

Corporate Governance Overview Statement

TM, collectively the Board of Directors, Management and staff, continue to strive for better implementation of the highest standards for corporate governance throughout the organisation, which is fundamental in delivering consistent financial performance, creating long-term economic and sustainable value to all stakeholders to achieve sustainable performance and business throughout the Group. TM believes that good corporate governance improves the Group's business oversight, management and operations, contributing to stakeholder value creation.

TM conducted an internal reorganisation in 2023 to streamline its core business and subsidiaries under TM Technology Services Sdn Bhd (TM Tech) to be the main operating entity of the Group. This initiative is expected to further improve operational efficiencies, streamline processes and simplify customer touchpoints to provide a more seamless customer experience, ensuring TM's sustainability in the industry.

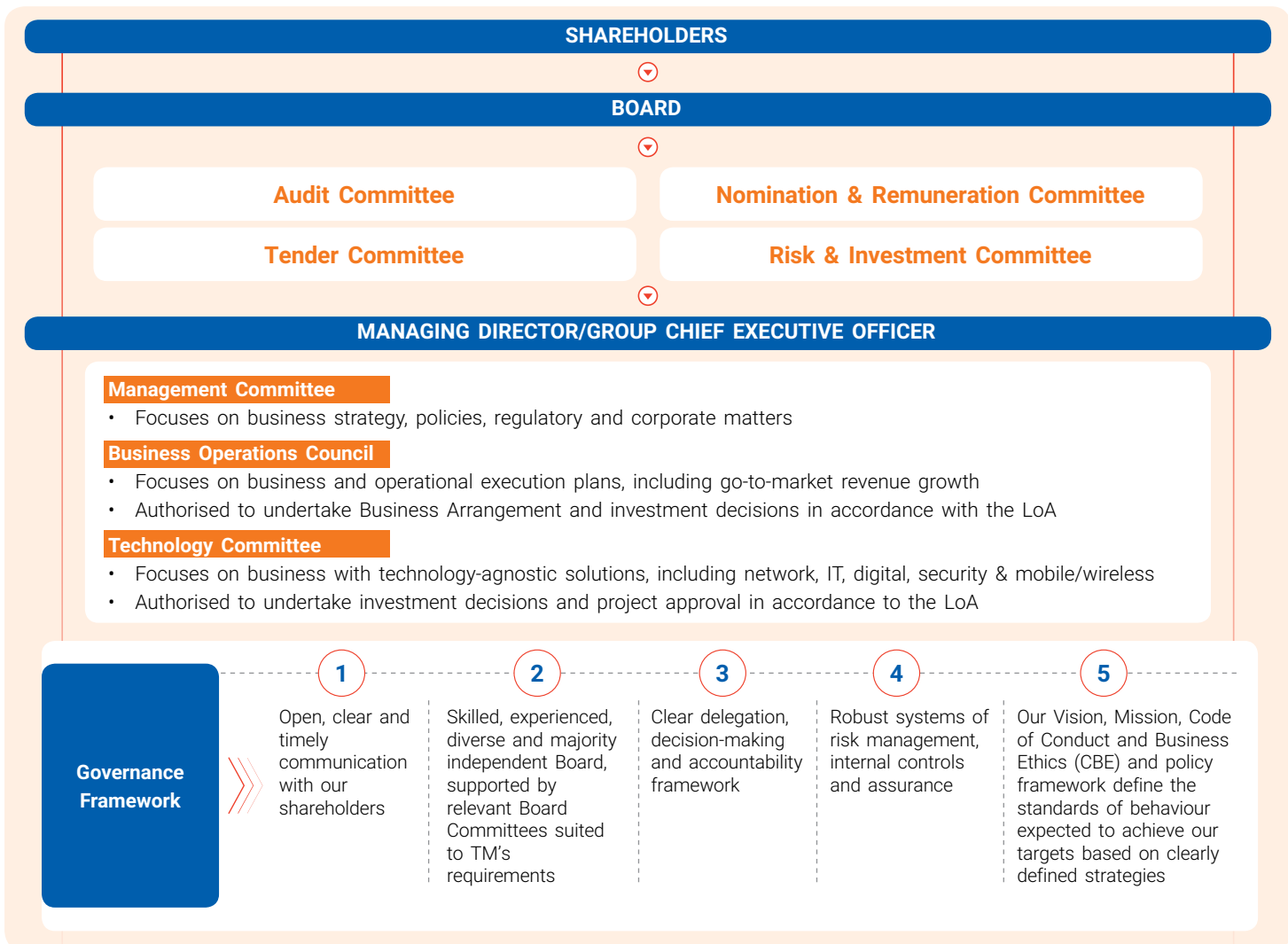
Our Board continues to align TM's role as a PLC and GLC whilst playing a key role in driving national initiatives towards Digital Malaysia, ensuring sustainable development through connectivity and technology, while providing support to the nation through various Corporate Responsibility initiatives.

TM's Governance Framework is crafted according to the rules, requirements and provisions laid out in the following documents:

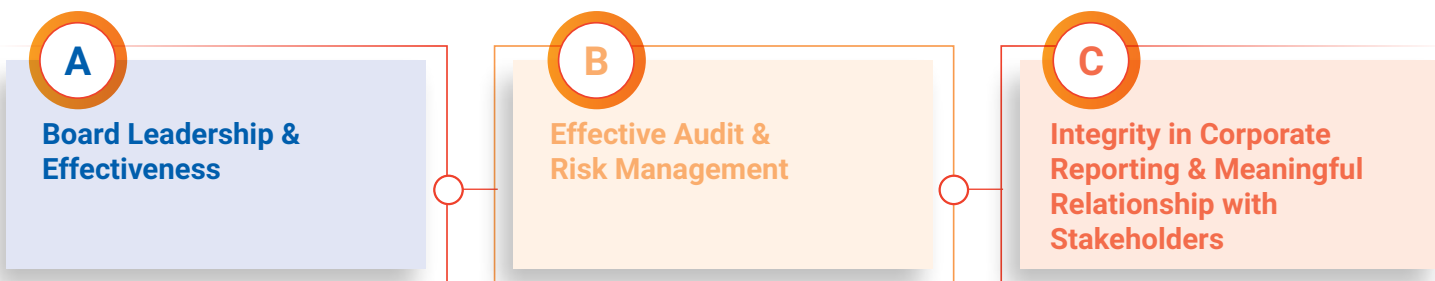
- Companies Act 2016;
- Main Market Listing Requirements (Main LR) of Bursa Malaysia Securities Berhad (Bursa Securities);
- Malaysian Code on Corporate Governance (MCCG) issued by the Securities Commission Malaysia (SC);
- Corporate Governance Guide published by Bursa Malaysia Berhad;
- Guidelines on Conduct of Directors of Listed Corporations and their Subsidiaries issued by the SC; and
- International best practices and standards on corporate governance.

As part of the Group's Governance Framework, specific responsibilities are delegated to the relevant Board Committees and Management Committees, providing support to our Board in key areas such as financial review, human capital management, internal control and risk management, as well as governance, procurement and sustainability matters.

TM's Governance Framework is supported by the Board Charter, Limits of Authority (LoA) Matrix, Business Policy and Governance (BPG) and the recently approved Directors & Management's Conflict of Interest Policy (COI). An annual review of the Board Charter is conducted, whilst the LoA and BPG are reviewed and updated in line with the Group's internal reorganisation and transformation initiatives.



The following sections outline how TM has applied the three (3) principles under the MCGG:



As at the FYE 31 December 2023, TM has applied 46 out of the 48 recommended practices in the MCGG including the five (5) Step-up Practices save for Practice 8.3: Step Up on the disclosure of detailed remuneration of each member of senior management on a named basis and Practice 5.2: Composition of independent directors for large companies.

Changes to the Board composition since 1 November 2023, comprising a resignation and the appointments of two (2) new Non-Independent Non-Executive Directors (NINED), have resulted the Board composition ratio of independent and non-independent to be equal.

For comprehensive overview of TM's application of MCGG's practices, this Corporate Governance Overview Statement is to be read together with the Corporate Governance Report (CG Report) 2023, which further elaborates how the practices of the MCGG are applied and any departure thereto. The CG Report is available on the Company's website at tm.com.my.

During the year, the Board has undertaken to revitalise its investment review functions previously under the Board Investment Committee (BIC), which was disbanded in September 2021. The Board's scrutiny of TM Group's investment activities was revived and this function was cascaded to the existing Board Risk Committee (BRC), with powers to inter alia review, evaluate and recommend to the Board the Management's recommendations on investment and divestment. Pursuant thereto, on 1 January 2024, BRC was restructured and renamed as the Board Risk and Investment Committee (BRIC) to undertake a review of risk, investment and sustainability matters for TM Group.

Corporate Governance Overview Statement

PRINCIPLES

A

Board Leadership & Effectiveness

DISCHARGING THE BOARD RESPONSIBILITIES

The Board's principal responsibility is to promote the long-term success of our Company and deliver sustainable value to our shareholders. The Board assumes overall responsibility and accountability for the smooth functioning of core processes involving Board governance, business value and ethical oversight. It also collectively takes responsibility for the Company's leadership and to meet the objectives and goals of the Company. In discharging its roles and responsibilities, the Board is also mindful of the need to protect the interests of all stakeholders.

During the year, the Board has undergone several changes:

- Appointment of Dato' Zainal Abidin Putih, Non-Independent Non-Executive Chairman (NINEC), on 1 August 2023 in place of Tan Sri Mohammed Azlan Hashim as Chairman.
- Appointment of Amar Huzaimi Md Deris, Non-Independent Executive Director (NIED), on 1 August 2023 in place of Datuk Imri Mokhtar as MD/GCEO.
- Resignation of Dato' Anis Rizana Mohd Zainudin @ Mohd Zainuddin, a NINED representing MOF Inc., and cessation of her alternate, Iszad Jeffri Ismail, on 25 September 2023.
- Appointment of Ahmad Taufek Omar, a NINED on 1 November 2023.
- Appointment of Datuk Dr. Sharazat Haji Ahmad on 15 December 2023, representing MOF Inc. and Iszad Jeffri as her alternate on the same day.

Board activities are structured to provide the Directors with effective management oversight to support the MD/GCEO and Management team. In December 2023, a two-day Board Retreat was held that encompassed both deliberation on strategic and annual operating plan (AOP) to re-evaluate and assess the Group's business direction and strategy following the change of top leadership in August 2023.

During the year, TM's existing sustainability framework was reviewed in line with the dynamic market and regulatory trends in the sustainability space and TM's business goals. Acknowledging the importance of continuously upholding strong sustainability ratings and corporate reputation, our Board has, in November 2023, adopted a revised framework for Sustainable Growth and Shared Value Creation as well as the updated Sustainability Roadmap for 2024-2026.

BOARD CHARTER

The Board Charter provides a clear description of the duties and responsibilities of the Board, its committees and Directors. It is a primary source of reference for the Board on our governance practices and Board policies and guidelines. Matters requiring approvals from Board and/or Committees are provided in the Board Charter.

The Board reviews the Board Charter from time to time to ensure it remains relevant to the Company's objectives and strategies in alignment with current rules and regulations. During the year, the Board Charter underwent two (2) revisions, involving enhancements to the terms of reference (ToR) of the Board, BAC, BTC and the reconstitution of BRC into BRIC which incorporates the ToR for risks, investments and sustainability elements.

DEMARCATON OF RESPONSIBILITIES BETWEEN THE BOARD, BOARD COMMITTEES & MANAGEMENT

The Board Charter demarcates the roles and responsibilities of the Board, Board Committees and Management, and identify the specific roles and responsibilities of the Chairman, Senior Independent Director (SID), Non-Executive Director (NED) and the Executive Director (ED). Clear demarcation of functions provides ease of observation and avoids imbalance of authority or control by the Board, eliminating the prospect of one individual or group dominating the decision-making process.

Having Directors with diverse experiences, skills and expertise contributed to the Board's diversity, ensuring an effective and functioning Board, which promote healthy, engaging and robust discussions at meetings. With a sound CG Framework and clarity regarding the Board's roles and responsibilities, our Board has been able to make effective decisions.

Different individuals hold the positions of Chairman and MD/GCEO at all times and they have clear and distinct roles, as documented in the Board Charter. The composition of the committees' memberships was reviewed in 2023 and Q1 2024. TM Board Chairman is not Chairman or member in any Board Committees. In 2023, BAC Chairman also did not sit in any other Board Committees.

Chairman

- Provides leadership to the Board and ensures its effectiveness.
- Leads the Board in overseeing management.
- Acts as liaison between the Board and Management and carries out other duties as requested by the Board as a whole, depending on need and circumstance.
- Maintains an effective communication channel that enables both the Board and Management to communicate effectively with stakeholders of our Company.
- Proactively engage with external stakeholders to promote the goals and objectives of the Company.



- During the first half of the year, Tan Sri Mohammed Azlan Hashim provided strong leadership to the Board. He left an admirable legacy for Dato' Zainal Abidin Putih to continue to lead the Board to greater heights.
- Dato' Zainal Abidin encourages thorough discussions between Directors to allow the Board to make informed decisions.
- Extensively involved in engagements with TM stakeholders, providing presence and support to the MD/GCEO in enhancing rapport with the Government and private sectors whenever required.
- NRC and the Board agreed that his leadership is a necessity to lead the Board and Management through the expected challenges in 2024 and beyond and guide Management in realising new growth areas.
- Based on the Board Performance Evaluation (BPA)/Board Effectiveness Evaluation (BEE) 2023, the Chairman was found to have set a clear tone and expectation from the Directors.

Senior Independent Director

- Leads confidential discussions with other NEDs in any concerns which may not have been considered by the Board as a whole.
- Provides an alternative channel of communication for shareholders and other stakeholders to convey their concerns and issues.
- Promotes high standards of corporate governance and ensures that the Company's obligations to shareholders are understood and complied with.



- Tunku Afwida Tunku Dato' A.Malek continues to play a strong role as a SID in upholding integrity and governance. She is also a sounding board for the Chairman and acts as an intermediary for other directors when required.
- While no specific session with NEDs was held during the year, SID was appointed as Chairperson in Board meetings in situations of conflicts of interest involving the Chairman and other Interested Directors.

Executive Director

- Implements the broad policies approved by the Board and reports and discuss at Board meetings all material matters currently or potentially affecting the Group and its performance, including all strategic projects and regulatory developments.
- Ensures the smooth running of the day-to-day operations of the Company.
- Maintains an effective communication channel that enables both the Board and Management to communicate effectively with stakeholders of the Company.



- Amar Huzaimi Md Deris, formerly EVP, TM Global with a five-year track record leading his division and a total of 25 years in TM. He was appointed as MD/GCEO on 1 August 2023. As an internal talent, he has both familiarity with the organisation and respect from his peers.
- He continued his predecessor's functions, focusing on the business and day-to-day management of the Company and led the Management team with hands-on knowledge, perspective, experience and ingrained knowledge of TM.
- He has demonstrated his leadership in formulating TM's Strategic Plans and the 2024-2025 AOP, ensuring alignment with the Board's priorities and expectations.
- Lead the Management team in identifying new growth areas to ensure the Company's sustainability.
- Prior exposure to the local and global telecommunication industry had equipped him to effectively interact with the Government, regulators, Investors and media.



FOSTERING COMMITMENT OF THE BOARD

The Directors' attendances at Board and Committees' Meetings were consistent throughout the year, with former and newly appointed Directors showing strong commitment to their tasks. As at the end of the year, all the Directors in office have attended more than 93% of Board meetings held, above the minimum threshold stipulated under Paragraph 15.05 of the Main LR. Attendance at Board Committees is above 85%, reflecting the commitment provided by the Directors.

In addition to the Board meetings, 11 circular resolutions were also issued to approve urgent proposals. To enable Directors to plan their participation in Board and Committee meetings, the annual meeting schedule was shared with all Directors at the end of the year.

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Snapshot of the Directors' commitment through the attendance and time spent at Board and Committees' meetings during the FYE 2023:

No.	Director & Representation	Designation	No. of Attendance/No. of Meeting				
			Board Meeting	Committee			
				NRC	BAC	BRIC	BTC
			71.03 hr	53.18 hr	53.18 hr	27.91 hr	30.04 hr
A. Represent TM's Special and Major Shareholders							
1.	Dato' Zainal Abidin Putih (Appointed on 1 August 2023)	NINEC	7/7				
2.	Amar Huzaimi Md Deris (Appointed on 1 August 2023)	NIED	7/7				
3.	Datuk Dr. Sharazat Haji Ahmad (Appointed on 15 December 2023)	NINED	N/A				
4.	Dato' Mohamed Nasri Sallehuddin	NINED	16/16	9/10		6/7	
5.	Muhammad Afhzal Abdul Rahman	NINED	15/16				12/12
B. Represent Minority Shareholders							
6.	Tunku Afwida Tunku Dato' A.Malek	SID	15/16	10/10	11/11	7/7	
7.	Balasingham A. Namasiwayam	INED	15/16			7/7	12/12
8.	Saheran Suhendran	INED	15/16		11/11	7/7	
9.	Hisham Zainal Mokhtar	INED	16/16		11/11		
10.	Datuk Siti Zauyah Md Desa	INED	16/16	10/10			12/12
11.	Rossana Annizah Ahmad Rashid	INED	16/16	10/10	9/10		
12.	Ahmad Taufek Omar (Appointed on 1 November 2023)	NINED	3/3				

Noting that Directors' attendance at Board and Board Committees' meetings has been consistently recorded above 90% for the past several years and to ensure continued strong Board's commitment, the Board has increased the annual minimum attendance requirement from 50% to 75%, effective 1 January 2024.

KEY FOCUS AREAS/MATTERS REVIEWED & DELIBERATED BY THE BOARD IN 2023

Strategic Business Direction, including strategic projects & future growth

- Business Strategy of various sectors within the Group
- Budget and AOP for the Group for FY2023
- Industry Development for Internet and Data Business
- ESG: Participation and Acquisition of Carbon Credits
- Internal Organisation realignment
- Innovation and Talent Ecosystem
- 5G Implementation and Dual Network Transition
- Mandatory Standard Access Pricing (MSAP) matters
- New growth areas in ensuring the Group's Sustainability
- Strategic Projects: M&A and Inorganic Proposals

Human Capital Management

- Board and Leadership Succession Plans
- Pivotal Positions Definition and related matters
- Review of Performance Management Framework

Financial & Performance Management

- Financial Results review, including BAC Reports
- Quarterly Business Review
- Corporate Finance Matters

Governance

- Review of Board Charter and ToR of Board Committees
- BPA/BEE Exercise and Actionable Improvement Programme for the year
- Corporate Governance Disclosures in FY2022 Integrated Annual Report (IAR)
- COI matters

Sustainability

- Aligning TM with the Sustainable Development Goals
- Sustainability Framework and Roadmap.
- Board Training Programme on Task Force on Climate-Related Financial Disclosure (TCFD)
- TM's TCFD 2022

The Board adopts a top-down strategy to incorporate TM's values of good governance and accountability from the leadership level and cascades these across the Group. The CBE, Anti-Corruption Guide and Whistle Blowing Policy, with sound principles and standards of good practice, apply to Directors, employees and suppliers. These cultivate awareness, promote an anti-corruption culture and create integrity, transparency and accountability throughout our operations.

Details of the above can be referred to under Good Governance in the Sustainability section of this IAR.

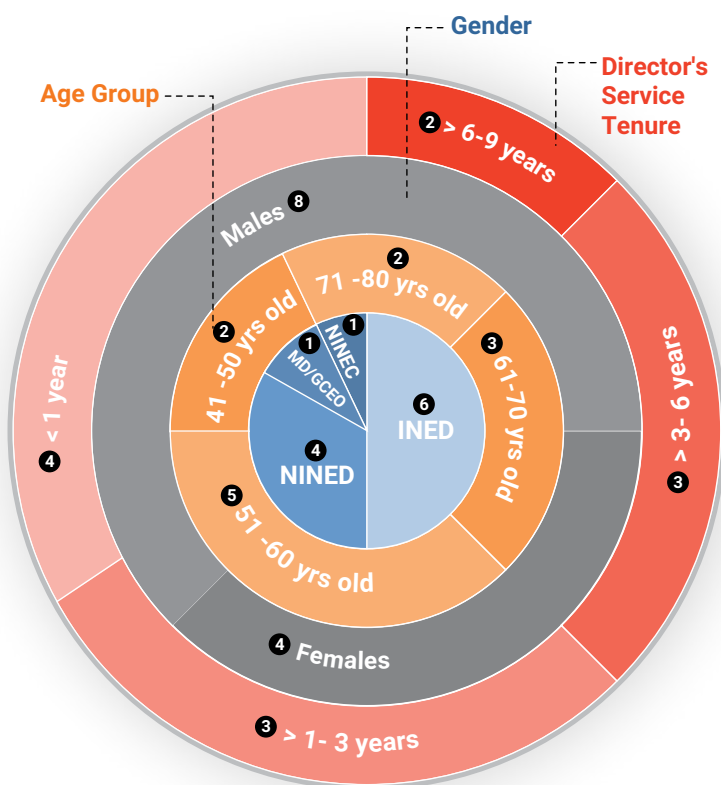
BOARD COMMITMENT TO SUSTAINABILITY

The Board has further strengthened Group-wide sustainability management by adopting an updated framework for Sustainable Growth and Shared Value Creation and the updated 2024-2026 Sustainability Roadmap.

Details of TM's sustainability targets and initiatives can be referred to the Sustainability section of this IAR.

BOARD COMPOSITION

The Board composition during the year under review represents a mix of skills, knowledge and expertise relevant to TM's business. The Board's composition undergone several changes during the financial year 2023. The overview of the Board current composition is as follows:



Board Composition

As at 31 December 2023, the Board composition continues to comply with Paragraph 15.02(1) of the Main LR, with more than one-third of the directors being independent, i.e. 50%. However, it falls short of the MCG requirements for large companies to have majority independent directors. The Board took cognisance of the situation and is committed to comply with the Practice by reviewing the composition, taking into consideration the required skill sets, experience and diversity.

Details of the Directors, including their qualifications, experience and tenure (as at the date of this report) and any COI or potential COI, can be referred to in the Profile of Board of Directors section of this IAR.

BOARD SKILLS & EXPERTISE

NRC undertakes the responsibility of identifying, evaluating and selecting Directors with the right mix of skills, competencies, experience and other qualities that are required for a robust, fast paced telecommunication industry Board.

The rapid technological evolution in the telecommunication industry compels the Directors to be up to mark on relevant changes by attending more industry related training and courses during the year. A collective total of 154 training hours spent by the current Directors as at the financial year end on industry related courses (2022: 297 hours, 2021: 96 hours).

Financial & Performance Management

Industry involvement through previously held positions

- Financial Services/Banking
- Professional Services
- Public Services
- Digital Technology

Domain Expertise

Technical skills based on academic qualifications or roles played, such as Accountant, Lawyers

- Business/Management
- Finance
- Economics

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BOARD SUCCESSION PLANNING & APPOINTMENT

Board Independence

The Directors' independence is assessed annually by the Board with NRC's advice prior to their reappointment. Directors' fit and proper assessment, including their skills, experiences, contributions, backgrounds and family relationships are the determinants in assessing the Directors' independence and objectivity needed in the Board. Criteria illustrated under Paragraph 1.01 of the Main LR are also assessed to ascertain the INED's independence. This include independent of management, free from any business or other relationship which could interfere with the exercise of independent judgement or the ability to act in the best interests of the Company and also being independent of the major shareholders.

Disclosure on Interest

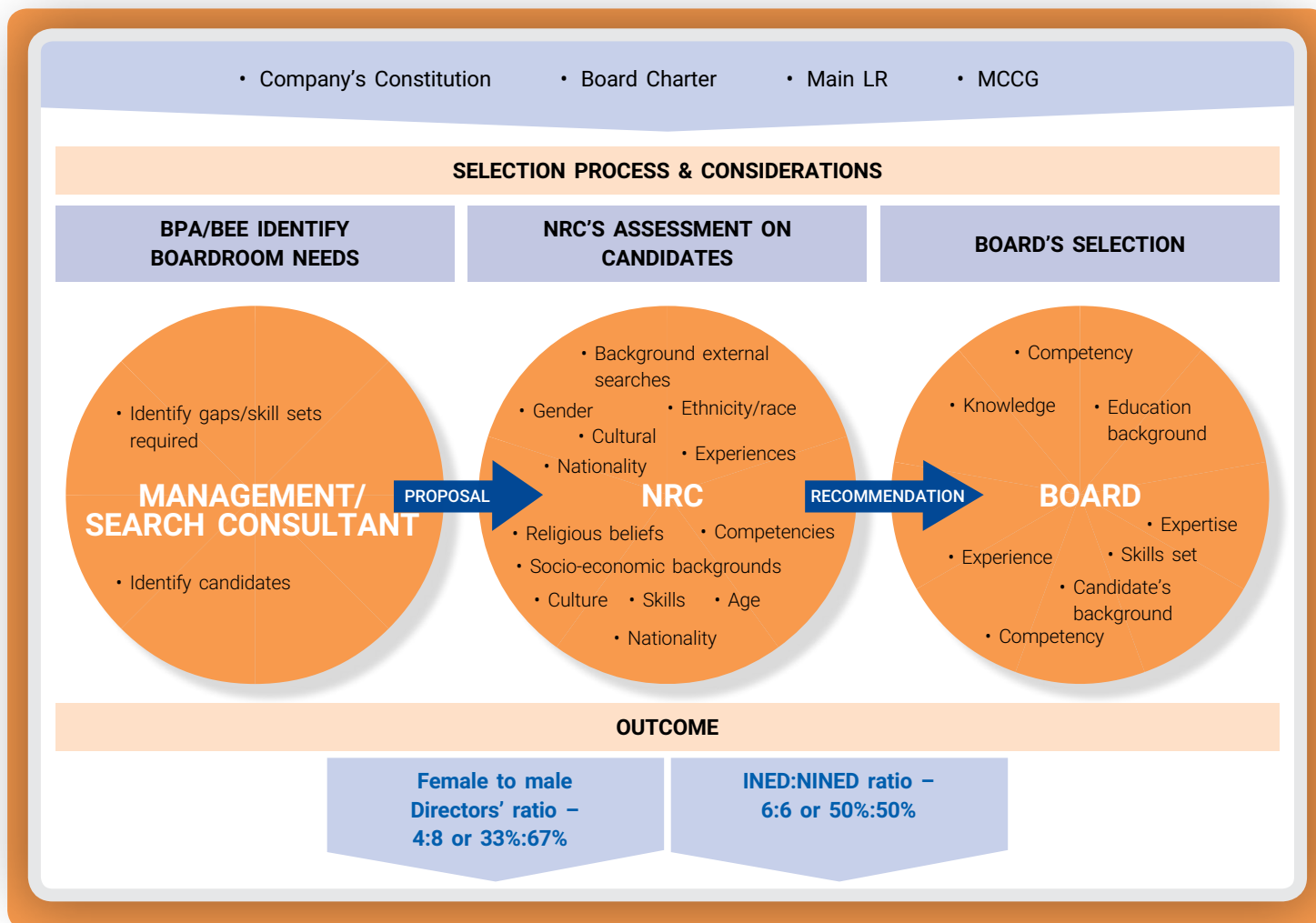
During the year, Directors have, to the best of their abilities, disclosed their interests or any possible COI on any matter put forth before the Board for consideration according to the requirements in the Main LR. Any interests and their extent and possible conflict that may arise from the said interest that the Director may have is recorded and registered and the Directors would abstain from participating in the deliberation and decision of the matter involved.

Compliance to MCCG

The Board has adopted Practice 5.4 of the MCCG on the limitation of nine (9) years cumulative tenure for INED without further extension. As at the date of this IAR, none of our INEDs' tenure exceeds the cumulative term limit of nine (9) years.

Board Diversity

To ensure TM has a diverse Board with a range of relevant skills and experiences, the selection process for Board members is imperative to ensure there is good governance and a constructive Board. The diversity elements include gender, ethnicity/race, nationality, religious beliefs, cultural or socio-economic backgrounds and age, which enable a wealth of perspective and vibrancy of discussion in the boardroom. Boardroom diversity also includes experiences, skills and competencies of the Directors which enable the Company to maximise business and governance performance.



2023 observed revisions to the Board membership and composition. Beginning 2023, TM complied with majority independence composition ratio but failed to maintain the position by end of December 2023.

An independent assessment on the Directors' performance and contribution based on the Self and Peer Assessment was carried out through the BPA/BEE for FYE 2023. Directors' fit and proper assessments, as well as the independence of the Independent Directors were also assessed.

The assessment on diversity ascertains the Directors' technical proficiencies based on their education, work experience, behavioural and technical competencies. The assessment evaluates diversity of the Board's background, education and skill sets that are needful in order to meet the needs of the Company. Various dimensions were taken into account in evaluating the diversification of the Board. These elements determine the presence of the Board's unification, respect, trust and camaraderie amongst the Directors that fosters a collaborative environment in the Board, but nonetheless maintaining the independence and influence-free members.

The Board was found to be collegial, with no domineering personalities, factionalism or disruptive power play. There is inclusivity and collaborative environment in the Boardroom.

DIRECTORS' RETIREMENT & RE-ELECTION

The four (4) newly appointed directors during the year will be retiring pursuant to Clause 106(2) of the Company's Constitution. These Directors are:

- a) Dato' Zainal Abidin Putih, NINEC, appointed on 1 August 2023, has demonstrated strong leadership and act as an effective sounding board for Board and Management. With his extensive experience in the corporate sector, he is able to guide, advise, give views and support both the Board and Management. Based on the 2023 BPA/BEE assessment, the findings underscore the Chairman's pivotal role as a mediator and influential figure within TM, embodying a "fair process leadership" approach to bridge the gap between the Board and Management.
- b) Amar Huzaimi Md Deris, MD/GCEO and a NIED, has over 25 years of experience in the telecommunication industry. He has a strong understanding of TM's business and culture and recognises the fundamental issues affecting TM. He is confident and despite being new to the role, has demonstrated strong technical and industry knowledge, leadership qualities and astute business acumen. He was able to lead the Management team in formulating the Group's long-term strategy to become a Digital Powerhouse by 2030. Amar Huzaimi has a clear purpose of balancing TM's dual role of PLC and GLC, as well as nation building in support of Digital Malaysia's aspirations. Based on the 2023 BPA/BEE assessment, he displayed strategic thinking and able to guide the Board and Management towards achieving the Company's goals.

- c) Datuk Dr. Shahrazat Haji Ahmad, NINED, is a dedicated Government employee who has served various divisions in MOF. She has displayed great interest and is committed to the new challenge of venturing into the telecommunication industry. She brings a fresh intake and different perspectives and ideas stemming from her previous experiences in other disciplines.
- d) Ahmad Taufek Omar, a NINED and a former employee of the Company, has familiarity and insights from the perspective of a former executor of Board's decisions on business directives and decisions. He has fitted seamlessly in his new role as a TM director. Ahmad Taufek is able to provide his perspective on the capabilities, advantages and challenges faced by the organisation. Based on the 2023 BPA/BEE assessment, he is seen as someone who is able to provide amplification to the strategic and tactical play of the Company.

Pursuant to Clause 112 of TM's Constitution, all directors shall retire from office once at least every three (3) years. Based on the requirement of Clause 113, the remaining one third or nearest to one third of the directors shall retire by rotation. The following Directors are to retire pursuant to Clause 112 and they were rated favourably in the BPA/BPE:

- a) Tunku Afwida Tunku Dato' A.Malek, SID, Chairman of NRC and member of BAC and BRIC, have actively provided leadership, constructive opinion, critical feedback and insights at Board and Committee meetings. She demonstrated her strong principles on governance and integrity-related matters throughout her tenure at TM.
- b) Balasingham A. Namasiwayam, INED and Chairman of BTC, actively participates in discussions and is cohesive in making his points and arguments based on his more than 50 years' experience in telecommunication industry. He continued to demonstrate his capabilities, commitment and dedication towards the Board and Company through the years of service for TM.
- c) Saheran Suhendran, INED, is an experienced corporate and commercial lawyer. He actively participates in discussions and is meticulous in putting forth his views at Board and Committee meetings. He is firm on issues, demonstrating professionalism and independence of judgement. Based on the 2023 BPA/BEE assessment, he is a highly detailed-oriented individual and acts as a gatekeeper to the board.

Having served as Directors for nearly eight (8) years, Tunku Afwida Tunku Dato' A.Malek and Balasingham A. Namasiwayam have expressed their intention not to seek for re-election at the forthcoming 39th AGM. Hence, both Directors will retain office until the conclusion of the 39th AGM.



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BOARD EFFECTIVENESS & TRAINING

BPA/BEE and Board Management Effectiveness Programme (BMEP)

2023 marked the completion of the three-year cycle, where TM is to carry out the BEE externally by an independent consultant in accordance with Practice 6.1 of the MCCG. Deloitte Business Advisory Sdn Bhd (Deloitte) was engaged to conduct the board evaluations to ascertain the Board's overall level of effectiveness and identify areas for improvement.

In addition, the Group Company Secretary has also carried out the BMEP survey, an assessment tool to measure the strength of selected Pivotal Positions' (C-levels) working relationship and engagement with the Board. The results of the BMEP survey are incorporated in the Pivotal Positions and Group Company Secretary's Key Performance Indicators (KPI) Scorecard.

Further to the BPA/BEE 2023 findings and recommendation, the 9 improvement plans recommended based on the findings from the BEE 2022 were implemented and duly completed in 2023. They comprised the following:

- Strengthen the Board's capabilities, improving trust and relationship with Management;
- Improve management and meeting frequency and narrative on the proposal; and
- Review the composition of Board and Committees for effectiveness.

12 directors (including an alternate) and six (6) Senior Management, participated in the 2023 BPA/BEE. The assessment was conducted independently without any due interference from the Directors and Management. The findings were then presented to the NRC and Board for discussion. The assessment covered the following areas:

- Board Governance and Oversight;
- Board Processes and Infrastructure;
- Board Composition and Diversity Assessment;
- Self and Peer Assessments;
- Fit and Proper Assessment;
- Independence Assessment; and
- Board Committees' Assessments.

The 2023 BPA/BEE highlighted the virtuous commitment and accountability demonstrated by the Board. The Board is noted for their willingness to express their preferential view and objective opinions that contribute to a dynamic and engaged Board. The Board is consistent in its need to keep abreast of developments and initiatives in relation to ESG and sustainability. The BEE also indicated that sustainability warrants further attention and should form part of discussion in every aspects of the Board's consideration.

The BPA/BEE also assesses the effectiveness of the Board Committees, particularly their composition, succession plan, members' qualification, knowledge and expertise. The Committees were rated between 87% to 67% based on skills, composition functionalities and oversight responsibilities.

Self and Peer Evaluation is conducted to assess each Director's professional competency, attributes and personality. Directors' Peer Evaluation overall results were rated 3.7 and above.

Areas of Strength

- Leadership of the Board Chairman
- Board commitment and proactivity
- Experience of Board members
- Boardroom collegiality

Areas for Development

- Strategy & Direction Setting
- Relationship with management
- Succession planning
- Information flow

Board Training Programme (BTP)

BTP allows directors equal opportunity to keep abreast with current developments in the industry, whether internally or through external means. Directors are encouraged to equip themselves with a variety of information to better equip themselves with the changes and challenges in the telecommunication industry specifically and other programmes that could facilitate the effective discharge of their duties.

The Board Committees also participated in knowledge-sharing programmes designed to enhance members' skills and help them better serve their respective Committees.

Details of the training attended by the Board are further elaborated in the CG Report.

DIRECTORS & SENIOR MANAGEMENT'S REMUNERATION

The Directors' remuneration packages are enumerated in the Board Remuneration and Benefits Policy (BRBP) and have been carefully aligned with industry practices to be competitive and equitable with the intent to retain talent while upholding the interest of our shareholders. The policy and framework for the overall remuneration of the ED and NEDs are reviewed against market practices by the NRC, following which recommendations are submitted to the Board for approval.

Non-Executive Chairman (NEC) & Non-Executive Directors (NEDs)

TM Board Remuneration

NEC and NEDs' remuneration package is determined with the Board's consensus. Director's fee is based on a standard fixed fee while meeting allowances are paid based on attendance at Board and Committee meetings.

Since the last review of the BRBP in 2022, no revision has been proposed to the prevailing Directors' fee quantum, as they are still competitive, appropriate and in line with the prevalent market rate. The NEC and NEDs are not entitled to participate in any employee share scheme or variable performance-linked incentive schemes.

TM Subsidiaries' Remuneration

Directors on TM subsidiary are compensated in accordance to TM Subsidiary Tiering Framework (STF). TM subsidiaries are categorised into three (3) tiers according to the subsidiary's business importance, shareholding structure and profit contribution. On 1 November 2023, Board approved the revision to the Subsidiaries Remuneration Framework (SRF) whereby the Directors' fees for TM's NEC and NEDs appointed on Tier 1 and other subsidiaries were abolished.

Fees' Structure

The benefits payable applicable to NEC and NEDs based on the BRBP are meeting fees, emoluments and claimable benefits. The following is the current TM Directors' fee structure until the next AGM of the Company.

Position	Chairman	NED	SID
Monthly/Annually	30,000/360,000	20,000/240,000	22,250/267,000
Meeting Allowance/Per Meeting			
Board	5,000	3,000	
BAC	4,750	2,500	
NRC	2,500	2,000	
BTC	3,250	2,500	
BRIC	2,500	2,000	

The following is the fee structure for TM's Subsidiaries:

	NEC (RM)		NED (RM)		Committee Fee (RM)	
	Fixed Fee Monthly	Meeting Allowance	Fixed Fee Monthly	Meeting Allowance	Chairman Meeting allowance	Member Meeting Allowance
Tier 1 & UTSB*	–	3,000	–	2,000	500	300
Other Subsidiaries	–	1,500	–	1,000	–	–

* UTSB – Universiti Telekom Sdn Bhd

Directors are also accorded benefits such as claimable benefits on leave passage, business equipment, telecommunication bills, insurance and medical coverage.

Meeting attendance allowances are payable to NEDs only and payable for each Board and/or Board Committee meeting held on a per-meeting basis. The said allowances are payable to the Alternate Director who attends meetings in the absence of his/her substantive Director.

The approval for the Directors' fees and any benefits payments to NEDs according to Section 230(1) of the CA 2016 will be sought at the coming 39th AGM.

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Details of the total remuneration received by each TM Director from TM Group of Companies, for the FYE 31 December 2023, are as follows:

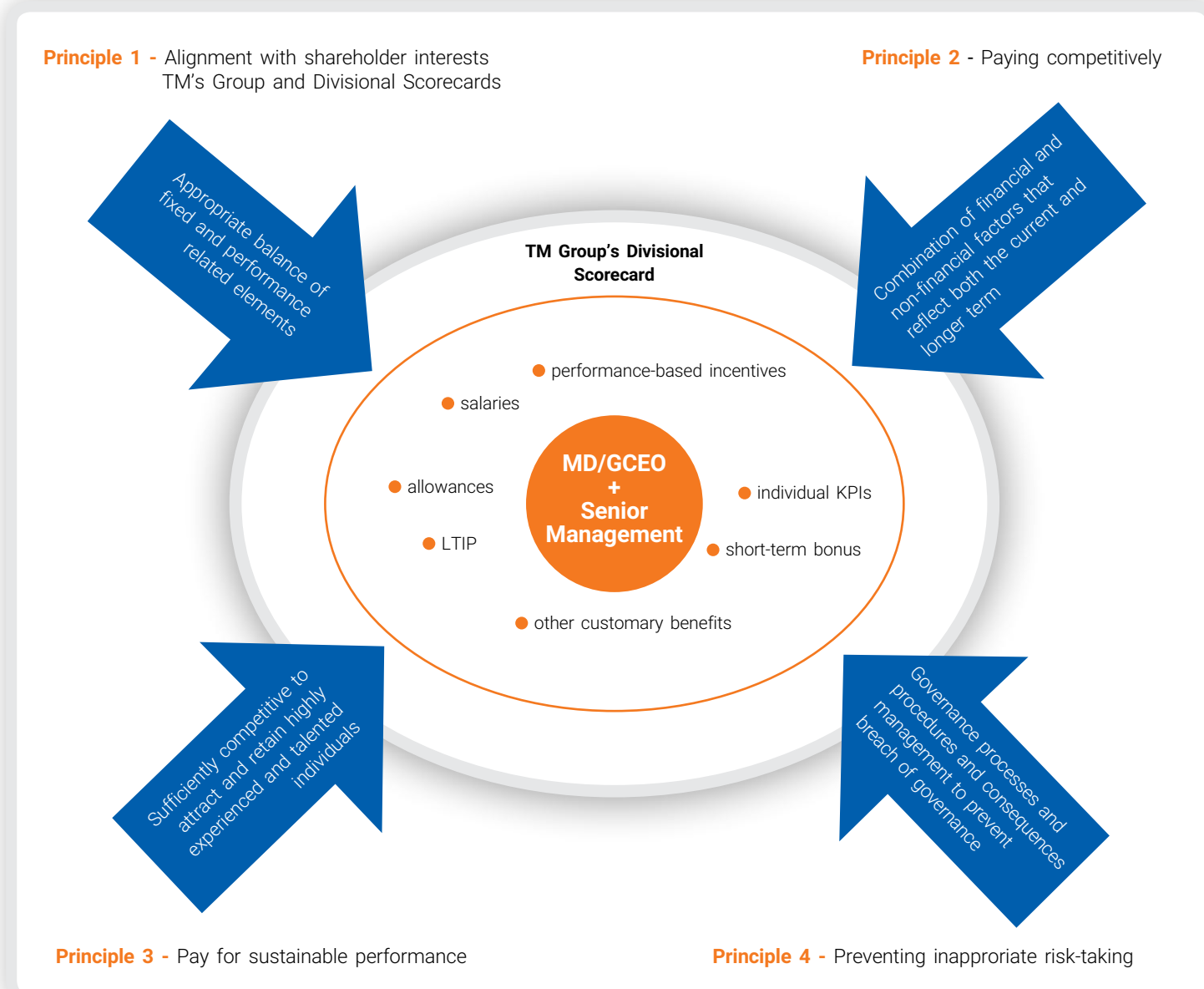
NAME OF DIRECTOR	SALARY RM	VARIABLE PAY RM	ALLOWANCE		BENEFIT IN KIND RM	TOTAL AMOUNT RM		
			TM RM					
NON-INDEPENDENT AND EXECUTIVE DIRECTORS (NIED)								
Amar Huzaimi Md Deris (MD/GCEO) (Appointed on 1 August 2023)	799,844.00 ^a	-	25,000.00 ^c		55,637.20	880,481.20		
Datuk Imri Mokhtar (Ceased as Director on 31 July 2023)	2,034,237.00 ^a	5,109,845.25 ^b	35,000.00 ^c		116,346.62	7,295,428.87		
TOTAL AMOUNT	2,834,081.00	5,019,845.25	70,000.00		171,983.82	8,175,910.07		
NAME OF DIRECTOR	SALARY RM	VARIABLE PAY RM	FEE		ALLOWANCE		BENEFIT IN KIND RM	TOTAL AMOUNT RM
			TM RM	SUBSIDIARY RM	TM RM	SUBSIDIARY RM		
NON-INDEPENDENT AND NON-EXECUTIVE DIRECTORS (NINED)								
Dato' Zainal Abidin Putih (Appointed on 1 August 2023)	-	-	150,000.00	-	25,000.00	-	25,665.10	200,665.10
Datuk Dr. Shahrazat Haji Ahmad (Appointed on 15 December 2023)	-	-	-	-	-	-	-	-
Dato' Mohamed Nasri Sallehuddin	-	-	d	d	d	d	62,485.80	62,485.80
Muhammad Afhzal Abdul Rahman	-	-	240,000.00 ^e	100,000.00 ^e	83,000.00	5,000.00	53,074.00	481,074.00
Ahmad Taufek Omar (Appointed on 1 November 2023)	-	-	40,000.00	-	3,000.00	-	12,885.05	55,885.05
INDEPENDENT AND NON-EXECUTIVE DIRECTORS (INED)								
Tunku Afwida Tunku Dato' A.Malek	-	-	297,000.00 ^f	100,000.00 ^a	136,500.00 ^f	4,000.00	91,354.10	628,854.10
Balasingham A. Namasiwayam	-	-	240,000.00	244,500.00 ^a	106,750.00	9,500.00	91,703.30	692,453.30
Hisham Zainal Mokhtar	-	-	240,000.00	-	127,000.00	-	73,893.28	440,893.28
Saheran Suhendran	-	-	240,000.00	-	106,000.00	-	101,414.64	447,414.64
Datuk Siti Zauyah Md Desa	-	-	240,000.00	150,000.00 ^a	116,750.00	7,500.00	66,450.35	580,700.35
Rossana Annizah Ahmad Rashid	-	-	260,000.00 ^f	150,000.00 ^a	115,500.00 ^f	7,500.00	70,064.40	603,064.40
ALTERNATE DIRECTOR (NON-INDEPENDENT AND NON-EXECUTIVE DIRECTOR):								
Iszad Jeffri Ismail a) Appointed as Alternate Director to Datuk Dr. Shahrazat on 15 December 2023 b) Ceased as Alternate Director to Dato' Anis Rizana Mohd Zainudin @ Mohd Zainuddin on 25 September 2023	-	-	-	-	-	-	19,349.60	19,349.60
FORMER DIRECTORS								
NINEC								
Tan Sri Mohammed Azlan Hashim (Ceased as Director on 31 July 2023)	-	-	210,000.00	-	60,000.00	-	81,036.05	351,036.05
NINED								
Dato' Anis Rizana Mohd Zainudin @ Mohd Zainuddin (Resigned on 25 September 2023)	-	-	176,000.00	-	81,000.00	-	94,074.00	351,074.00
TOTAL AMOUNT	-	-	2,333,000.00	744,500.00	960,500.00	33,500.00	843,449.67	4,914,949.67

Notes:

- Inclusive of Company's contribution to the provident fund.
- Bonus, ex-gratia, leave encashment and Performance Share Plan.
- Car allowances in lieu of the provision of a company car.
- In line with Khazanah Nasional Berhad's policy, no fee or allowance was paid in FY2023.
- 50% of director's fees paid directly to EPF.
- Inclusive of fees and allowances received from TM on behalf of a subsidiary.
- Effective 1 November 2023, Directors' fees for TM's NEC and NEDs on Tier 1 and other subsidiaries have been abolished.

MD/GCEO & SENIOR MANAGEMENT OF GROUP

TM believes in performance culture as well as an appropriate balance of risk and reward. Snapshot of Senior Management's compensation structure, fixed and performance-based elements:



Key elements of TM's remuneration package for Senior Management are summarised below:

Fixed elements

- Base salary: Supports the recruitment and retention of Senior Management of the calibre required to implement our strategy. Reflects the individual's skills, experience, performance and role within TM Group.
- Fixed allowances: Provides a simple competitive alternative to the provision of itemised benefits and pensions that are not linked to base salary.
- Other benefits: Provides certain benefits on a cost-effective basis to aid the attraction and retention of Senior Management.

Performance related elements

- Short-term bonus: Incentivises YoY delivery of stretching short-term financial, strategic and operational objectives and personal performance objectives selected to support our annual business strategy and the ongoing enhancement of shareholder value. The ability to recognise performance through annual bonuses enables us to control our cost base flexibly and react to events and market circumstances.
- LTIP: Encourages Top and Senior Management to focus firmly on the sustained delivery of high-performance results and sustainable returns for shareholders over the longer term and at the same time to encourage performance culture and as a retention tool.

Corporate Governance Overview Statement

The performances of the MD/GCEO, Pivotal Positions (direct reports to GCEO and positions that are critical to TM's business or other positions that are deemed strategic or material to the Company) and the Group Company Secretary, are assessed by NRC annually for recommendation to the Board for suitable adjustments to their remuneration and/or reward based on their contributions for the year. The assessment considers both quantitative and qualitative perspectives via the KPI Scorecard, face-to-face performance review and leadership competencies (SUCCESS) rating. These payments are competitive and aligned with the Group's corporate objectives and strategy.

MD/GCEO recused himself during the deliberations of his performance rewards and remuneration review at NRC and Board meetings.

For the financial year 2023, the remuneration packages of the top five (5) senior management (excluding the MD/GCEO) as approved by the NRC and the Board (including fixed and performance-related elements) in the year 2023 are disclosed hereunder, pursuant to Practice 8.2 of the MCGG:

Range of Remuneration (RM/per annum)	Name of TM's Top 5 Senior Management
2,950,000 – 3,000,000	Ir Azizi A. Hadi, Chief Technology & Information Officer <i>(Up to his end of service on 31 August 2023)</i>
2,850,000 – 2,900,000	Tengku Muneer Tengku Muzani, Chief Corporate & Regulatory Officer <i>(Up to his resignation on 30 November 2023)</i>
2,700,000 – 2,750,000	Razidan Ghazalli, Group Chief Financial Officer
1,950,000 – 2,000,000	Anand Vijayan, Chief Business & Consumer Officer
1,700,000 – 1,750,000	Shazurawati Abdul Karim, Executive Vice President TM One

During the year, TM vested the final LTIP for the eligible employees and ED (granted when he was EVP, TM Global) as approved by the shareholders at the Company's Extraordinary General Meeting held on 28 April 2016. The LTIP, which comprises Restricted Share (RS) and Performance Share (PS) grants, was intended to encourage performance culture and as a retention tool for performers. The grant was vested to the Eligible Employee based on the employee's eligibility, job grades, performance metrics and vesting periods.

NOMINATION & REMUNERATION COMMITTEE (NRC)



Chairperson:
Tunku Afwida Tunku Dato' A. Malek
 Senior Independent Director

Meeting Attendance **10/10**

Members:

Dato' Mohamed Nasri Sallehuddin

Non-Independent Non-Executive Director
 [Meeting Attendance 9/10]

Datuk Siti Zauyah Md Desa

Independent Non-Executive Director
 [Meeting Attendance 10/10]

Rossana Annizah Ahmad Rashid

Independent Non-Executive Director
 [Meeting Attendance 10/10]

Ahmad Taufek Omar

Non-Independent Non-Executive Director
Appointed as Member on 1 March 2024

Key Objectives

The NRC has carried a dual role since its inception. The nomination and remuneration were combined for the purpose of expediency and practicality, whereby the same members were entrusted with both functions. In addition, the NRC oversees corporate governance matters.

Membership

During 2023, the existing number of four (4) members was maintained, all of whom are NEDs. As of 20 March 2024, NRC increased its membership to five (5) whilst continuing to maintain majority of independent directors. Tunku Afwida, being the SID, continues her role as the Chairperson, effectively providing the needed leadership to the NRC. The addition of Ahmad Taufek Omar as a new member adds diversity to the skill sets and experience in the committee based on his experience in senior leadership roles in various local organisations.

Responsibilities

NRC's nomination primary role is to assist the Board in reviewing and determining its appropriate size and balance to provide the required mix of responsibilities, skills and experiences. NRC ensures the Board composition meets the needs of the Company and develops, maintains and reviews the criteria to be used in the recruitment process and annual assessment of directors.

NRC's primary remuneration function is to support the Board in maintaining, assessing and developing a policy framework on all elements of the remuneration for the ED and Pivotal Positions, including terms of employment, reward structure and benefits, with the aim to attract, retain and motivate, as well as maintaining and administering remuneration entitlements of the NEDs.

NRC also supports the Board in ensuring the efficiency and transparency of board governance matters, primarily on BEE, the Board Performance Improvement Programme and Board Operations management, including other matters as directed by the Board.



Corporate Governance Overview Statement

Key activities of the NRC in 2023 (up to the date of this report)

NRC considered and, where applicable, made recommendations to the Board on the following matters:

Board Composition & Succession Planning

- Reviewed the overall size and composition of the Board and its Committees
- Assessed and recommended the appointments of NINEC, MD/GCEO, NINEDs and INEDs
- Reviewed the membership of TM Directors on subsidiaries' board
- Reviewed the succession plan for the Board and its Committees

Directors Pool & Reappointment of Directors

- Updated the list of potential candidates in the Directors Pool based on the background, skills and experience for future appointments on the Board
- Considered the re-appointments and re-elections of TM Directors for the 38th AGM with reference to the Directors' fit and proper policy

Succession Planning of Pivotal Positions

- Reviewed the contract expiry and retirement of Pivotal Positions
- Reviewed the talent pool and succession plan for Pivotal Positions
- Assessed potential candidates for Pivotal Positions

Remuneration

- Reviewed the performance evaluation of MD/GCEO, Pivotal Positions and the Group Company Secretary against pre-set KPIs
- Reviewed the FY2022 Bonus Pool and Salary Increment for TM employees
- Assessed the FY2023 Scorecard and KPIs for TM, MD/GCEO and the Pivotal Positions
- Reviewed Remuneration for Pivotal Positions with expanded roles
- Assessed the eligibility for vesting of RS and PS shares pursuant to the LTIP
- Reviewed and enhanced the guiding principles for the FY2023 Scorecard for Pivotal Positions
- Reviewed the Voluntary Separation Scheme

BEE

- Reviewed the results of the BEE exercise for FY2022 and deliberated the results with Chairman and Board for follow up actions
- Considered the implementation and scope for the 2023 BEE by an external independent consultant
- Assessed the 2023 Results and identify improvement plans

Governance

- Deliberated on the conduct of the 38th AGM ensuring compliance to relevant guidelines and best practices
- Updated the status of Directors' continuing education programme in compliance with the BTP
- Monitored the BTP as an agenda at the Board and its Committees' meetings
- Observance and monitoring of governance requirements by the Directors pursuant to the Main LR and internal guidelines
- Periodic review of the Board Charter
- Amended the ToR of Board Committees
- Reconstitution of BRC into BRIC
- Reviewed the CG Overview and CG Report for the IAR

NRC Effectiveness Review & Performance

Based on the 2023 BPA/BEE findings, it was deduced that the Committee benefits from appropriate governance structure and members with requisite independence to discharge their duties.

There is sound oversight by NRC on succession and remuneration of Senior Management. An area for improvement is for NRC to consider in depth the Board skill set and succession planning.

BOARD TENDER COMMITTEE (BTC)



Chairman:
Balasingham A. Namasiwayam
 Independent Non-Executive Director
*Redesignated as Chairman on
 1 September 2023*

Meeting Attendance **12/12**

Key Objectives

BTC is tasked to consider all procurement proposals in TM Group based on the approved LoA in line with the Board's delegation of powers. BTC facilitates the Board in:

- Ensuring transparent, efficient and faster decision-making process;
- Closer monitoring of procurement matters;
- Ensuring all procurement policies and procedures are fully adhered to; and
- Ensuring that the best interests of the Company and Group are met and protected at all times.

Members:

Datuk Siti Zauyah Md Desa

Independent Non-Executive Director
 [Meeting Attendance 12/12]
Redesignated as Member on 1 September 2023

Muhammad Afhzal Abdul Rahman

Non-Independent Non-Executive Director
 [Meeting Attendance 12/12]

Datuk Dr. Shahrazat Haji Ahmad

Non-Independent Non-Executive Director
Appointed as Member on 1 March 2024

Ahmad Taufek Omar

Non-Independent Non-Executive Director
Appointed as Member on 1 March 2024

Iszad Jeffri Ismail

Non-Independent Non-Executive Alternate Director
*Appointed as Alternate Member to Datuk Dr. Shahrazat Haji Ahmad on
 1 March 2024*

Former Member who served during the year under review:

Dato' Anis Rizana Mohd Zainudin @ Mohd Zainuddin

Non-Independent Non-Executive Director
 [Meeting Attendance 9/9]
Ceased as a Member on 25 September 2023

Iszad Jeffri Ismail

Alternate Member to Dato' Anis Rizana Mohd Zainudin @ Mohd
 Zainuddin
Ceased as Alternate Member on 25 September 2023

Membership

The membership of BTC has been strengthened in 2023 and early 2024 with rotation of its chairmanship and appointment of new members, befitting our aspiration as a TechCo.

As of 20 March 2024, BTC comprises five (5) members together with an Alternate Member, an increase of two (2) members from three (3) members as of 31 December 2023. All BTC members are NEDs, majority of whom have relevant experience in procurement matters.

Responsibilities

BTC's responsibilities are:

- Ensure the procurement process complies with applicable procurement ethics, policies and procedures;
- Verify the validity of the technical and financial capabilities of the tenderers;
- Consider and approve or recommend offers based on multitudes of relevant factors; and
- Monitor the achievement of Bumiputera Vendor Development Programme (BVDP).



Corporate Governance Overview Statement

Overview

BTC is supported by Management procurement committees chaired by the MD/GCEO and GCFO, based on the LoA accorded to the respective sub-procurement committees.

Throughout the BTC meetings, the MD/GCEO and CPO are invited to attend and relevant process owners are invited to present Management's justifications for their respective procurement proposals to BTC.

Key Activities of BTC in 2023

- Deliberated procurement proposals in accordance with the LoA
- Reviewed Procurement Processes and Policies e.g. Customer Purchase and Business Alliance, realignment of Sole/Single Sourcing, Variation Order and Emergency Purchase Method
- Reviewed and monitored the achievement of BVDP
- Considered the 2023 Group Procurement Digital Transformation Initiative and Procurement Modernisation
- Deliberated on Sustainable Supply Chain Roadmap for 2024 – 2026
- Reviewed on BTC's ToR
- Briefed on technology updates, procurement plans and strategies
- Considered Group Procurement's performance reports and procurement updates
- Identified strategic and critical procurement issues to be addressed

BTC Effectiveness Review & Performance

Based on the 2023 BPA/BEE conducted, BTC scored 87%. It was deduced that the BTC Chairman's leadership drives the effectiveness of BTC. BTC is in the mode of continuous improvement in its review of procurement policies, practices and alignment with risk management. BTC will continuously identify and address the gaps in procurement issues.

Responding to the proposed succession planning of the Board and Committees, BTC's succession planning was addressed in February 2024 with the enhancement of its membership.

PRINCIPLES

B

Effective Audit & Risk Management



Chairman:
Hisham Zainal Mokhtar
 Independent Non-Executive Director

Meeting Attendance **11/11**

Members:

Tunku Afwida Tunku Dato' A.Malek

Senior Independent Director
 [Meeting Attendance 11/11]

Saheran Suhendran

Independent Non-Executive Director
 [Meeting Attendance 11/11]

Rossana Annizah Ahmad Rashid

Independent Non-Executive Director
 [Meeting Attendance 9/10*]

**Note: Rossana Annizah Ahmad Rashid abstained from one (1) BAC meeting during the year as she was deemed interested and conflicted in the proposal.*

Key Objectives

BAC oversees independent review of financial information and reports, its effectiveness, efficiency and internal controls, identifying the audit findings' root causes and recommends corrective measures. BAC also oversees ethics, integrity and governance matters, and instils good governance practices throughout the Group.

Audit committee extended oversight functions also encompass COI situation that arose, persist or may arise within the Group including any transaction, procedure or course of conduct that raises questions of Management integrity and the measures taken to resolve, eliminate or mitigate such conflicts.

Membership

No change to the BAC membership since the last report. As at 20 March 2024, Members remain at four (4) of whom all are INEDs.

BAC Chairman, Hisham Zainal Mokhtar, is a CFA charterholder® and member of the CFA Institute of the USA, appointed to BAC since 2020.

Tunku Afwida Tunku Dato' A.Malek is a member of the Malaysian Institute of Accountants (MIA) and a qualified Chartered Accountant with the Institute of Chartered Accountants in England and Wales (ICAEW) fulfilling the requirement for a member to belong to a professional accounting body as stipulated in Paragraph 15.09(1)(c)(i) of the Main LR.

Rossana Annizah Ahmad Rashid has prior experience running a finance organisation. She is also a member of CPA Australia. Therefore, she meets the requirement of Paragraph 15.09(1)(c)(ii) of the Main LR.

Meanwhile, Saheran Suhendran, an experienced legal practitioner in the corporate sector, brings in the viewpoint of legal aspects, further strengthening the BAC's composition. None of the BAC members are alternate Directors.



Corporate Governance Overview Statement

Responsibilities

The ToR establishes the powers, duties and responsibilities of the BAC is incorporated in the Board Charter, which is accessible on the Company's official website at www.tm.com.my.

How the Committee Operates

11 BAC meetings spanning over 16 separate days, including continuation meetings, were held in 2023. The attendance at all BAC Meetings in 2023 fulfilled the requisite quorum as stipulated in its ToR. BAC meetings were structured into two (2) deliberation clusters, ensuring efficient planning by Management and Group Internal Audit (GIA) and sufficient time spent for the members to deliberate and discuss various matters. Members' attendance and total time spent for the BAC meeting are tabulated on page 174.

The MD/GCEO, GCFO and Chief Internal Auditor (CIA) and the external auditors attended each meeting where the quarterly, half-yearly and year-end results were discussed.

Private sessions with the external auditors were held twice a year, without the presence of Management. Whilst private sessions with the GIA were conducted as and when necessary. The BAC Chairman also conducts regular informal discussions with GCEO, GCFO, CIA, the external auditors and the Chief Integrity and Governance Officer (CIGO) as and when required.

The Company Secretaries and CIA act as joint secretariat for BAC meetings. Reports on the proceeding of the BAC meetings are presented to the Board while minutes are circulated to all members for comments prior to tabling at the subsequent BAC meeting for confirmation. Significant matters reserved for the Board's approval are tabled at TM Board meetings.

BAC spent considerable time in 2023 discussing the investment in a RPT, particularly on TM's participation in Digital Nasional Berhad (DNB), a Government-led operating entity responsible for the rollout of the 5G network in Malaysia. Two (2) out of 11 meetings in June and August 2023 were jointly conducted with the members of BRC (now reconstituted as BRIC) to consider TM's position in respect of the proposal.

Main Activities of BAC in 2023 (up to the date of this report)

Financial Reporting

- Deliberated on the recommendation from the Best Practices Committee (BPC) on the TM Group's quarterly financial performance and statements.
- Reviewed the quarterly financial statements of TM Group in compliance with Malaysian Financial Reporting Standards (MFRS) 134 and the Main LR prior to recommending the same for approval by TM Board.
- Reviewed the draft announcements of the quarterly financial results to Bursa Securities, to ensure compliance with applicable accounting standards in Malaysia and other legal and regulatory requirements prior to tabling to the Board for approval.
- Discussed the quarterly internal audit reviews to ensure compliance with MFRS 134.
- Reviewed and recommended the audited financial statements of TM Group for the FYE 31 December 2023 for Board's approval.
- Assessed and recommended the dividend pay-outs in line with the Company's dividend policy, ensuring compliance with the provisions of the CA 2016.

Internal Control

- Deliberated on the Directors' Statement on Risk Management and Internal Control (DSORMIC), which was reviewed by the external auditors, in February 2023 and 2024 for inclusion in the IAR 2022 and 2023.
- Reviewed the reports on the adequacy, effectiveness and reliability of internal control systems based on controlled self-assessments performed annually by the Management of the LoBs and subsidiaries.
- Deliberated and monitored the progress and status of the audit issues for TM Group raised by both internal and external auditors, respectively.
- Deliberated on the reports from the BPC, a BAC sub-committee headed by the GCFO, in ensuring compliances and best practices for TM Group in terms of statutory, regulatory and financial standards in TM Group's disclosures.
- Monitored specific issues or concerns affecting the Company's efficiency and performance until BAC was satisfied sufficient controls were in place.

External Audit

- a) Reviewed the external auditor's report for the FYE 31 December 2022 and FYE 31 December 2023 and the respective 2022 and 2023 SORMIC before recommending to TM Board for approval.
- b) Reviewed the Management Letter Recommendation (MLR), together with Management's response to the findings. The audit issues raised by the external auditors were deliberated and monitored by GIA and Group Finance. The activity, status and progress thereof were reported on a quarterly basis to BAC by the CIA and GCFO.
- c) Recommended the reappointment of external auditors for the Board's consideration. The shareholders at the 38th AGM approved the reappointment of Ernst & Young PLT (EY) for the FY 31 December 2023. Board also accepted BAC's recommendation for EY's reappointment for FY 31 December 2024 for shareholders' approval at the forthcoming 39th AGM.
- d) Reviewed the 2023 external auditor's audit plan for TM Group.
- e) Reviewed and monitored the non-audit services provided by the external auditors while ensuring there was no impairment of independence or objectivity. GCFO was authorised by BAC to approve the proposed non-audit engagement valued below 50% of the cumulative value of statutory audit fee for the current year and to present to BAC for tracking and noting.

Non-audit service fees paid to the external auditors and member firms of EY during the year relative to the statutory audit fees are as follows:

	Company (RM'000)	Group (RM'000)
2023 Audit Fees		
Statutory Audit	393.7	3,600.0
Other Audit Related Services	-	740.0
Total Audit & Audit-Related Services	393.7	4,340.0
2023 Non-Audit Fees		
Other Services Approved in the previous financial year	29.5	526.9
Consultancy Services Approved in the current financial year	-	47.9
Total Non-Audit Fees	29.5	574.8
Percentage of Non-Audit Fees over Statutory Audit & Other Audit-related Services & Fees	7.5%	14.1%

The abovementioned non-audit fees paid/payable for the FY2023 to EY and its affiliates for the following non-audit works were within the limit provided in the BAC ToR:

- Special review on cyber security programme and management; and
- Tax advisory and compliance services

Internal Audit

- a) Reviewed GIA's and CIA's performance for FYE 31 December 2022.
- b) Deliberated and recommended the appointment of the new CIA.
- c) Reviewed the internal audit plan and its budget to ensure adequate scope and comprehensive coverage of the Group's activities.
- d) Reviewed GIA's quarterly performance and progress.
- e) Reviewed the 2023 KPI targets, performances, competency and resources of the internal audit functions to ensure that, collectively, GIA has the required expertise and professionalism to discharge its duties.
- f) Deliberated on the internal audit reports, audit recommendations and Management's action plan.
- g) Reviewed Management's implementation of the internal audit recommendations on outstanding issues on a quarterly basis to ensure that all key risks and control weaknesses were being properly addressed.
- h) Ensured the internal audit personnel are free from any relationships or COI, which could impair their objectivity and independence.
- i) Reviewed the assistance and cooperation given by TM's officers to the Internal Auditors.

Corporate Governance Overview Statement

RPTs & Recurrent Related Party Transactions (RRPTs)

- Reviewed reports of RPTs and RRPTs, ensuring they were in the best interest of TM, fair and reasonable, on normal commercial terms and not detrimental to the interest of the minority shareholders. This includes the interests of related parties; major shareholders, directors and person connected. Based on the approved RRPT mandate, BAC discovered that there were reasonable controls in the monitoring and tracking of the RRPT amount transacted during the year.
- Reviewed the estimated RRPT Mandates for the ensuing year and Circular to Shareholders on the Renewal of Shareholders Mandate and Additional Mandates for RRPT amount transacted during the year.
- Periodically reviewed the RRPTs that were mandated at the 38th AGM and transactions against the mandated amount.

Conflicts or Potential Conflict of Interest (COI)

- Deliberated and recommended TM's responses to a query from Bursa Securities' Corporate Surveillance Division on the potential COI matter involving an INED. Accordingly, the INED has vacated her directorship in the competing company.
- Deliberated and recommended moving forward plans on the proposed measures taken to resolve, eliminate and mitigate persistent COI, including the enhancement to BAC ToR, COI policy and processes. The proposal was approved by TM Board on 25 August 2023.
- Deliberated on COI disclosure of Directors and Management for proposals presented at each meetings.

Integrity, Ethics & Governance

- Reviewed 2022 and 2023 KPI's target performances, competency and resources of the GIG functions to ensure that, collectively, GIG has the required expertise and professionalism to discharge its duties.
- Deliberated on GIG's Quarterly Performance and Progress Report.
- Reviewed the update on investigation matters, findings, root causes and actions taken including proposed enhancement on internal controls and processes.
- Deliberated on the prevention matters undertaken by GIG for Group-wide implementation.
- Deliberated and monitored the status of OACP.

Amendment to ToR

Reviewed and approved the amendments to BAC ToR to ensure compliance with relevant changes and updates to the Main LR and MCCG.

Significant Judgements & Issues

Deliberated on key audit matters during the year as identified by the external auditors and based on the assessments, concluded the accounting treatments applied under the financial reporting standards, the significant judgement and key assumptions used in the preparation of the financial statements and conclusions reached were appropriate.

BAC Effectiveness Review & Performance

The review on contributions and areas for potential enhancement of BAC, including the assessment on BAC's skills and composition and functionalities and oversight responsibilities, was conducted by an independent expert.

Based on the 2023 BPA/BEE results, BAC benefits from its composition of members with the relevant expertise and objectivity in discharging its duties. The Committee has also exercised vigilant oversight on RPT matters. An area of development for BAC to address is its succession planning.

Training

During the year, BAC members, as part of the BTP, attended various conferences, seminars and training programmes held in Malaysia and abroad to enhance their knowledge in order to efficiently discharge their duties as Directors of the Company, generally to enhance their technical competencies in their respective fields of expertise but not limiting to accounting and auditing standards. Their attendances for training are elucidated under Practice 2.1 of the CG Report.

BOARD RISK & INVESTMENT COMMITTEE (BRIC)



Chairman:
Dato' Mohamed Nasri Sallehuddin
 Non-Independent
 Non-Executive Director
*Redesignated as Chairman on
 1 October 2023*

Meeting Attendance **6/7**

Members:

Tunku Afwida Tunku Dato' A.Malek

Senior Independent Director
 [Meeting Attendance 7/7]

Balasingham A. Namasiwayam

Independent Non-Executive Director
 [Meeting Attendance 7/7]
Redesignated as Member on 1 October 2023

Saheran Suhendran

Independent Non-Executive Director
 [Meeting Attendance 7/7]

Hisham Zainal Mokhtar

Independent Non-Executive Director
Appointed as Member on 1 March 2024

Former member who served during the year under review:

Dato' Anis Rizana Mohd Zainudin @ Mohd Zainuddin

Non-Independent Non-Executive Director
 [Meeting Attendance 6/6]
Ceased as a Member on 25 September 2023

Iszad Jeffri Ismail

Alternate Member to Dato' Anis Rizana Mohd Zainudin
 @ Mohd Zainuddin
Ceased as Alternate Member on 25 September 2023

Key Objectives

The former Board Risk Committee (BRC) was reconstituted as Board Risk and Investment Committee (BRIC) effective 1 January 2024, with expanded scope from reviewing of risks on strategic investment to reviewing of strategic investments proposals.

BRIC assists the Board in:

- Ensuring the existence of a sound and robust enterprise risk management (ERM) framework to achieve TM's strategic objectives;
- Focusing on risk issues by identifying, assessing and monitoring key business risks to safeguard shareholders' investment and the Group's assets;
- Reviewing and providing guidance on strategic investment proposals, focusing on assessment of the key associated risks and the mitigation strategies; and
- Ensuring the Group's strategies, priorities, targets and practices relating to sustainability are aligned with the Group's commitment towards sustainability.

Membership

During the year, BRIC's composition reduced from five (5) to four (4) due to the cessation of Dato' Anis Rizana Mohd Zainudin @ Mohd Zainuddin and her alternate, Iszad Jeffri Ismail following her resignation as TM's NINED on 25 September 2023. On 1 October 2023, Dato' Mohamed Nasri Sallehuddin assumed the role of Chairman in place of Balasingham A. Namasiwayam who remained as member as part of Board succession planning. As at 20 March 2024, the composition increased to five (5) members with enhanced majority independent directors following the appointment of Hisham Zainal Mokhtar as additional member.



Corporate Governance Overview Statement

Responsibilities

Following its expanded scope, BRIC's ToR was duly revised and it may be referred in the official website at www.tm.com.my. The summarised key responsibilities of BRIC are as follows:

1. Risk Management

- Ensure the establishment of sound ERM framework and its effectiveness
- Recommend the levels of tolerance and appetite and monitoring the risks to be managed within the said tolerance and appetite.
- Review, evaluate and assess the adequacy of risk management policies and framework including emerging key risks
- Advise the Board on risk-related issues

2. Investment

- Review and evaluate investment and divestment related proposals
- Review any business collaboration and partnership

3. Sustainability

- Establish and review the sustainability frameworks, strategies, policies, plans and initiatives
- Ensure continuous monitoring and assessment of Sustainability matters and their impact to TM
- Monitor and report Sustainability KPI and implementation
- Review TM's Sustainability Statement

Overview

BRIC continues to engage with BAC and GIA to ensure better monitoring and mitigation of risks at TM Group. BRIC also assisted the Board in the continuous review and improvement of internal monitoring systems and processes and proactively highlighted corporate, strategic and emerging risk issues and deliberated extensively on risks controls to mitigate and/or pre-empt the risks.

During the year, BRIC reviewed and assessed the risks relating to several strategic investment proposals prior to the tabling of the proposals to the Board.

In relation to sustainability, BRIC had reviewed and enhanced the Group's Sustainability Framework and Sustainability Roadmap with the focus of improving TM's ability to retain and capture business opportunities in an increasingly sustainability-conscious market, as well as improving TM's efficiency and resiliency and value chains.

Main Activities of BRIC in 2023

Risk Management

- Reviewed and approved TM's updated Corporate Risk Management Policy and Risk Appetite Statement
- Reviewed the Corporate/Operational Risk Tolerance and Measures
- Reviewed TM's Business Support System (BSS) risks and mitigation controls
- Assessed the risks and impacts arising from legal actions taken by or on TM Group on business operation and reputation
- Continued its monitoring of the ERM and Corporate Risk Report on quarterly basis to ensure that the risks are monitored and mitigated to improve the risk movements
- Continued the focus on strategic and emerging risks including cyber security, climate change and sustainability
- Deliberated on health check of TM's key IT Systems and Network assets/facilities

Investment

- Reviewed key risks, mitigation plans and process flow for strategic investments
- Reviewed three (3) investment proposals and recommended two (2) for the approval of TM Board
- Reviewed and assessed the risk elements of high risks projects and endorsed the moving forward recommendation

Sustainability

- Reviewed the revision to TM Sustainability Framework and Roadmap
- Deliberated on Sustainable Development Goals in relation to TM's core and non-core business areas
- Reviewed and recommended the Sustainability Report and Materiality matters as part of IAR 2022
- Training on Task Force on Climate-related Financial Disclosures (TCFD)
- Reviewed and recommended the inaugural TCFD Report
- Reviewed the proposed ESG KPI for Pivotal Positions

Governance

- Deliberated the 2022 BEE for BRC and enhancement plans
- Reviewed and recommended the expanded role of BRC into BRIC and enhanced ToR

BRIC Effectiveness Review & Performance

The review on the contributions and areas for potential enhancement of BRIC including the assessment on BRIC's skills and composition, and functionalities and oversight responsibilities, was conducted by an independent expert.

Based on the 2023 BPA/BEE results, BRIC benefits from the members' objectivity when considering issues presented thereat. An area of development is for BRIC to enhance its oversight on selected specialised areas and focus more on sustainability risk and industry-related risk areas.

PRINCIPLES

C

Integrity in Corporate Reporting & Meaningful Relationship with Stakeholders

COMMUNICATION, INTERACTION AND RELATIONSHIP WITH STAKEHOLDERS

Timely and effective communication are imperative to ensure the Group's performance and position are conveyed clearly to all stakeholders. TM has constantly disseminated relevant and material information in order to maintain effective, comprehensive, timely and continuing disclosure of information. An Internal Communication Policy and Best Practices facilitate the management and dissemination of accurate and timely information to shareholders. The Policy, based on openness and transparency, two-way communication, accountability, timeliness, accuracy and simplicity, ensures compliance with the disclosure requirements of the Main LR and other relevant laws.

TM utilised various platforms to ensure nationwide reachability for news and activities concerning the Company that are of interests. Specific information to shareholders, investors and other stakeholders may also be accessed through engagement with the media, TM's website and teleconferences arranged by Investor Relations Unit. The Company's performances and critical information of shareholders' interests were announced through Bursa Malaysia Berhad's website and through media conferences held to ensure wide reachability to various stakeholders.

Relevant and important information involving the Group were accessible through Microsoft Teams, Zoom, Webex, on top of TM website for the engagement with investors and shareholders. Further, investors and shareholders also received the updates through their registered email service from TM's Investor Relations.

Several engagements have been executed with key shareholders, institutional investors, analysts, fund managers and other market participants, including the general public. Amongst others:

- Analyst briefing via teleconferencing with a presentation from the MD/GCEO and GCFO;
- Investor spotlight sessions;
- Conferences/Group meetings; and
- Feedback from queries.

CONDUCT OF GENERAL MEETING

TM continued to convene general meetings virtually post-COVID-19 pandemic in accordance with to the guidelines from the SC Guidance on the Conduct of General Meetings for Listed Issuer. At the virtual meeting, the Chairman, BAC Chairman, NRC Chairperson, MD/GCEO, GCFO and Group Company Secretary were present in person at the Broadcast Venue with other Directors attended the meeting remotely. Shareholders, corporate representatives and proxies participated in the 38th AGM remotely via live streaming and online voting using Remote Participation and Electronic Voting (RPEV) Facilities.

Shareholders participated actively during the questions and answers session were provided with ample opportunity to post their queries and were given answers to all the queries. Relevant responses were provided live and posted on the Company's website after the AGM. For an interactive and meaningful engagement, the CIA was tasked to ensure that pertinent and relevant questions posed by the shareholders during the AGM were responded to accordingly.

A total of 1,228 shareholders and proxies participated remotely via RPEV facilities. The proceedings of the 38th AGM include the MD/GCEO's presentation of the Company's performance and long-term strategies, as well as responses to the points raised by the Minority Shareholders Watch Group. The results of the online voting were scrutinised by the appointed independent scrutineers, Sky Corporate Services Sdn Bhd, before the poll results were announced by the Chairman.

COMPLIANCE STATEMENT

This Corporate Governance Overview Statement observes the Intended Outcome as prescribed in MCCG. The Board remains dedicated and committed to strengthen the Group's governance practices for the interest of all its stakeholders.

This Statement is made in accordance with the resolution of the Board of Directors duly passed on 4 April 2024.

