillai as directors of Axiata were assisted by an external recruitment firm.</p>
<b>Explanation for departure</b>	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	



<b>Measure</b>	:		
<b>Timeframe</b>	:		

## Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

## Practice 5.7

The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Governance &amp; Audited Financial Statements and Corporate Governance Overview Statement in the Integrated Annual Report provides information on the Directors seeking re-election, including their profiles, tenure on the Board, interests in the Group and assessment findings from the annual Board Effectiveness Evaluation ("BEE"). The notes accompanying the notice of Annual General Meeting ("AGM") states the Board's recommendation on the re-election of Directors and refers shareholders to the aforesaid documents for further information.</p> <p>During the annual BEE, the Board Nomination and Remuneration Committee and Board takes into consideration the self and peer ratings and other feedback on areas evaluated by the independent consultants through their interview sessions and analysis of questionnaire responses, to form the findings on the Directors standing for election, as published in the Corporate Governance Overview Statement in the Integrated Annual Report.</p> <p>Any Director standing for re-election who is a shareholder of Axiata will abstain from voting on the resolution in respect of his/her re-election at the AGM.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

### Practice 5.8

The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board Nomination and Remuneration Committee (“BNRC”) is chaired by Dato Dr. Nik Ramlah Nik Mahmood, the Senior Independent Non-Executive Director (“SINED”) of Axiata.</p> <p>The other two members of the BNRC are as follows: -</p> <ul style="list-style-type: none"><li>i) Khoo Gaik Bee – INED; and</li><li>ii) Ong King How – NINED.</li></ul> <p>Details of Dato Dr. Nik Ramlah Nik Mahmood’s profile are found on page 4 of the Governance &amp; Audited Financial Statements 2021.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

### Practice 5.9

The board comprises at least 30% women directors.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	<p>As at 31 December 2021, the women Directors on Axiata Board comprised Dato Dr. Nik Ramlah and Khoo Gaik Bee. With a new appointment to the Board of Axiata, the composition of the Board as at 31 December 2021 comprised ten Directors of which two are women providing a representation rate of 20%.</p> <p>The Board and Board Nomination and Remuneration Committee are committed to meeting the gender diversity goal of a 30% representation of women on the Board and are continuously taking this as a key consideration in identifying, assessing and selecting potential members to the Board.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	The Board and Board Nomination and Remuneration Committee are committed to meeting the gender diversity goal of a 30% representation of women on the Board and are continuously taking this as a key consideration in identifying, assessing and selecting potential members to the Board.	
<b>Timeframe</b>	:	Others	As soon as possible with the identification of suitable candidates that possess the necessary qualification and experience that meet the requirements set for a position on the Board.

**Intended Outcome**

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

**Practice 5.10**

The board discloses in its annual report the company’s policy on gender diversity for the board and senior management.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board Charter sets out the policy on Board Diversity where the Board believes that the presence of diverse ethnicities, nationalities and gender mix can widen the Board’s perspectives in effectively discharging its duties and responsibilities. The Board aims to appoint and maintain 30% women participation on its Board.</p> <p>Axiata has established a Diversity, Equity and Inclusion (“DEI”) framework with a focus on four pillars – Gender, Generation, Ethnicities and Abilities. This is further underlined by the Capabilities pillar as an enabler that cut across all four pillars.</p> <p>The DEI framework aims at influencing and effecting change not only in our workplace, but also our marketplace and communities that we operate in. While we work on introducing a formal policy on participation of women in decision-making roles, the framework at this point, serves as a guidance to ensure the inclusion of women at all levels up to senior management roles.</p> <p>The breakdown of the Board’s and Senior Leadership Team’s diversity of gender is disclosed respectively on pages 85 and 87 of the Integrated Annual Report.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

### Practice 6.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

For Large Companies, the board engages an independent expert at least every three years, to facilitate objective and candid board evaluation.

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: <p>Board Effectiveness Evaluation (“BEE”) for Axiata is an effective avenue to assess the Board’s collective performance as well as that of individual Directors. It is an integral part of the Board’s annual activities and is carried out under the supervision of the Board Nomination and Remuneration Committee (“BNRC”) which plays a key role in determining the methodology and approach, areas of assessment and selection of independent consultants to facilitate the exercise.</p> <p>The Board believes that an independent party will lend greater objectivity to the assessment process and has always engaged a third party to undertake its BEE annually.</p> <p>The Board Effectiveness Evaluation for 2021 (“2021 BEE”) was undertaken by Towers Watson (Malaysia) Sdn Bhd 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).</p> <p>Some of the key findings of the 2021 BEE are as follows:</p> <ul style="list-style-type: none"><li>• The Board composition enables diversity of thought as Board members provide multiple perspective given their diverse background and experiences.</li><li>• There is a high degree of trust in the GCEO and a professional relationship between the Board and management.</li><li>• 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.</li></ul>

	<p>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:</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• In order to further enhance the effectiveness of Board governance and oversight, clear demarcation of responsibilities between Group and Operating Companies and delegated authority to Board Committees would make for more effective deliberation and decision making of the Board.</li> <li>• More time should be spent on deliberating Senior Management succession planning and providing mentoring and coaching support to Senior Management.</li> </ul> <p>The findings and results of the 2021 BEE were tabled to the Board at its meeting on 23 March 2022. The Board has taken note of the findings and results and would address them in the appropriate manner.</p> <p>More details of the findings of the 2021 BEE may be found in the Corporate Governance Overview at pages 91 and 92 of the Integrated Annual Report 2021.</p>	
<p><b>Explanation for departure</b></p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b></p>		
<p><b>Timeframe</b></p>		

## Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

## Practice 7.1

The board has remuneration policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company's website.

<b>Application</b>	:	Applied																																		
<b>Explanation on application of the practice</b>	:	<p>As a regional company, the remuneration philosophy is to develop a remuneration structure that commensurate 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.</p> <p>The following table outlines the remuneration structure for Non-Executive Directors ("NEDs") of the Group for the financial year ended 31 December 2021: -</p> <table border="1"> <thead> <tr> <th rowspan="2">Remuneration</th> <th colspan="2">Monthly Fees<sup>1</sup> (RM)</th> <th colspan="2">Meeting Allowances<sup>2</sup> (RM)</th> </tr> <tr> <th>NEC<sup>3</sup></th> <th>NED</th> <th>NEC<sup>3</sup></th> <th>NED</th> </tr> </thead> <tbody> <tr> <td>Board of Directors</td> <td>30,000.00</td> <td>20,000.00</td> <td>3,000.00</td> <td>2,000.00</td> </tr> <tr> <td>Board Audit Committee</td> <td>4,000.00</td> <td>2,000.00</td> <td>3,000.00</td> <td>2,000.00</td> </tr> <tr> <td>Board Risk and Compliance Committee</td> <td>3,000.00</td> <td>1,500.00</td> <td>2,250.00</td> <td>1,500.00</td> </tr> <tr> <td>Board Nomination and Remuneration Committee</td> <td>1,200.00</td> <td>800.00</td> <td>1,500.00</td> <td>1,000.00</td> </tr> <tr> <td>Other Board Committees</td> <td>Nil</td> <td>Nil</td> <td>1,500.00</td> <td>1,000.00</td> </tr> </tbody> </table> <p>Notes:</p>	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	4,000.00	2,000.00	3,000.00	2,000.00	Board Risk and Compliance Committee	3,000.00	1,500.00	2,250.00	1,500.00	Board Nomination and Remuneration Committee	1,200.00	800.00	1,500.00	1,000.00	Other Board Committees	Nil	Nil	1,500.00	1,000.00
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	4,000.00	2,000.00	3,000.00	2,000.00																																
Board Risk and Compliance Committee	3,000.00	1,500.00	2,250.00	1,500.00																																
Board Nomination and Remuneration Committee	1,200.00	800.00	1,500.00	1,000.00																																
Other Board Committees	Nil	Nil	1,500.00	1,000.00																																



1. *In accordance with shareholders' approval, Axiata pays Board and Board Committees' Directors' fees on a monthly basis*
2. *Meeting allowances are paid on a per meeting basis, notwithstanding any adjournment and number of days*
3. *NEC refers to Non-Executive Chairman*

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

- i) Quantum of fees and meeting allowance for Board and Board Committees;
- ii) Frequency and timing of payment of fees;
- iii) Review of Benefit package;
- iv) Review of travel allowances;
- v) Rates of Committees; and
- vi) 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 Board Nomination and Remuneration Committee ("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 Board Risk and Compliance Committee meeting allowances with that of the Board Audit Committee.

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 with expanded roles and responsibilities which includes oversight of the Sustainability Practices of the Group and preparation of the Integrated Annual Report Suite. In line with this, the Board recommended the proposed payment of Board Sustainability Committee fixed monthly fees and meeting allowances.

The revised remuneration structure for NEDs of the Group which will be tabled for Shareholders' approval at the 30th 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
Board Audit Committee	9,000.00	4,000.00	3,000.00	2,000.00
Board Risk and Compliance Committee	9,000.00	4,000.00	3,000.00	2,000.00

Board Nomination and Remuneration Committee	5,000.00	3,000.00	1,500.00	1,000.00
Board Sustainability Committee	2,500.00	1,500.00	1,500.00	1,000.00
Other Board Committees	Nil	Nil	1,500.00	1,000.00

**Notes:**

1. *In accordance with shareholders' approval, Axiata pays Board and Board Committees' Directors' fees on a monthly basis*
2. *No new meeting allowance paid if meeting is adjourned to or continued on a different date or time*
3. *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 29th 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 30th 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 key performance indicators (“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 operating companies (“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.

Complete details of the remuneration of NEDs and ED for 2021 are provided on page 8 of the Governance & Audited Financial Statements 2021.

## **Top Management**

### Philosophy

At Axiata, we are committed to providing competitive total compensation opportunities that attract, retain, motivate and reward our employees to deliver outstanding performance. Our reward principles are influenced by individual performance as well as the various factors such as competitive market practices, cost considerations and company performance. We have a defined performance management process which supports our overall strategy and it links individual pay with the Company and individual performance. This is delivered through an established total compensation framework.

### Guiding Principles

- Promote a high-performance culture by differentiating total compensation based on the relative performance of Company and individual employees.
- Pay at market competitive rate for base salary and differentiating performance for total cash.
- Pay mix differentiated by employee categories i.e. Top/Senior Management and General Employees. Higher risk reward at more senior levels, with higher variable pay portion.
- The expected performance defined through a structured system of performance management and use this as the basis for compensation decisions.
- Employees provided with benefits based on local market practices.

### Total Compensation

The total compensation including base pay, short term incentives, benefits and performance-based long-term incentive plans allows us to attract, retain and engage our employees. The components of total compensation have been established in harmony with each other. Total compensation principles are influenced by individual performance as well as various factors such as competitive market practices, affordability, Company achievements and target opportunities are benchmarked to median against market while considering internal equity. We differentiate outstanding performers with higher performance-based bonus and long-term incentive.

### On-Target Earning (“OTE”)

For Senior Management, Axiata adopts the concept of OTE which is a compensation structure which is composed of base salary with an additional amount of on-target variable pay which is essentially “salary-at-risk”. The quantum takes into account both Company and individual performance. They are also eligible to receive an additional stretch target performance bonus subject to prevailing policy/guideline.

### Base Salary

The base salary is the foundation of total compensation. The other elements of total compensation are built on or linked to it. Overall, we position our base salary structures to manage salaries around the relevant market median. At an individual level, base salary is generally paid within a range of the appropriate market median. Key factors are the individual’s overall experience and performance.

### Competitive Positioning

Regular surveys are used as a benchmark to determine our competitive positioning in the market. Axiata is committed to a pay for performance culture which differentiates pay levels on an individual performance basis. Base salary is reviewed periodically and guided by individual performance as well as internal equity and external competitiveness.

### Variable Pay

Axiata incentive plans are designed to provide a range of opportunities linked to levels of performance. Company and individual performance may result in payout over and above target for superior performance, and no payout for performance below expectations. Variable pay opportunities include both short-term and long-term incentives. For outstanding performers, their total remuneration is at the upper quartile of comparable roles in the market.

### Short-Term Incentive (“STI”)

STI i.e. performance bonus scheme, is performance driven based on relevant factors which include the performance of the Company as well as individual performance achievements. Key performance measures are determined annually and focus on Company’s priorities i.e. financial performance including measures such as Revenue, EBITDA, PATAMI and ROIC. It is delivered as a cash payout based on achievement of targets

	<p>and approval of the Board of Directors. There is no guarantee for bonus payout if threshold conditions are not met.</p> <p><u>Long-Term Incentive (“LTI”)</u>  Axiata emphasises on sustainable growth and performance, and the creation of value for the Company. By linking rewards to the success of Axiata, the Company not only strengthens long term performance, but also allows attracting and retaining the right employees. LTI Plans are designed and driven by Axiata Group. Top Management participates in equity-based programme (Restricted Share Plan) which provide incentives for reaching long term value objectives of the Group and/or respective Operating Company. The shares granted are typically vestable in 3 years and may vest at a multiple or not at all depending on the performance of the Company and the individual over the same period. The LTI Plans can be terminated, modified, changed or revised at any time, subject to approval of the Board.</p> <p><u>Employee Benefits</u>  We provide employee benefits which are designed by reference to local market practice. The overall benefits offering is based on the relevant market median. The core benefit programmes include insurance benefits for medical, disability &amp; life, to provide protection against illness, accident, death and disability; other perquisites or fringe benefits for certain employee category such as company car and driver, car and driver allowances, leave passage, etc. in line with local competitive practices.</p>	
<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

### Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

### Practice 7.2

The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has in place a Board Nomination and Remuneration Committee ("BNRC") which comprises a majority of Independent Non-Executive Directors. The role of the BNRC in respect of remuneration is to recommend to the Board the remuneration of the Executive Directors in all its forms, drawing from outside advice as necessary, to assist the Board in determining the policy and structure for the remuneration of Directors and key management of Axiata Group.</p> <p>The duties and responsibilities of the BNRC in relation to remuneration of Board and senior management are stated in its Terms of Reference ("ToR"). The ToR of the BNRC is available online at <a href="https://www.axiata.com/sites/default/files/docs/Terms-of-Reference-Board-Nomination-and-Remuneration-Committee.pdf">https://www.axiata.com/sites/default/files/docs/Terms-of-Reference-Board-Nomination-and-Remuneration-Committee.pdf</a></p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### **Intended Outcome**

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

### **Practice 8.1**

There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The breakdown of the aggregated remuneration of the Axiata Directors is disclosed annually in the Governance &amp; Audited Financial Statements. The remuneration breakdown of the Directors for FY 2021 is set out in the table below.</p> <p>Note 1: Included in the amounts are elements of share-based expense and bonus accrued in accordance with accounting requirements. The total amount of actual income that was paid to Dato' Izzaddin Idris during the year is RM3,975,223.61.</p>

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Tan Sri Ghazzali Sheikh Abdul Khalid (Retired on 31 December 2021)	Non-Executive Non-Independent Director	360	84	0	0	17	0	461	360	84	0	0	17	0	461
2	Tan Sri Shahril Ridza Ridzuan (Appointed as Director on 29 November 2021 and subsequently as Chairman on 1 January 2022)	Independent Director	21	2	0	0	18	0	41	21	2	0	0	18	0	41
3	Dato' Izzaddin Idris <sup>1</sup>	Executive Director	0	0	2,520	950	167	1,238	4,875	621	72	2,520	950	167	1,238	5,568
4	Dato Dr Nik Ramlah Nik Mahmood	Independent Director	288	90	0	0	7	0	385	440	125	0	0	7	0	572
5	Dr David Robert Dean	Independent Director	331	88	0	0	304	0	723	839	134	0	0	304	0	1,277
6	Khoo Gaik Bee	Independent Director	250	76	0	0	35	0	361	250	77	0	0	35	0	362
7	Thayaparan S Sangarapillai	Independent Director	288	87	0	0	3	0	378	542	148	0	0	3	0	693
8	Tan Sri Dr Halim Shafie	Independent Director	261	66	0	0	12	0	339	314	72	0	0	12	0	398
9	Ong King How	Non-Executive Non-Independent Director	250	71	0	0	7	0	328	250	71	0	0	7	0	328
10	Syed Ali Syed Salem Alsagoff	Non-Executive Non-Independent Director	264	72	0	0	43	0	379	264	72	0	0	43	0	379



11	Nurhisham Hussein (Appointed on 25 January 2022)	Non-Executive Non- Independent Director	0	0	0	0	0	0	0	0	0	0	0	0	0	0
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### Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

### Practice 8.2

The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	On balance the Board is of the view that disclosing the information will be disadvantageous to Axiata when we are still competing for top talents globally and it is therefore not in the best interest of the Company now.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	Axiata has a robust internal process where we continuously benchmark the compensation of our senior management against other regional telecommunications companies and similar large companies in Malaysia to ensure that we compensate in accordance with our pay philosophy which we believe to be fair and competitive and driven by performance.  Additionally, Axiata has disclosed total key management compensation in Note 47 to the Audited Financial Statements as set out in the GAFS 2021.	
<b>Timeframe</b>	:	Others	The Board will closely monitor developments in the market and review the appropriateness of such disclosure in future.

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
2	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
3	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
4	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
5	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.

**Intended Outcome**

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

**Practice 8.3 - Step Up**

Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	

No	Name	Position	Company ('000)					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
2	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
3	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
4	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
5	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

**Intended Outcome**

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee’s findings and recommendations.  
The company’s financial statement is a reliable source of information.

**Practice 9.1**

The Chairman of the Audit Committee is not the Chairman of the board.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board Audit Committee (“BAC”) comprises three members of which two are Independent Non-Executive Directors (“INEDs”) and one is a Non-Independent Non-Executive Director (“NINED”).</p> <p>The BAC is chaired by Thayaparan S Sangarapillai, an INED who is a retired Senior Partner of PwC Malaysia with over 32 years of experience and has worked extensively with Audit Committees, senior management and Board members of top tier Public Listed Companies across industries in audit, business advisory, mergers and acquisitions, valuations, IPOs and cross border transactions.</p> <p>The Chairman of the BAC is not the Chairman of the Board so as not to impair the objectivity of the Board’s view of the BAC’s findings and recommendations</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee’s findings and recommendations. The company’s financial statement is a reliable source of information.

**Practice 9.2**

The Audit Committee has a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	None of the Board Audit Committee (“BAC”) members are, over a period of less than three prior years, former key audit partners and employees of External Auditors of the Group. The Terms of Reference of the BAC incorporates a provision on the requirement for a former key audit partner to observe a cooling-off period before being appointed as a BAC member. This is to ensure that the objectivity, independence and effectiveness of the External Auditors are maintained.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

### Practice 9.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is committed to ensuring that a clear, balanced and meaningful assessment of the Group's financial performance and prospects through the audited financial statements and quarterly announcement of results are provided to shareholders and regulatory bodies. In view of this, the Board through the Board Audit Committee ("BAC") oversees the process and the integrity and quality of the financial reporting, annually and quarterly. The BAC assists the Board by reviewing the financial statements, key accounting matters, and quarterly announcements of results to ensure completeness, accuracy and adequacy in the presence of external auditors and internal auditors before recommending the same for the Board's approval.</p> <p>The BAC manages the relationship with its external auditors on behalf of the Board. The BAC considers the reappointment, remuneration and terms of engagement of the external auditors annually. The review procedures covers the independence and service level of the External Auditors, which amongst others, include reviewing the External Auditors' performance and quality of work, ability to meet deadlines, timeliness of service deliverables, non-audit services provided and the Engagement Partner's and the Partner's rotation.</p> <p>The BAC had on 22 March 2022, reviewed the re-appointment of PricewaterhouseCoopers PLT ("PwC") based on the following criteria before making their recommendation: -</p> <ul style="list-style-type: none"><li>i) Level of knowledge, capabilities, experience and quality of work;</li><li>ii) Level of engagement with the BAC Chairman;</li><li>iii) Ability to provide constructive feedback, implications and recommendations in areas requiring improvements;</li><li>iv) Adequacy of audit coverage, effectiveness of planning and conduct of audit;</li><li>v) Ability to perform audit work within agreed timeframe;</li><li>vi) Non-audit services rendered by the External Auditors does not impede independence;</li><li>vii) Succession planning of partner-in-charge and rotation of audit partner; and</li></ul>



	<p>viii) Comprehensive audit plan addressing company/industry specific objectives, geographical coverage, level of resources and audit tests with specialist input on tax and regulations.</p> <p>In safeguarding and supporting the external auditor’s independence and objectivity, Axiata has a guideline to restrict the type of non-audit services that can be provided by external auditors of the Group and the approval process related to them. Under this guideline, non-audit services can be offered by external auditors of the Group if there are clear efficiencies and value-added benefits to the Group and a review of non-audit fees paid to the external auditors is undertaken by the BAC. These procedures are in place to ensure that the independence and objectivity of external auditors are not compromised, and steps are taken to ensure that this does not impede the external auditors’ audit work.</p> <p>The BAC remains confident that the objectivity and independence of the external auditors are not in any way impaired by reasons of the non-audit services provided to the Group. The auditors of the Company, PwC, annually confirms to the BAC their independence to the Group within the meaning of the provisions of the Bye-Laws on Professional Independence of the Malaysian Institute of Accountants and PwC’s firm’s requirements. PwC, having reviewed the non-audit services provided to the Group during the financial year 2021 in accordance with the independence requirements and, to the best of their knowledge, are not aware of any non-audit services that had compromised their independence as external auditors of the Group.</p> <p>Having considered the outcome of the annual assessment of PwC, the Board had approved BAC’s recommendation for the shareholders’ approval to be sought at the forthcoming 30th AGM on the reappointment of PwC as External Auditors of the Company for financial year 2022.</p>
<p><b>Explanation for departure</b> :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p><b>Measure</b> :</p>	
<p><b>Timeframe</b> :</p>	

**Intended Outcome**

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.  
The company's financial statement is a reliable source of information.

**Practice 9.4 - Step Up**

The Audit Committee should comprise solely of Independent Directors.

<b>Application</b> :	Not Adopted
<b>Explanation on adoption of the practice</b> :	

## Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

## Practice 9.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Existing members of the Board Audit Committee ("BAC") namely Thayaparan S Sangarapillai, Dr David Robert Dean and Syed Ali Syed Salem Alsagoff, have vast experience and skills in accounting and finance as well as other fields of expertise and are highly-qualified to review the accuracy of the Group's financial reporting prior to recommending the same to the Board for approval.</p> <p>Thayaparan S Sangarapillai was appointed as a member of the BAC on 18 March 2020 and was redesignated as the BAC Chairman on 29 July 2020. He brings with him wide ranging and extensive experience of over 32 years in the areas of audit and business advisory services for a wide range of industries which includes major public listed companies in the power, telecommunications, automotive, property development, plantation and manufacturing sectors. He is a Fellow of the Institute of Chartered Accountants in England and Wales and a member of the Malaysian Institute of Accountants. Thaya retired in September 2020 as a Board member and Chairman of the Audit Committee, and member of Risk Committee of Alliance Bank Malaysia Berhad. He is also a member of the Board, Chairman of the Audit Committee and Chairman of the Risk Committee of AIG (Malaysia) Berhad as well as Board member, Chairman of the Audit Committee and member of the Risk Committee of Sime Darby Berhad. In 2021, Thaya was also appointed as an Independent Non-Executive Director, Chairman of Risk Committee and member of Audit Committee of Petroliaam Nasional Berhad.</p> <p>Dr David Robert Dean who was appointed on 11 December 2017 is a former Senior Partner of the Boston Consulting Group, where he served clients in the technology and telecommunication business globally for almost 30 years. Since retiring, he works as an independent adviser and non-executive director to technology and telecommunication companies across Europe and Asia.</p>

	<p>Syed Ali Syed Salem Alsagoff was appointed to the BAC on 1 November 2020. He started his career in audit before joining a local brokerage house to trade equities. He then moved into the marine logistics business, chartering Offshore Service Vessels to major Exploration &amp; Production companies in Malaysia, including Petronas.</p> <p>He was part of Bumi Armada Berhad's ("BA") turnaround team between 2006 and 2009. Syed Ali oversaw Oil and Gas related investments during his time in Ekuiti Nasional Berhad. Syed Ali rejoined BA in 2011 as the President Director of the Indonesian joint venture entity, and successfully pivoted the domestic shipping business into a full-fledged Floating Production Storage and Offloading operator through a landmark contract win.</p> <p>The training attended by the BAC members during FY 2021 are provided on pages 10 to 11 of the Governance &amp; Audited Financial Statements 2021.</p>	
<p><b>Explanation for departure</b></p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b></p>		
<p><b>Timeframe</b></p>		

### Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company’s objectives is mitigated and managed.

### Practice 10.1

The board should establish an effective risk management and internal control framework.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is accountable for maintaining sound processes of risk management and internal control practices to safeguard shareholders’ investments and the Group’s assets. This includes, but not limited to, financial controls, operational and compliance controls. The risk management and internal control processes and procedures in place seek to manage/mitigate risks within our acceptable risk appetite threshold.</p> <p>In undertaking this responsibility, the Board is assisted by the Board Audit Committee (“BAC”) and the Board Risk and Compliance Committee (“BRCC”).</p> <p>The BAC reviews, amongst others, the system of internal controls, the audit process, and the process for monitoring compliance with applicable laws and regulations as well as the Company’s Code of Conduct. In meeting these duties and striving for a preventive management of non-compliance from occurring, the BAC reviews the Management’s implementation of the system of internal controls to manage such key risk.</p> <p>The BRCC’s duties and responsibilities include areas of Enterprise Risk Management (including Business Continuity and Crisis Management), Cyber Security, Data Privacy, Compliance, Ethics and Integrity which include but is not limited to the requirements imposed by Local Authorities, Telecommunication Regulators and Digital Financial Services Regulators, if applicable (e.g. site permits, core operating licenses, spectrums, tariffs, health and safety, AML/CFT). These 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 the Operating Companies.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		

<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

### Practice 10.2

The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Board has disclosed the key features of its risk management and internal control system in detail in the Statement on Risk Management and Internal Control on pages 25 to 32 of Governance & Audited Financial Statements 2021.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

### Practice 10.3 - Step Up

The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	<p>Axiata had established a Board Risk Management Committee ("BRMC") on 1 January 2018 in line with the recommendations in the Malaysian Code on Corporate Governance 2017 to oversee the Company's risk management framework and policies. The primary function of the BRMC was to provide oversight of Axiata Group's enterprise risk covering risk management framework, evaluating the adequacy of risk management practices, implementation of appropriate controls to manage risks, strategies and business continuity management.</p> <p>Subsequently, the Board had on 20 February 2020 resolved to rename the BRMC to Board Risk and Compliance Committee ("BRCC") to reflect the expanded roles and responsibilities undertaken by the said Committee to strengthen the governance of risk and compliance matters.</p> <p>This change was to better reflect the expansion to the Committee's scope to encompass not just matters of risk but also matters of compliance. The BRCC's responsibilities include areas of Enterprise Risk Management (including Business Continuity and Crisis Management), Cyber Security, Data Privacy, Compliance, Ethics and Integrity which include but is not limited to requirements imposed by Local Authorities, Telecommunication Regulators and Digital Financial Services Regulators, if applicable (e.g. site permits, core operating licenses, spectrums, tariffs, health and safety, AML/CFT). This will enable an integrated focus on all risk and compliance matters.</p> <p>The majority of the members of the BRCC are Independent Non-Executive Directors ("INEDs"). The members of the BRCC as of 31 December 2021 are as follows: -</p> <p>Dr David Robert Dean – Chairman, INED; Dato Dr Nik Ramlah Nik Mahmood – Member, Senior INED; Dato' Izzaddin Idris – Member, Managing Director/President &amp; Group Chief Executive Officer; and Tan Sri Dr Halim Shafie - Member, INED.</p>



	<p>Following the renaming changes of the BRMC to the BRCC, Dr David Robert Dean had, on 20 February 2020, taken over the chair of the BRCC from Dato Dr Nik Ramlah.</p>
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## Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

### Practice 11.1

The Audit Committee should ensure that the internal audit function is effective and able to function independently.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The internal audit function is under the purview of Axiata Group Internal Audit (“AGIA”) and headed by the Group Chief Internal Auditor (“GCIA”), who is independent and reports directly to the BAC.</p> <p>The internal audit reporting structure within the Group has been organised whereby the audit departments of the operating companies (“OpCos”) report directly to the BAC of the respective OpCo with a dotted reporting line to the GCIA. The GCIA also acts as the secretary to the BAC and attends OpCo BAC meetings.</p> <p>AGIA provides independent, objective assurance on areas of operations reviewed, and makes recommendations to improve and add value to the Group. AGIA identifies, coordinates and conducts global audits that are carried out throughout the Group and also provides standards, policies, guidelines and advice to the OpCos’ audit function to standardise the internal audit activities within the Group.</p> <p>AGIA adopts a systematic and disciplined approach to evaluate the adequacy and effectiveness of risk management, financial, operational, compliance and governance processes. Structured risk-based and strategic based approaches are applied in identifying internal audit activities that are aligned with the Group’s strategic plans to ensure that the risks facing the Group are adequately reviewed. In addition, in keeping up with Axiata’s Vision of Next Generation Digital Champion and businesses aggressive march into digitalisation, AGIA in 2021 embarked on a Groupwide training programme for all its auditors to be a certified analytics auditor. Consequently, internal auditors across OpCos have applied analytics in relevant audits throughout the year for higher quality of audit works in terms of efficiency, effectiveness, completeness, risks focus, accurate and quantifiable audit findings.</p> <p>Further, international standards and best practices are adopted to further enhance the relevancy and effectiveness of the internal audit activities. The areas of coverage include finance, sales, marketing, information and technology, billing, network, corporate governance, human resources, customer service, digital services and procurement. The audit reports of these assignments provide independent and objective assessment of the following:</p>

	<p>i) the adequacy, effectiveness and efficiency of the internal control systems to manage operations and safeguard the Group's assets and shareholders' value; and</p> <p>ii) the adequacy and effectiveness of the risk management operations, governance and compliance functions to identify, manage and address potential risks facing the Group.</p> <p>The internal audit reports are issued to Management for their comments and action plans with deadlines which are subsequently agreed to complete the necessary preventive and corrective actions. The reports are tabled at each OpCo's BAC and the summary of the key findings are presented to the BAC for due deliberation to ensure that management undertakes to carry out the agreed remedial actions. Members of management are invited to the BAC meetings from time to time, especially when major control weaknesses are highlighted by Internal Audit.</p>
<p><b>Explanation for departure</b></p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p><b>Measure</b></p>	<p>:</p>
<p><b>Timeframe</b></p>	<p>:</p>

## Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

## Practice 11.2

The board should disclose–

- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>Hadi Helmi Zaini Sooria is the Group Chief Internal Auditor (“GCI A”) of Axiata. He is a Chartered Management Accountant by profession and a member of CIMA UK and the Association of International Certified Professional Accountants (AICPA). He also holds a MBA. He has more than 20 years of operations experience in Axiata subsidiaries. GCI A is a member of the Senior Leadership Team (SLT) of Axiata and has sufficient standing and authority to discharge his functions effectively. His profile is on page 14 of Governance &amp; Audited Financial Statements 2021 (“GAFS”).</p> <p>There is a total of 84 internal auditors across the Group whilst Axiata Group Internal Auditors (“AGI A”) at Corporate Centre has six approved headcount and operates on a resource sharing basis with other Operating Companies’ Internal Audit Divisions. All the internal auditors have tertiary qualifications and the level of expertise and professionalism within AGI A at the end of 2021 is as follows:</p> <ol style="list-style-type: none"> <li>1) Expertise Category (Percentage of total auditors) <ul style="list-style-type: none"> <li>Finance (36%), IT/MIS (24%), Network/Engineering (15%), Marketing (11%) and General/ Others (14%)</li> </ul> </li> <li>2) Professional Category (Percentage of total auditors) <ol style="list-style-type: none"> <li>i) Professional Certification <ul style="list-style-type: none"> <li>• CPA, ACCA, CA, CIMA (30%)</li> <li>• Certified IS Auditor (16%)</li> <li>• Institute of Internal Auditors (11%)</li> <li>• Others (36%)</li> </ul> </li> <li>i) Post Graduate <ul style="list-style-type: none"> <li>• MBA and Masters (33%)</li> </ul> </li> </ol> </li> </ol> <p>GCI A reports directly to the Board Audit Committee (“BAC”) to preserve its independence and objectivity. The reporting structure ensures that audit personnel are free from any relationships or conflicts of interest which could impair their objectivity and independence.</p>

	<p>The BAC approves the Internal Audit (“IA”) charter which defines the internal auditors’ purpose, authority and responsibility in their work as the assurance provider to the BAC and the Board. In this regard, the IA charter defines the organisation, responsibility, authorisation, audit standard and ethics, adjudication, relationship with external parties which the Axiata IA function will operate to ensure positive contribution to the Group.</p> <p>The internal audit works are carried out in accordance with the International Professional Practices Framework (IPPF) and the assessment of existing controls utilises the Committee of Sponsoring Organisations of the Treadway Commission (COSO) Framework.</p> <p>The Statement on Risk Management and Internal Control and the BAC Report are provided on pages 25 to 32 and pages 33 to 34 of the Governance &amp; Audited Financial Statements 2021, respectively.</p>	
<p><b>Explanation for departure</b></p>	<p>:</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b></p>	<p>:</p>	
<p><b>Timeframe</b></p>	<p>:</p>	

## Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

## Practice 12.1

The board ensures there is effective, transparent and regular communication with its stakeholders.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board acknowledges the importance of effective communication channels between the Board, shareholders and other stakeholders including analysts, 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 Group is fully committed in maintaining high standards in the dissemination of relevant and material information on the development of the Group in its commitment to maintain effective, comprehensive, timely and continuous disclosure. There has also been strong emphasis on the importance of timely and equitable dissemination of information. Disclosures of corporate proposals and/or financial results are made not only in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") but also include additional items through media releases and are done on a voluntary basis.</p> <p>This equitable policy is not only prevalent to financial affairs but also extends to major and/or strategic transactions. Audiocasts of analyst and investor calls on quarterly results and major and/or strategic transactions are also made available on Axiata's website.</p> <p>Axiata uses a number of formal channels to account to shareholders and stakeholders, particularly: -</p> <p><b>1) Integrated Annual Report</b></p> <p>The Integrated Annual Report is a major channel of communication disclosing information not only on the Group's business, financials, sustainability initiatives and other key activities but also additional information such as strategies, operations, performance, challenges and its management. The Board places great importance on the content of the Integrated Annual Report to ensure the accuracy of the information as the Integrated Annual Report is a vital source of information for investors, shareholders and the general public.</p> <p>This year, Axiata's 2021 Integrated Annual Report Suite is made up of the following: -</p>

- i) Integrated Annual Report 2021.
- ii) Governance & Audited Financial Statements 2021.
- iii) Sustainability & National Contribution Report 2021.

**2) Announcements to Bursa Securities**

Announcement of quarterly financial results, circulars and various announcements are made via Bursa LINK in full compliance with regulatory authorities' disclosure requirements. The same is also made available on Axiata's own corporate website.

Filings and announcements to Bursa Securities are available online at <https://www.axiata.com/investors/bursa-announcements/>

**3) Media Releases**

Media releases are provided to the media on all significant corporate developments, announcements and business initiatives to keep the investing community and shareholders updated on the Group's developments.

Media information, including media releases are available online at <https://www.axiata.com/media-overview>

**4) Quarterly Results and Analyst and Investor Briefings**

Axiata holds analyst and investor results briefings chaired by the Managing Director/President & Group Chief Executive Officer ("President & GCEO") and Group Chief Financial Officer ("GCFO") immediately after each announcement of quarterly results to Bursa Securities. These briefings are normally conducted via conference calls and attended by senior management of major Operating Companies ("OpCos") as an avenue to provide dialogue between fund managers and research analysts with the Group's Senior Management as well as a platform for analysts and fund managers to receive a balanced and complete view of the Group's performance. The holding of analyst and investor calls immediately after the release of the results is aimed to facilitate timely publication and/or dissemination of analysts' reports to the investing community. Materials intended for analysts' briefings are made available immediately after the release of the financial results.

Results materials and audiocasts are available online at <https://www.axiata.com/investors/ir-presentations/> and <https://www.axiata.com/investors/quarterly-results/>.

**5) Media Conference**

Media conferences are held on a half-yearly basis upon release of half-year and full-year results. The media conferences are held separately from analyst briefings to address the different requirements of each group and to be more productive and efficient.

## **6) Investor Relations**

In 2021, Axiata conducted 60 meetings with investors and analysts primarily via conference calls in view of lockdown and travel restrictions from the pandemic. On 8 December 2021, Axiata hosted its annual 'Analyst & Investor Day' fully virtual via Microsoft Teams. The event was well attended with strong participation by analysts and investors, both local and foreign based. Amongst the key topics covered include Axiata's digital businesses ('ADA: Path to unicorn' and 'Boost: Path to profitability'), infrastructure company ('edotco: Gearing up') and digital telcos ('XL: Converged digital telco' and 'Celcom: Pivoting to an ambidextrous organisation'), as well as updates on Axiata 5.0 strategy ('Axiata 5.0: On track').

Axiata organises an analyst and investor call every quarter chaired by the President & GCEO and GCFO once the quarterly financial performance is announced on the Bursa Securities webpage. Conducted via a conference call which involves participation from senior management of key OpCos, the analyst and investor call represents an avenue to provide dialogue between fund managers and financial analysts with the Group's Senior Management while setting a platform for them to receive a balanced and complete view of the Group's performance and the challenges. The analyst calls are hosted immediately after the release of the results to facilitate timely publication and/or dissemination of analysts' reports to the members of the investing community. The Company's quarterly financial performance materials presented during the analyst and investor briefing are available online on the investor relations page at <https://www.axiata.com/investors/quarterly-results/>.

## **7) Company Website**

All information on financial reports, downloadable annual reports, stock exchange filings, presentations, financial calendar, share price and ownership profile are posted on the Investor Relations section while media has its own dedicated section for media releases. In addition, audio casts on briefings of quarterly results to analysts and investors are also available for streaming or download from the Company's corporate website at [www.axiata.com](http://www.axiata.com).

## **8) Annual General Meeting**

Engagement with shareholders through the Annual General Meeting ("AGM") held on 15 June 2021 provided effective communications with shareholders as follows:

- i) In view of the situation arising from the Covid-19 pandemic and as per the Guidance FAQs on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia, Axiata successfully convened its 29th AGM as a fully virtual meeting conducted via live streaming.
- ii) Members had joined the AGM online and remotely and also vote electronically using the Remote Participation and



	<p>Voting Facilities (“RPV”) provided by TRICOR Investor &amp; Issuing House Services Sdn Bhd via its TIIH Online website.</p> <p>iii) Shareholders and proxies of Axiata were able to submit their questions electronically via the TIIH Online website before and during the AGM.</p> <p>iv) In 2020, Axiata was amongst the first PLCs to appoint an Independent Moderator at the virtual AGM in response to the call by the Minority Shareholders Watch Group (MSWG) to do so. Axiata had maintained the practice of appointing an Independent Moderator for its 29th AGM.</p> <p>v) All questions from shareholders received by Axiata were addressed at the 29th AGM and the list of questions and answers have been made available with the Minutes of the 29th AGM on Axiata’s website within 30 business days from the meeting date.</p> <p>vi) The AGM provided the primary engagement platform between the Board and the shareholders of the company.</p> <p>vii) A notice of 28 days was given for the AGM held on 15 June 2021.</p> <p>viii) Business presentations were made by the Managing Director/ President &amp; GCEO at the AGM.</p> <p>ix) Shareholders participated through an enhanced fully virtual e-voting process via RPV.</p> <p>x) Electronic poll voting was conducted on all resolutions with immediate announcement of results.</p> <p>xi) The full recording of the AGM Webcast is available on Axiata’s website.</p>
<p><b>Explanation for departure</b> :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p><b>Measure</b> :</p>	
<p><b>Timeframe</b> :</p>	

### Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

### Practice 12.2

Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>In order to provide a holistic view of Axiata's Group business and how value is created, the Board had decided on the adoption and application of the globally recognised and best practice reporting framework of the International Integrated Council's ("IRC") Integrated Report.</p> <p>Since publishing its inaugural Integrated Annual Report 2017 on 24 April 2018, Axiata continues to issue integrated annual reports made up of the following: -</p> <ul style="list-style-type: none"> <li>i) Integrated Annual Report;</li> <li>ii) Governance &amp; Audited Financial Statements; and</li> <li>iii) Sustainability &amp; National Contribution Report.</li> </ul> <p>Axiata also continues with the practice of adopting the IR reporting framework under the Value Reporting Foundation/International Integrated Reporting Council to guide on the publication of its 2021 Integrated Annual Report.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

### Practice 13.1

Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Axiata dispatches the notice of its Annual General Meeting (“AGM”) to shareholders at least 28 days before the AGM, well in advance of the 21-day requirement under the Companies Act 2016 and Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The additional time given to shareholders allows them to make the necessary arrangements to attend and participate in person or through corporate representatives, proxies or attorneys. More importantly, it enables the shareholders to consider the resolutions and make an informed decision in exercising their voting rights at the general meeting.</p> <p>Axiata provides Administrative Notes when giving notice of the AGM, which provides information to the shareholders regarding the details of the AGM, their entitlement to attend the AGM, their right to appoint a proxy or representative and information as to who may be counted as a proxy.</p> <p>The Notice of 29th AGM, Integrated Annual Report 2020, and the Corporate Governance Report 2020 were issued on 17 May 2021. The notes to the Notice of the 29th AGM dated 17 May 2021 had provided detailed explanations for each resolution proposed, e.g. final tax-exempt dividend, re-election/retirement/re-appointment of Directors, Directors’ remuneration comprising the Directors’ fees and benefits, appointment of auditors, etc, to enable shareholders to make informed decisions in exercising their voting rights.</p> <p>Axiata will continue to issue its notice of meeting of the Annual General Meeting at least 28 days before the date of the meeting.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
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### Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

### Practice 13.2

All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>In view of the situation arising from the Covid-19 pandemic and as per the Guidance Note on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia on 31 May 2021, Axiata had convened its 29th Annual General Meeting (“AGM”) as a fully virtual meeting conducted via live streaming where members had joined the AGM online and remotely and also vote electronically using the Remote Participation and Voting Facilities provided by TRICOR Investor &amp; Issuing House Services Sdn Bhd via its TIIH Online website.</p> <p>At the fully virtual 29th AGM of Axiata held on 15 June 2021, all Directors, including members of the Board Audit Committee, Board Nomination and Remuneration Committee and Board Risk and Compliance Committee attended and participated virtually at the said AGM.</p> <p>Shareholders and proxies of Axiata were able to submit their questions electronically via the TIIH Online website before and during the AGM.</p> <p>The presence of all Directors provided the opportunity for the shareholders/proxies to engage with each Director and also allowed the shareholders/proxies to raise questions and concerns directly to those responsible. The AGM was also attended by external auditors, legal counsels, Independent Moderators and Senior Management of the Company.</p> <p>Presentation by the Managing Director/President &amp; Group Chief Executive Officer at the AGM covered queries raised earlier by the Minority Shareholders Watch Group (“MSWG”). In 2020, Axiata was amongst the first PLCs to appoint an Independent Moderator at the virtual AGM in response to the call by MSWG to do so.</p> <p>During the AGM, the Chairman invited members to raise any questions and seek clarifications on the proposals tabled via the TIIH Online website. All questions received by Axiata before and during the 29th AGM were addressed during the meeting.</p> <p>The proceedings of the AGM are recorded in the minutes of the meeting and disclosed together with the list of questions and answers on the Company’s website within 30 business days. The video recording of the AGM is also available on the Company’s website.</p>

<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

### Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

### Practice 13.3

Listed companies should leverage technology to facilitate–

- voting including voting in absentia; and
- remote shareholders' participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Annual General Meeting (“AGM”) of Axiata is always held within the vicinity of Kuala Lumpur at a venue familiar to shareholders of the Company in order to encourage the shareholders to participate at its AGM. Shareholders, who are unable to attend general meetings may in accordance with the relevant provisions of the Constitution, appoint their respective proxies to vote on their behalf at all general meetings of the Company.</p> <p>Axiata was among the first to pioneer electronic poll voting using tablets at its 24th AGM held on 25 May 2016. Subsequently, at the 25th AGM of Axiata held on 26 May 2017, Axiata had extended the e-voting process through e-Vote mobile application. Free wifi was provided to the shareholders and proxyholders to encourage them to download the e-Vote application onto their own mobile device. A passcode was issued during registration and shareholders had to scan the passcode to gain access to the e-Vote mobile application and cast their votes using their mobile devices. These advancements had been carried through and offered at Axiata’s 27th AGM held on 29 May 2019 and subsequent AGMs thereafter with the use of technology.</p> <p>The electronic polling process was conducted by Tricor Investor and Issuing House Services Sdn Bhd, the Poll Administrator and results of the poll had been verified by Scrutineers, Deloitte Risk Advisory Sdn Bhd.</p> <p>In view of the situation arising from the Covid-19 pandemic, Axiata had successfully convened its 28th AGM held on 29 July 2020 and 29th AGM held on 15 June 2021 as fully virtual meetings conducted via live streaming. Members had joined the AGM online and remotely and also voted electronically using the Remote Participation and Voting Facilities provided by TRICOR Investor &amp; Issuing House Services Sdn Bhd via its TIIH Online website.</p>
<b>Explanation for departure</b>	:	

<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



### Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

### Practice 13.4

The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company's financial and non-financial performance as well as the company's long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: <p>At the commencement of the fully virtual 29th Annual General Meeting, the Chairman informed that questions and answers ("Q&amp;A") for each resolution would be allowed upon the completion of the tabling of all 12 resolutions. Prior to the tabling of the Audited Financial Statements, the Managing Director/President &amp; Group Chief Executive Officer ("President &amp; GCEO") shared his presentation entitled 'Ready for Next' covering, inter-alia, the following:</p> <ul style="list-style-type: none"><li>i) 2020 Financial Performance &amp; Key Highlights;</li><li>ii) Q121 Financial Performance &amp; YTD21 Key Highlights;</li><li>iii) The Way Forward – Axiata 5.0; and</li><li>iv) Key Takeaways.</li></ul> <p>The Q&amp;A session spanned approximately one hour and 45 minutes, where a total of 9 questions submitted by the Minority Shareholders Watch Group ("MSWG") and 43 questions submitted by shareholders/proxies before and during the meeting were addressed by the President &amp; GCEO. All Directors, including members of the Board Audit Committee, Board Nomination and Remuneration Committee and Board Risk and Compliance Committee, and Senior Management were present virtually and ready to provide responses for questions addressed to them. The questions posed by the shareholders covered areas on the financials, business prospects, operations, status of corporate exercises, Directors' remuneration and Axiata Foundation activities, amongst others. All responses have been made available with the Minutes of the 29th AGM on Axiata's website.</p> <p>The Chairman of the Board and the Independent Moderator had informed the meeting participants that for questions which could not be answered at the meeting, the responses would be emailed to the shareholders at the earliest possible time.</p>

	Shareholders may also pose further questions outside of the AGM by sending their questions and feedback to <a href="mailto:ir@axiata.com">ir@axiata.com</a>	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

### Practice 13.5

The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

*Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.*

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Axiata's 29th Annual General Meeting ("AGM") was held as a fully virtual meeting conducted entirely through live streaming and remote voting using the Remote Participation and Voting Facilities provided by Tricor Investor &amp; Issuing House Services Sdn Bhd ("Tricor"). Tricor's TIIH Online Platform was selected as it is one of the few platforms that could effectively and reliably support the conduct of a general meeting with a shareholder size as Axiata. Additionally, the selection of a platform operated by Axiata's Registrar provided a seamless and user-friendly interface for shareholders from the point of registration through to participation in the general meeting, engaging on questions and answers and ending with voting.</p> <p>At the fully virtual 29th AGM, all Directors, including members of the Board Audit Committee, Board Nomination and Remuneration Committee and Board Risk and Compliance Committee attended and participated virtually at the said AGM. The AGM was also attended by the external auditors, legal counsels, Independent Moderators and Senior Management of the Company.</p> <p>To encourage shareholder participation, the Administrative Notes for the 29th AGM ("Administrative Notes") had provided guidance on the process for submitting questions to the Board of Directors prior to and during the AGM. Questions posed by shareholders, including those submitted by the Minority Shareholders Watch Group ("MSWG"), were made visible to all meeting participants during the live stream of the meeting.</p> <p>The duration of the Questions and Answers session was approximately one hour and 45 minutes, where a total of 9 questions submitted by MSWG and 43 questions submitted by shareholders and proxies were addressed by the Managing Director/President &amp; Group Chief Executive Officer. All responses have been made available with the Minutes of the</p>

	<p>29th AGM on Axiata’s website. The Chairman of the Board and the Independent Moderator had informed the meeting participants that for questions which could not be answered at the meeting, the responses would be emailed to the shareholders at the earliest possible time. In promoting transparency, the recording of the AGM webcast has also been uploaded to Axiata’s website at <a href="https://www.axiata.com/investors/agm/">https://www.axiata.com/investors/agm/</a>.</p> <p>The polling process was conducted via Online Remote Voting, where shareholders were allowed to submit their votes from the commencement of the meeting at 10.00 a.m. until the Chairman declared the closure of the voting session at 1.00 p.m. A presentation on the steps to cast the vote was shown during the meeting, in addition to the guidance in the Administrative Notes which was circulated prior to the meeting. The poll voting results were verified and confirmed by Deloitte Enterprise Risk Advisory Sdn Bhd as Scrutineers before the Chairman declared that all resolutions were carried.</p>	
<p><b>Explanation for departure</b></p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b></p>		
<p><b>Timeframe</b></p>		

**Intended Outcome**

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

**Practice 13.6**

Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: The Minutes of the 29th Annual General Meeting (“AGM”) held on 15 June 2021 detailing the meeting proceedings, together with the list of questions and answers provided during the AGM were uploaded to Axiata’s website at <a href="https://axiata.listedcompany.com/misc/agm/Minutes_of_29th_Annual_General_Meeting.pdf">https://axiata.listedcompany.com/misc/agm/Minutes_of_29th_Annual_General_Meeting.pdf</a> on 27 July 2021, which is within 30 business days after the AGM. An announcement was made to notify shareholders and stakeholders on the availability of the minutes.
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  

**SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT  
CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA**

*Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.*

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