

CORPORATE GOVERNANCE OVERVIEW STATEMENT

OUR COMMITMENT TOWARDS GOVERNANCE EXCELLENCE

The Board recognises that strong corporate governance (CG) is fundamental to TM Group’s long-term sustainability and value creation. The Board is committed to upholding high standards of integrity, accountability and transparency in the conduct of the Group’s business and affairs.

TM GROUP’S GOVERNANCE FRAMEWORK

TM Group’s CG framework is guided by the legal requirements, best practices, policies and guidelines issued by our regulators and is reviewed on a regular basis to ensure consideration of the latest CG developments. In addition, TM also leverages relevant international best practices and standards to remain globally aligned and competitive.

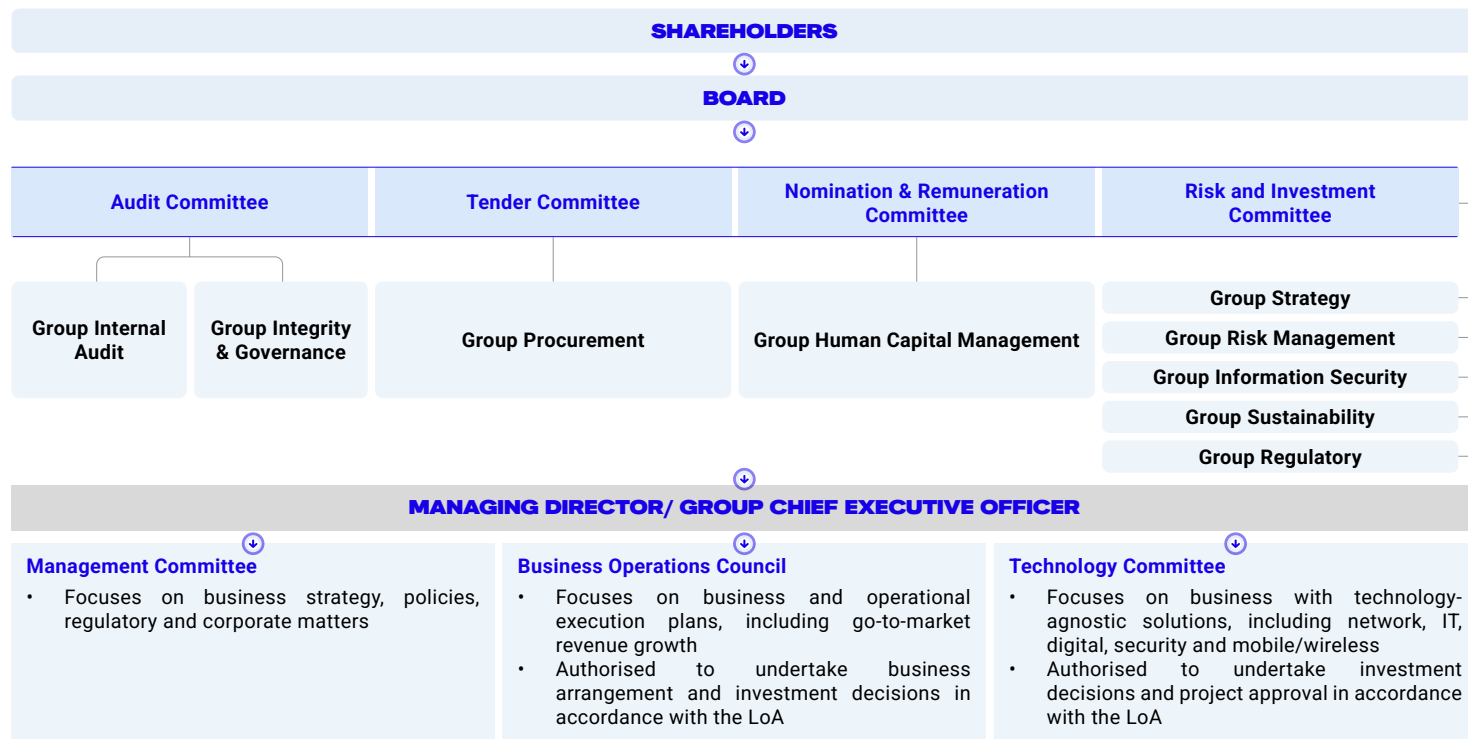
- Companies Act, 2016 (CA 2016)
- Main Market Listing Requirements (Main LR) of Bursa Malaysia Securities Berhad (Bursa Securities)
- CG Guide (4th edition) published by Bursa Malaysia Berhad
- Malaysian Code on Corporate Governance 2021 (MCCG) by the Securities Commission Malaysia (SC)
- Guidelines on Conduct of Directors of Listed Corporations and their Subsidiaries by the SC

The Board steers TM’s dual role as a public listed company (PLC) and a Government-linked company (GLC) while advancing national priorities towards a Digital Malaysia. Through strategic leadership, the Board supports sustainable development driven by connectivity and technology, alongside initiatives that contribute to social progress and national resilience.

Guided by clear oversight from the Board, the Group adopts a disciplined governance approach that supports ethical conduct, effective decision-making and transparent stakeholder engagement. Oversight is strengthened through a structured committee framework, with defined responsibilities delegated to Board Committees and the Management Committee. These committees provide focused support across financial oversight, human capital development, internal control and risk management, as well as governance, procurement and sustainability matters, enabling more effective supervision and accountability.

The CG Framework is supported by key governance instruments including the Board Charter, Limits of Authority (LoA) Matrix, Business Policy and Governance (BPG) and the Directors’ and Management’s Conflict of Interest (COI) Policy. The Board Charter is reviewed annually, while the LoA and BPG framework are updated in line with organisational transformation initiatives. This structured review process strengthens effectiveness, adaptability and regulatory compliance, while supporting timely identification of emerging risks, opportunities and evolving governance practices.

Our CG Framework



The Governance Framework includes:

1

Open, clear and timely communication with our shareholders

2

Skilled, experienced, diverse and majority independent directors, supported by relevant Board Committees suited to TM’s requirements

3

Clear delegation, decision-making and accountability framework

4

Robust systems of risk management, internal controls and assurance

5


Our Vision, Mission, Code of Conduct and Business Ethics (CBE) policy define the standards of behaviour expected to achieve our targets based on clearly defined strategies

COMPLIANCE WITH THE MCCG 2021

A Board Leadership and Effectiveness	B Effective Audit and Risk Management	C Integrity in Corporate Reporting and Meaningful Relationships with Stakeholders
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As at 31 December 2025, TM has applied all recommended Practices save for Step 8.3 and 9.4:

MCCG 2021 Practices	# of Practices	# of Practices Applied in		Practice/Step-up not adopted during the year
		2024	2025	
Recommended	43	42	43	
Step-ups	5	4	3	Step-up 8.3 on detailed remuneration of Senior Management on a named basis. Step-up 9.4 on Audit Committee to comprise solely of independent directors.
Total	48	46	46	

 This CG Overview Statement is to be read together with the CG Report 2025, which further elaborates on how the practices of the MCCG are applied. The CG Report is available on the Company’s website at www.tm.com.my.



TM was honoured with Excellence Awards: Silver for Companies with more than RM10 billion in market capitalisation at the National Annual Corporate Report Awards (NACRA) 2025



TM was honoured with Overall Excellence Award 2025 for being in the Top 10 at the prestigious National Corporate Governance & Sustainability Awards (NACGSA) 2025



TM was honoured with Industry Excellence Award 2025 in Telecommunications & Media category at the prestigious NACGSA 2025

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A Board Leadership and Effectiveness

BOARD RESPONSIBILITIES

Led by the Board Chairman, the Board holds primary responsibility for setting the tone at the top, defining the Group's strategic direction, ensuring effective function of the core processes relating to governance, business performance and ethical oversight with the aim of creating long-term sustainable value to stakeholders.

Key responsibilities of the Board are as follows:

Setting the vision, mission and strategic direction of the Company and exercising oversight on execution by MD/GCEO

Formalise the governance framework and ensure that appropriate policies and procedures are in place

Ensure effective internal controls and risk management framework that support balanced and sound judgement

Embed sustainability elements into business decisions creating competitive advantage

Deliberate on formal schedule of matters specifically reserved for Board's decision

Fostering culture of integrity and values to ensure that the Group adheres to high standards of ethics and integrity


Maintain effective communication and engagement with stakeholders

Board activities are structured to enable robust oversight and informed deliberation. This framework allows Directors to effectively support the MD/GCEO together with Management through constructive engagement, strategic guidance and performance monitoring, strengthening alignment between governance and operational execution.

Demarcation of Responsibilities between the Board, Board Committees and Management

The roles and responsibilities of the Board, Board Committees and Management including specific responsibilities of the Chairman, Senior Independent Director (SID), Non-Executive Directors (NEDs) and Executive Director (ED) are elucidated clearly in the Board Charter. The Board Charter also outlines matters that require approval at Board or Committee level, providing guidance on governance practices, policies and decision-making processes. This structured demarcation supports effective checks and balances, promotes transparency and prevents concentration of authority, safeguarding the integrity of the decision-making process.

Periodic reviews of the Board Charter are conducted to maintain alignment with the Company's objectives, strategies and prevailing regulatory requirements. During the year, no amendment was made to the Board Charter.

 The Board Charter is accessible through the Company's website at www.tm.com.my.

Board

- Comprises Directors with diverse backgrounds, skills and expertise, supporting constructive dialogue and well considered deliberations at Board meetings.
- This diversity strengthens governance effectiveness and enables the Board to provide meaningful oversight across a broad range of strategic and operational matters.

Chairman

Roles

- 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 needs and circumstances.
- Maintains an effective communication channel that enables both the Board and Management to communicate effectively with stakeholders of the Company.
- Proactively engages with external stakeholders to promote the goals and objectives of the Company.

- Dato' Zainal Abidin Putih continues to provide strong leadership in guiding the Board and Management.
- Does not serve on any Board Committees, supporting independent leadership and focused oversight at Board level.
- Encourages thorough discussions and dialogues between Directors, ensuring 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.
- Based on the Board Effectiveness Evaluation (BEE) 2025, the Board continues to rate him with a higher score, a testament to his strong leadership. For the Self and Peer Assessment (SPA), he was also rated more than 4.0 evidencing his strong leadership in ensuring the effectiveness of the Board collectively.
- Commended on his good grasp on issues, well planned and effective management of Board meetings, strengthening communication and trust between Board and Management.

Senior Independent Director (SID)

Roles

- Chairs the Board Nomination and Remuneration Committee (NRC).
- Leads discussions among Independent Non-Executive Directors (INEDs) or NEDs in any concerns which may not have been considered by the Board as a whole.
- Serves as a sounding Board for the Chairman and helps resolve issues or disputes that may arise within the Board.
- Provides an alternative channel of communication for shareholders and other stakeholders to convey their concerns and issues.
- Contributes to Board succession planning, performance evaluation of the Chairman and Board and promotes high standards of CG.

- Hisham Zainal Mokhtar continues to play the role of SID, maintaining the integrity and governance within the Board.
- Though no specific session with NEDs was held during the year, SID chaired Board meetings in situations where Conflict of Interest (COI) involving the Chairman and other Interested Directors arose.
- Based on the BEE 2025 and SPA, Hisham was commended for his inquisitive approach and constructive challenges to Management, which fostered comprehensive deliberation, enhanced accountability and strengthened decision making. His insights and expertise contributed meaningfully to the Board's oversight function. Rated above 4.0, he was highly valued by the Board, further solidifying his leadership as an SID.

Executive Director

Roles

- Implements the broad policies approved by the Board.
- Reports and discusses at Board meetings all material matters currently or potentially affecting the Group and its performance, including all strategic projects, regulatory developments and sustainability matters.
- 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.

- Amar Huzaimi Md Deris, with his leadership, hands-on knowledge, perspective and experience of the Management's capabilities enables focus on strategic aspects and businesses of the Group.
- Brings extensive knowledge of both the local and global telecommunication landscape, enabling the Board to benefit from his deep understanding of market trends, industry dynamics and emerging developments.
- Demonstrates his leadership competencies, skills and in-depth knowledge of the industry, adaptability and open mindedness towards changes.
- Engages confidently and effectively with stakeholders across various levels.
- Based on BEE 2025, he continued to be highly rated by the Board. He was rated above 4.0 for his deep understanding of the Company's core operations, acute awareness of the broader industry landscape, ability to showcase and anticipate trends and navigate challenges and maintains a constructive and transparent relationship with the Board and Management.

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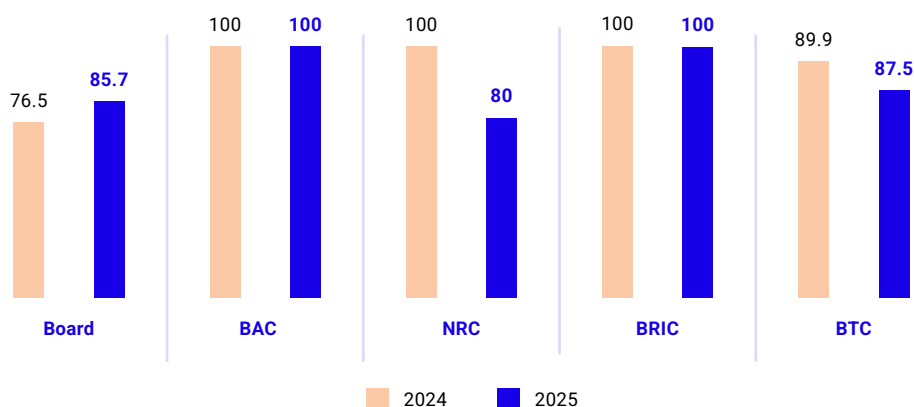
A Board Leadership and Effectiveness

BOARD ENGAGEMENT AND PARTICIPATION

Advance planning supports effective participation by Directors through the issuance of an annual meeting calendar outlining scheduled Board and Committee meetings, together with the meetings' key agenda items. This forward planning allows Directors to organise their schedules efficiently, facilitating consistent attendance and meaningful discussions. The structured meeting framework also enables focused deliberation on strategic, financial, risk and governance matters, supporting timely decision making and stronger oversight.

Directors demonstrate a high level of engagement throughout the year, reflected in their consistent attendances at Board and Committee meetings. This reinforces the Directors' collective accountability and active participation in the discharge of their fiduciary duties.

Directors' Minimum Attendance at Board and Committee Meetings



Compliance to the Minimum Directors' Attendance at Board Meetings for 2025

- ✓ More than 50% attendance – Paragraph 15.05 of the Main LR
- ✓ Not less than 75% attendance – Company's Board Charter
- ✓ Not less than 75% attendance – Khazanah Nasional Berhad's (Khazanah) Shareholder Expectations and Investment Stewardship 2024
- ✓ At least 75% attendance – Employees Provident Fund (EPF) CG Principles and Voting Guidelines 2025/2026 Edition
- ✓ Minimum 75% attendance – Permodalan Nasional Berhad (PNB) Domestic Voting Guidelines 2025

In accordance with the Board Charter, attendance of alternate Director at Committee meetings and Board strategy retreats is permitted to support continuous oversight, effective decision-making and the Board's succession planning. This arrangement supports smooth Board operations while maintaining robust governance standards. The Company has one (1) alternate Director, representing the interests of the Special Shareholder, providing appropriate stakeholder representation without compromising the Board's independence, objectivity or governance balance.

During the financial year, two (2) Board Strategy Retreats were convened to facilitate in-depth discussions and deliberations on key strategic priorities and providing Management with strategic guidance on the Group's future growth initiatives.

BOARD MID-YEAR STRATEGY RETREAT 21 - 23 JULY 2025

- Aligned key strategic moves to achieve PWR 2030 aspirations and beyond
- Sharpen TM's strategy to sustain leadership in the industry and uplift TM's growth

BOARD STRATEGY RETREAT: ANNUAL OPERATING PLAN (AOP) 2026 30 NOVEMBER - 2 DECEMBER 2025

- Detailed the execution plan for strategic priorities and move it into action
- 2026 AOP Commitment for TM Group

In addition to the Board Meetings, two (2) circular resolutions with supporting information were issued and passed on urgent proposals.

Decisions at Board Meetings and circular resolutions are decided by a majority of votes of the Directors or their alternates in line with the Company's Constitution.

In line with regulatory requirements and established governance practices, Directors are required to disclose their interests and any potential COI in matters presented at the Board and its Committees, to the best of their knowledge and ability. Where necessary, legal advice is sought to ensure proper assessment and compliance. All declared interests, including the nature and extent of any potential conflict, are formally recorded in a register which is made available to the Group Internal Audit (GIA) for independent review. Where a conflict is identified, the Interested Director abstains from deliberations and decision-making on the relevant matter to preserve objectivity and governance integrity. A similar process is applied at Management Committee, chaired by the MD/GCEO, to promote consistent governance standards and ethical conduct across the Group. The practice is also replicated at TM's subsidiaries.

Directors' commitment, attendance and time spent at Board and Committees' Meetings in 2025							
No.	Director & Representation	Designation	Time Spent	No. of Attendance/No. of Meeting			
				Board	Committee		
			BAC		BTC	NRC	BRIC
			70.60	30.85	23.30	29.55	20.00
A. Represent TM's Special and Major Shareholders							
1.	Dato' Zainal Abidin Putih	NINEC	14/14				
2.	Amar Huzaimi Md Deris [AHMD] ⁽¹⁾	NIED	14/14				
3.	Datuk Dr. Shahrazat Haji Ahmad [DSA] ⁽²⁾	NINED	12/14		5/8		
	<i>Alternate: Iszad Jeffri Ismail [IJI] (Ceased on 6 August 2025)</i>		2/8		2/4		
	<i>Alternate: Syaiful Hafiz Moamat Mastam [SHM] (Appointed on 6 August 2025)</i>		4/5		2/3		
4.	Dato' Mohamed Nasri Sallehuddin	NINED	14/14			9/10	8/8
5.	Muhammad Afhzal Abdul Rahman (MAAR) ⁽³⁾	NINED	14/14	4/5	3/3		
B. Represent Minority Shareholders							
6.	Hisham Zainal Mokhtar	INED	14/14	9/9		10/10	8/8
7.	Datuk Siti Zauyah Md Desa	INED	14/14		7/8	8/10	
8.	Ahmad Taufek Omar	INED	14/14		8/8	10/10	
9.	Tan Sri Datuk Yong Poh Kon (TSY) ⁽⁴⁾	INED	14/14			7/7	8/8
10.	Datuk Bazlan Osman (DBO) ⁽⁵⁾	INED	14/14	9/9	5/5		3/3
11.	Dr. Tunku Alina Raja Mohd Alias (Appointed on 3 June 2025)	INED	9/9	5/5			5/5
12.	Shahnaz Al-Sadat Abdul Mohsein (Appointed on 3 June 2025)	INED	9/9	5/5	5/5		
C. Former Director							
13.	Rossana Annizah Ahmad Rashid (Retired on 27 May 2025)	INED	5/5	4/4	3/3		

Note:

- ⁽¹⁾ AHMD is not a member of any of the Board Committees and his attendance at the Committees meetings represent Management's interest.
- ⁽²⁾ IJI and SHM attended two (2) BTC meetings respectively on behalf of DSA. In line with the Board Charter, the attendance of an alternate director at Committee meetings is accounted for as the attendance of the substantive director.
- ⁽³⁾ MAAR resigned as BTC member and appointed as BAC member on 27 May 2025. MAAR abstained and did not participate in one (1) BAC Special Meeting as he was an Interested Director for the said transaction.
- ⁽⁴⁾ TSY resigned as NRC member on 3 June 2025.
- ⁽⁵⁾ DBO resigned as BRIC member and appointed as BTC member on 27 May 2025.

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Key Focus Areas/Matters Reviewed and Deliberated by the Board in 2025

- | | |
|--|--|
| <p>→ Strategy</p> <ul style="list-style-type: none"> • Business Strategy of Business Clusters, Enablers and Group Human Capital Management (GHCM) • Budget and AOP for the Group for FY2026 • FY2025 Corporate Scorecard • New growth areas: cloud, submarine cables, data centres digital solutions etc. • Update on strategic projects and inorganic proposals | <p>→ Sustainability</p> <ul style="list-style-type: none"> • TM Sustainability Roadmap 2024 - 2026 Progress Update • Sustainability Key Performance Indicators (KPI) for Pivotal Positions • Board Training Programme (BTP) on Digital Innovation Trends • BTP: Digital Transformation Journey – Softbank success story |
| <p>→ Financial and Performance Management</p> <ul style="list-style-type: none"> • Financial Results Review including BAC Reports • Quarterly Business Review • Corporate Finance Matters | <p>→ Governance</p> <ul style="list-style-type: none"> • Changes in composition of Board and Board Committees • BEE Report and Actionable Improvement Programme • CG Disclosures in IAR • COI matters • Related Party Transactions (RPT) with related parties • IAR |
| <p>→ Human Capital Management</p> <ul style="list-style-type: none"> • Board and Leadership Succession Plan • Pivotal Positions’ Scorecard and Performance Review • Review of Performance Management Framework | |

The Board also deliberates and/or decides on the updates and recommendations from the Board Committees.

ETHICS AND INTEGRITY

The Board drives ethical leadership through a top-down approach that promotes TM’s values of good governance and accountability across the Group. This leadership stance sets the tone at the top and guides conduct throughout the organisation.

TM’s Code of Conduct and Business Ethics (CBE), Anti-Corruption Guide and Whistle Blowing Policy provide a clear framework governing ethical conduct, COI management and reporting of concerns. These policies apply to Directors, employees and suppliers, establishing clear standards of behaviour while fostering a culture of integrity, transparency and accountability across operations.

 For further details on Good Governance please refer to pages 188 to 195.

BOARD COMMITMENT TO SUSTAINABILITY

The Board has strengthened sustainability governance across the Group through the adoption of an updated Sustainability Framework and Integration Plan, supported by TM’s Sustainability Roadmap. TM focuses its sustainability initiatives on the interconnected goals of prosperity, planet and people, aligning sustainability with business strategy.

To deepen the understanding on sustainability trends and expectations, the Board and Senior Management participated in targeted training programmes such as training on Digital Innovation Trends to unlock sustainable growth. In addition, four (4) Directors completed the Mandatory Accreditation Programme (MAP) Part II on sustainability in 2025, totalling 11 Directors who have completed the programme. As at the date of the CG Statement, all TM directors have completed their MAP Part II training.

Sustainability KPIs are also incorporated into the Corporate Scorecard and adopted by all staff within the Group.

 For more information on TM’s sustainability targets and initiatives, please refer to Sustainability Statement on pages 100 to 251.

BOARD BALANCE, COMPOSITION AND DIVERSITY

The Board, assisted by NRC, regularly reviews its composition to ensure that it remains appropriate, effective and aligned with the Company's needs in discharging its duties and responsibilities. The Board's composition reflects a balanced mix of skills, experience and industry knowledge relevant to TM's business and strategic direction. During the year, several changes to the Board took place, as outlined below:

No.	Director	Circumstances of Change	Date of Change
1	Rossana Annizah Ahmad Rashid	Retired upon the conclusion of the 40 th AGM	27 May 2025
2	Dr. Tunku Alina Raja Muhd Alias	Appointed as INEDs	3 June 2025
3	Shahnaz Al-Sadat Abdul Mohsein		
4	Iszad Jeffri Ismail	Ceased as Alternate Director to Datuk Dr. Shahrazat Haji Ahmad, a NINE Director	6 August 2025
5	Syaiful Hafiz Moamat Mastam	Appointed as Alternate Director to Datuk Dr. Shahrazat Haji Ahmad	

Diversity forms an integral part of TM's Board composition strategy, supporting balanced deliberation and well-rounded decision-making. The selection of Directors considers a broad range of diversity attributes, including gender, ethnicity, nationality, religious beliefs, cultural and socio-economic backgrounds, as well as age. This approach encourages the exchange of varied perspectives and constructive dialogue in the boardroom.

Beyond demographic representation, diversity also encompasses professional experience, skill sets and competencies. This mix supports a dynamic and effective Board, enabling Directors to contribute diverse viewpoints, challenge assumptions and strengthen governance quality through informed debate and collaborative engagement.

The independence of Directors, including NEDs, is assessed annually by the Board with advice from the NRC. The assessments consider factors such as skills, experience, contributions, background and family relationships to determine objectivity and independence of judgement. Criteria set out under Paragraph 1.01 of the Main LR are also applied to ascertain the independence of INEDs. This includes independence from Management, absence of business or other relationships that may affect judgement and independence from major shareholders.

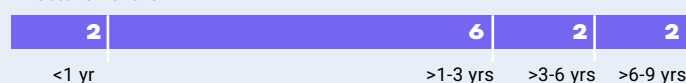
As part of the BEE 2025, all Directors, including the Alternate Director, underwent fit and proper assessments. All seven (7) INEDs completed the assessment and affirmed their independence.

Board Composition as at 31 December 2025

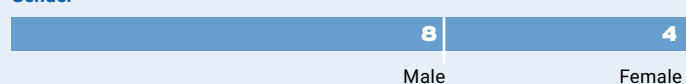
Directorship



Director's Tenure



Gender



Age Group



- ✓ Paragraph 15.02(1)(a) of the Main LR requires more than 1/3 of the Board is independent: INED (58%) vs NINED (42%)
- ✓ Paragraph 15.02(1)(b) of the Main LR for at least one (1) woman director: Four (4) women Directors.
- ✓ Paragraph 2.1.5.8 of the Board Charter requires disclosure that 1/3 of the Board is independent: 58% INEDs.
- ✓ Practice 5.2 of MCGG on majority independent director for large companies: 58% INEDs.
- ✓ Practice 5.9 of MCGG on at least 30% women directors: 33% women Directors

Note: Board composition excludes Alternate Director.

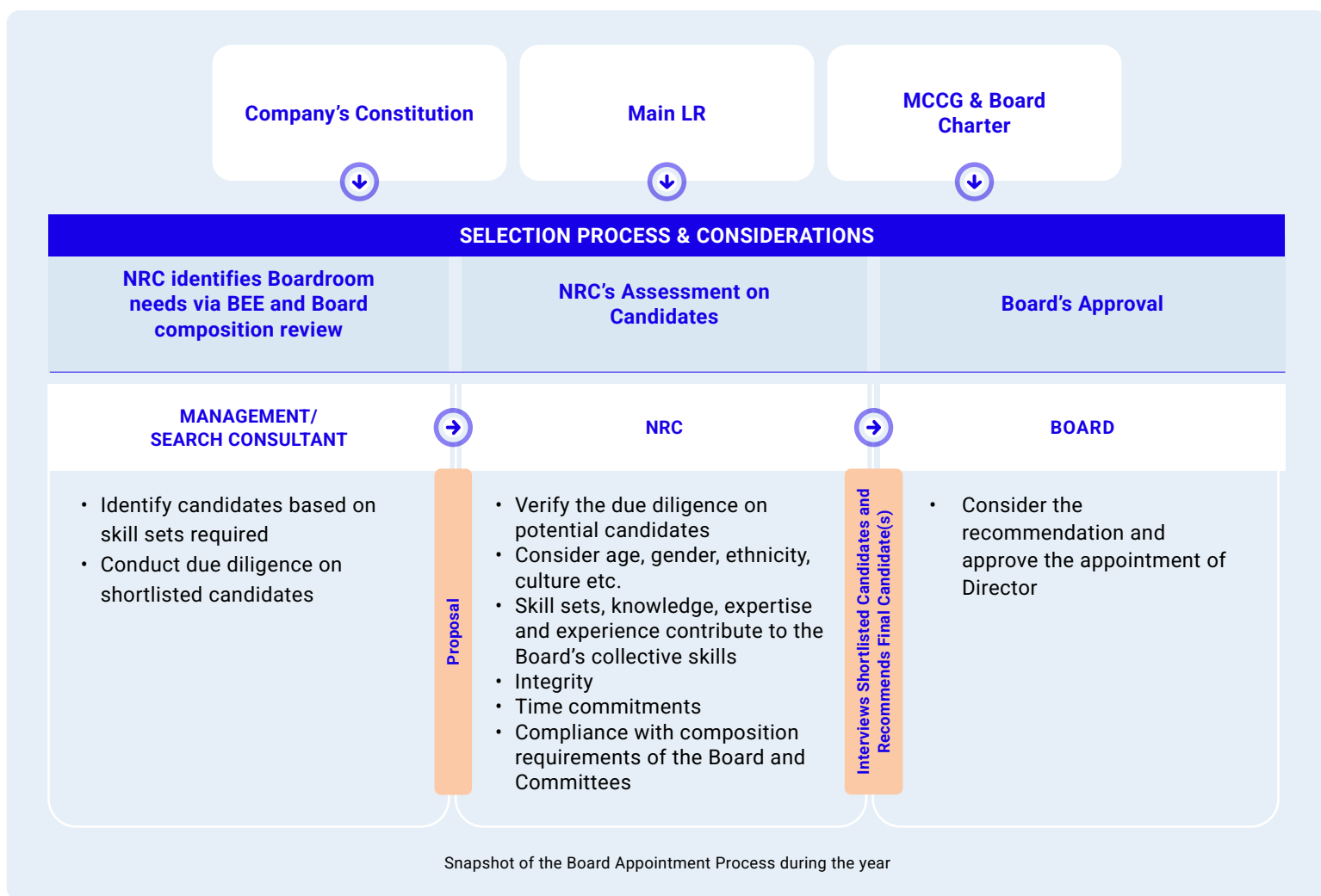
Details of the Directors, including their qualifications, experience, skill set and any COI or potential COI, can be referred to in the Board of Directors section on pages 281 to 287.

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BOARD APPOINTMENT AND SUCCESSION PLANNING

The NRC oversees Board appointment and succession planning processes to support leadership continuity and long-term governance effectiveness. This includes evaluating future skill requirements, identifying, evaluating and selecting potential candidates with the appropriate mix of skills, competencies and experience to support the needs of a fast paced and dynamic telecommunications industry, prior to making its recommendations to the Board.



During FY2025, the Board engaged an independent search consultant in its search for women director(s) with identified skill sets required. After a vigorous process by NRC, the Board approved the appointment of Dr. Tunku Alina Raja Muhd Alias and Shahnaz Al-Sadat Abdul Mohsein as TM new INEDs.

Succession Planning

The Board recognises that robust succession planning is essential to mitigate continuity risks arising from the departure of qualified and experienced individuals. It seeks to ensure that both the Board and Pivotal Positions are supported by individuals with the requisite competencies, experience and strategic acumen to drive sustainable performance and long-term value creation.


The policy on tenure of directorships facilitates orderly succession planning by providing the Board with the opportunity to periodically evaluate its memberships, promote refreshment and maintain an optimal mix of independence, diversity and competencies.

As part of the succession planning framework, NRC maintains a directors' pool comprising suitably potential candidates for consideration in the appointment of INEDs on the Board. NRC reviews and refreshes this pool on a regular basis to ensure it remains relevant, diverse and aligned with the Board's evolving skills matrix, strategic priorities and governance requirements.

Directors' Retirement and Re-election

The NRC and the Board ensure that the annual re-election of Directors is contingent upon satisfactory evaluation of each Directors' performance, contribution and effectiveness as a member of the Board.

In respect of the Directors seeking re-election at the forthcoming Annual General Meeting (AGM), the NRC has considered the fit and proper declarations submitted by respective Directors and is satisfied that they continue to meet the criteria set out in TM's Fit and Proper Policy, including the requisite integrity, competence, experience and time commitment to effectively discharge their responsibilities.

 The details of the Directors standing for re-election and the justification can be found on pages 343 to 350 of the Notice and Statement Accompanying Notice of the 41st AGM.

BOARD EFFECTIVENESS AND TRAINING

Board Effectiveness Evaluation (BEE)

The Board's performance evaluation in 2025 was conducted internally, by the Group Company Secretarial Division (Cosec) based on the enhanced template initially introduced by the independent consultant during the 2023 performance evaluation. This is intended to provide a better comparison basis to assess the Board's performance effectiveness.

All 12 directors, excluding the Alternate Director, participated in the BEE 2025. The findings are then presented to the NRC and Board for discussion. The assessment conducted covered the following areas:

Key Areas

- Board Governance and Oversight
- Boardroom Processes and Infrastructure
- Boardroom Composition and Diversity
- SPA
- Fit and proper
- Independence
- Board Committees

Areas of Strength

- Effective Chairman Leadership
- Enhanced Effectiveness of Board Committees
- Robust Board Governance and Oversight

Areas of Development

- Strategic Depth and Collaborative Board Management infused with sustainability considerations
- Sustainability, digital transformation, artificial intelligence, cybersecurity and future-oriented competencies at the Board level
- Succession Planning and Leadership Pipeline for Board, Committees and Pivotal Positions

The BEE 2025 also assesses the effectiveness of the Board Committees, particularly its composition and its members' skills, functionalities and oversight responsibilities. The Committees were rated between 76% to 82%. The findings will be shared with the respective Committees accordingly to deliberate on the areas of improvement.

SPA is conducted to assess each Director's professional competency, attributes and personality. Directors' Peer Evaluation overall results were rated 3.0 and above. A face-to-face session will be conducted between Chairman and each Director on the SPA results and improvement actions moving forward.

Board Management Effectiveness Programme (BMEP)

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

The BMEP 2025 Survey Results was tabled to NRC and the Board. Results were also shared with relevant C-levels for comprehension of their areas of strength and areas of improvement.

Board Training Programme (BTP)

Continuous learning forms an integral part of the Board's commitment to effective governance. Directors are provided with access to relevant information, industry updates and insights on emerging regulatory, technological and market developments, enabling them to remain well-informed within a rapidly evolving technology and telecommunication environment.

A structured and ongoing training framework encourages Directors to participate in continuous professional development programmes, both external programmes and tailored internal sessions conducted for the Board and its Committees. These learning opportunities enhance Directors' knowledge of strategic, regulatory and operational matters, thereby strengthening informed oversight, constructive challenge and sound decision-making.

During the year, two (2) dedicated knowledge sharing sessions were organised, focusing on digital transformation journey and digital innovation trends. These sessions provided practical insights into regulatory changes, sustainability priorities and industry shifts.


A comprehensive induction programme is in place to support newly appointed Directors to transition effectively into their roles and to facilitate a clear understanding of the Group's business strategy, operations and governance framework. Newly appointed Directors are required to attend the induction programme as soon as practicable following their appointments. The programme includes engagement sessions with MD/GCEO, GCFO, Head of Group Strategy and relevant heads of business and enablers. These sessions provide detailed briefings on the Group's business operations, strategic priorities, financial performance, key risks and challenges. In addition, newly appointed Directors and newly assigned members of Board Committees are also briefed on the roles, responsibilities and scope of work of the respective Board Committees to ensure clarity of expectations and effective participation.

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Through the BEE 2025, Directors also assessed their technical proficiencies. Based on the gaps identified, Directors will continue to strengthen their capabilities in the identified areas through targeted development initiatives.

As at the financial year end, a total of 153 training hours were recorded for industry related courses in 2025, representing 15% of the total training hours attended by Directors, reflecting a significant increase from 65.5 hours in 2024.

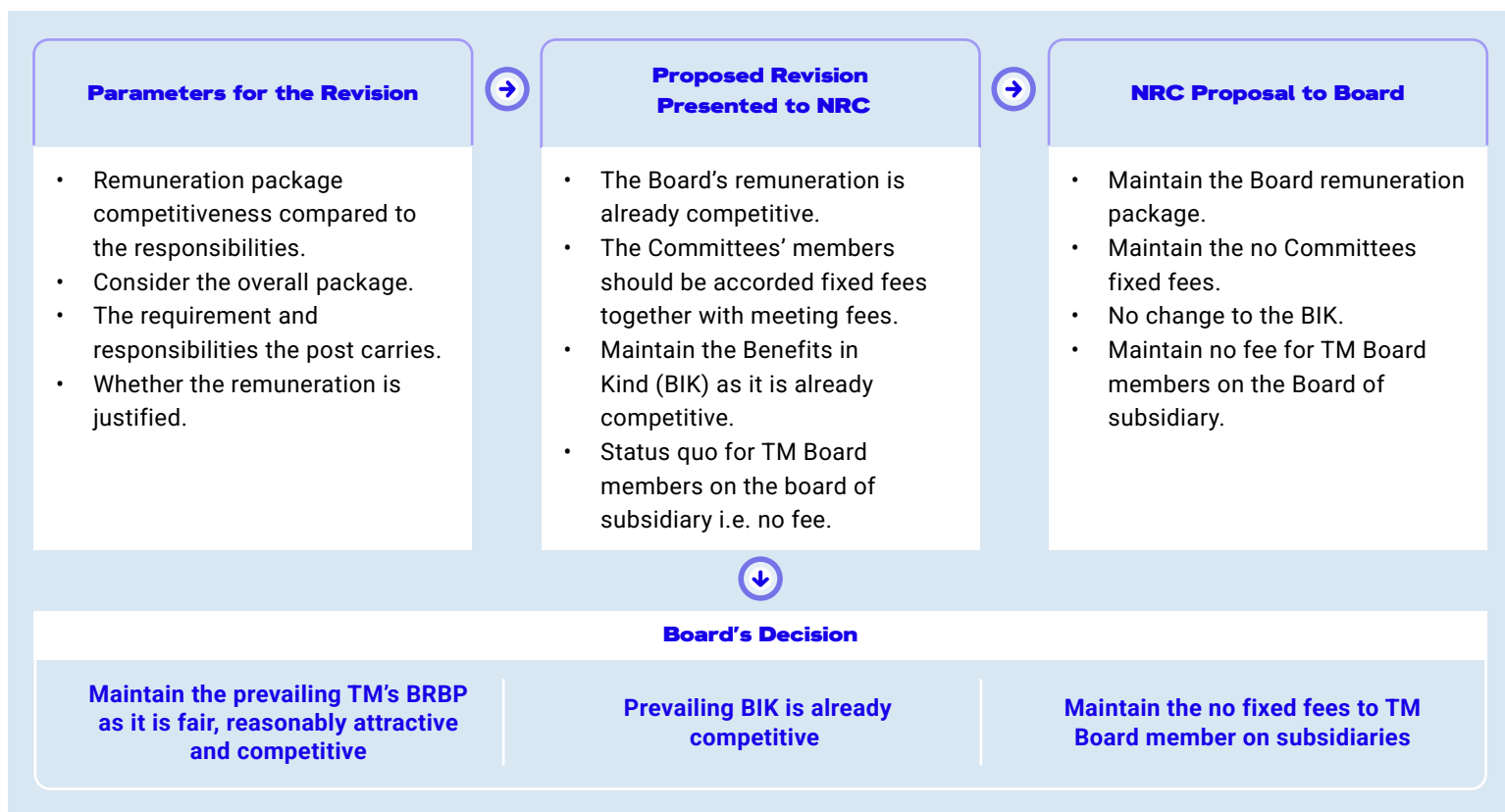
 Further details of training programmes attended by Directors are outlined in the CG Report available on the Company’s website at www.tm.com.my.

DIRECTORS’ AND SENIOR MANAGEMENT’S REMUNERATION

TM Board Remuneration

The Board’s Remuneration and Benefits Policy (BRBP) is designed to reflect prevailing market practices, ensuring that remuneration remains fair, transparent and competitive, while balancing the interests of shareholders. The policy supports the attraction and retention of Directors with strong leadership capabilities, relevant expertise and the experience necessary to guide the Group effectively.

The NRC undertakes an annual review of the policy to ensure its continued relevance, alignment with the Group’s strategic objectives and competitiveness within the market. In January 2025, an external consultant was appointed to conduct an independent benchmarking exercise. The review provides an objective assessment of TM’s remuneration framework against comparable market standards and industry practices, enabling the NRC to make informed recommendations to the Board.



Following the benchmarking exercise, no major revisions were proposed to the existing remuneration structure, save for a minor enhancement to the BIK accorded to the Directors. The Directors’ fee quantum, as approved by shareholders in 2018, remains competitive and aligned with prevailing market practices.


The Non-Executive Chairman (NEC) and NEDs are not entitled to participate in any employee share schemes or performance-linked incentive programmes. This clear separation preserves independence, supports objective oversight and reinforces the integrity of the Board’s governance framework.

The benefits payable applicable to NEC and NEDs comprise meeting fees, fixed emoluments and claimable benefits incurred in the discharge of their duties. The following represents the current TM Directors' fee structure, which shall remain in effect until the next AGM of the Company:

Fee/ Allowance (RM)	Position	NEC	NED	SID	Claimable Benefits
Monthly/Annually		30,000/360,000	20,000/240,000	22,250/267,000	
Meeting Allowance (per meeting)					
	Board	5,000	3,000	-	<ul style="list-style-type: none"> • Leave Passage • Business Equipment • Telecommunication Bill • Insurance • Medical Coverage
	BAC	4,750	2,500	-	
	NRC	2,500	2,000	-	
	BTC	3,250	2,500	-	
	BRIC	2,500	2,000	-	

Meeting attendance allowances are payable to NEDs only and are granted based on their attendance at Board and Board Committee meetings. Such allowances are paid to each respective member for meetings attended. Meeting allowances are also payable to an Alternate Director when attending meetings in the absence of his principal Director.

Pursuant to Section 230(1) of the CA 2016, the Company will seek shareholders' approval for the payment of Directors' fees and benefits payable to the NEDs at the forthcoming 41st AGM.

 Please refer to Ordinary Resolutions 5 and 6 on pages 343 to 348 in the Notice of the 41st AGM for further details.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

A Board Leadership and Effectiveness

The total remuneration received by each TM Director from TM Group of Companies, for the financial year ended 31 December 2025, are as follows:

Directors	Salary (RM)	Variable Pay (RM)	TM Fee (RM)	Allowance (RM)		Benefit In Kind (RM)	Total Amount (RM)
				TM	Subsidiary		
Non-Independent and Executive Director (NIED)							
Amar Huzaimi Md Deris (MD/GCEO)	2,750,250.00 ^a	1,920,000.00 ^b	–	60,000.00 ^c	–	274,345.09	5,004,595.09
Total Amount	2,750,250.00	1,920,000.00	–	60,000.00	–	274,345.09	5,004,595.09
Non-Independent and Non-Executive Directors (NINED)							
Dato' Zainal Abidin Putih	–	–	360,000.00	75,000.00	–	157,121.41	592,121.41
Datuk Dr. Shahrazat Haji Ahmad	–	–	240,000.00	43,000.00	–	62,010.00	345,010.00
Dato' Mohamed Nasri Sallehuddin	–	–	– ^d	– ^d	– ^d	60,884.17	60,884.17
Muhammad Afhzal Abdul Rahman	–	–	240,000.00 ^e	62,500.00	12,000.00	56,480.70	370,980.70
Independent and Non-Executive Directors (INED)							
Hisham Zainal Mokhtar	–	–	267,000.00	106,500.00	–	76,031.95	449,531.95
Datuk Siti Zauyah Md Desa	–	–	240,000.00	78,500.00	9,000.00	56,847.20	384,347.20
Ahmad Taufek Omar	–	–	240,000.00	90,750.00	9,000.00	111,025.65	450,775.65
Tan Sri Datuk Yong Poh Kon	–	–	240,000.00	75,000.00	–	73,004.64	388,004.64
Datuk Bazlan Osman	–	–	240,000.00	101,500.00	9,000.00	144,476.78	494,976.78
Dr. Tunku Alina Raja Mohd Alias (Appointed on 3 June 2025)	–	–	138,666.67	42,000.00	–	69,003.05	249,669.72
Shahnaz Al-Sadat Abdul Mohsein (Appointed on 3 June 2025)	–	–	138,666.67	46,500.00	–	56,126.20	241,292.87
Alternate Director to NINED							
Syaiful Hafiz Moamat Mastam (Alternate to Datuk Dr. Shahrazat Haji Ahmad, appointed on 6 August 2025)	–	–	–	11,000.00	–	11,611.55	22,611.55
Former INED							
Rossana Annizah Ahmad Rashid (Retired on 27 May 2025)	–	–	97,419.35	37,750.00	9,000.00	71,133.62	215,302.97
Former Alternate Director to NINED							
Iszad Jeffri Ismail (Ceased as Alternate Director to Datuk Dr. Shahrazat Haji Ahmad on 6 August 2025)	–	–	–	11,000.00	–	13,298.80	24,298.80
Total Amount	–	–	2,441,752.69	781,000.00	48,000.00	1,019,055.72	4,289,808.41

Notes:

- ^a Inclusive of Company's contribution to the provident fund.
- ^b Bonus payment.
- ^c Car allowances in lieu of the provision of a company car.
- ^d In line with Khazanah's policy, no fee or allowance was paid in FY2025.
- ^e 50% of director's fees paid directly to EPF.

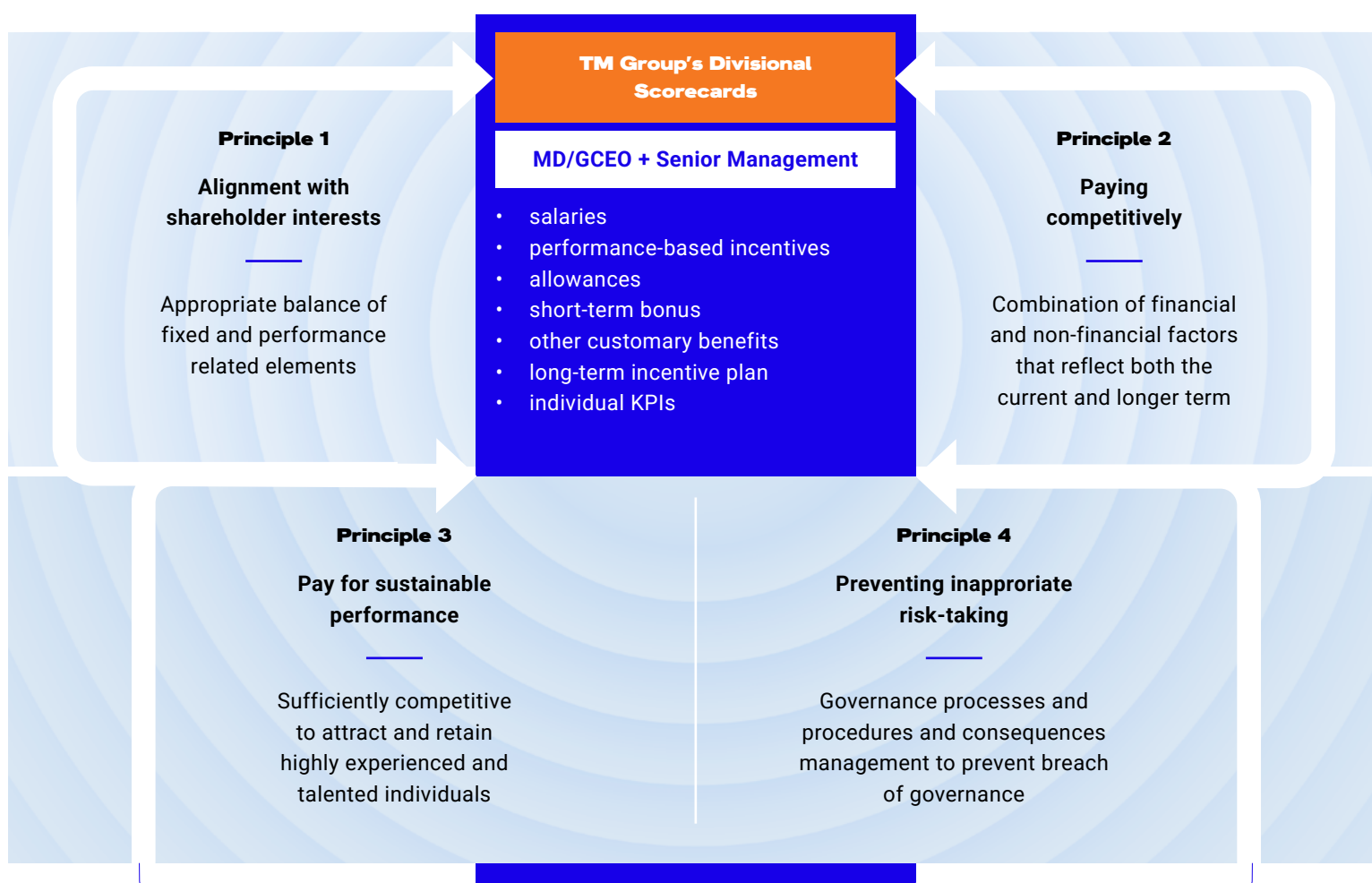
TM Subsidiary Board Remuneration Framework (SRF)

TM Directors serving on subsidiary Boards are compensated in accordance to the TM Subsidiary Tiering Framework (STF). Under this framework, subsidiaries are categorised into three (3) tiers based on their strategic importance, shareholding structure and contribution to the Group's financial performance. The prevailing SRF, last revised on 1 November 2023, remains in effect. Under the SRF, no directors' fees are accorded to TM's NEC and NEDs serving on subsidiary Boards. Instead, they are entitled only to meeting allowances. This structure ensures consistency, cost discipline and alignment with the Group's governance principles.

Category of TM's Subsidiaries	Board Meeting Allowance (RM)		Committee's Meeting Allowance (RM)	
	NEC	NED	Chairman	Member
Tier 1 & Universiti Telekom Sdn Bhd	3,000	2,000	500	300
Other Subsidiaries	1,500	1,000	-	-

MD/GCEO and Senior Management of Group

TM remuneration is based on performance culture and appropriate balance of risk and reward which is based on the following principles:



CORPORATE GOVERNANCE OVERVIEW STATEMENT

A Board Leadership and Effectiveness

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

Fixed Elements

- **Base salary:**
Recruit and retain calibre Senior Management with required skills and experience to perform the role to implement TM Group strategy.
- **Fixed allowances:**
A competitive alternative with itemised benefits and pensions that are not linked to base salary.
- **Other benefits:**
Cost-effective benefits to attract and retain Senior Management.

Performance-Related Elements

- **Short-term bonus:**
Incentivises Year-on-Year (YoY) delivery of stretching short-term financial, strategic and operational and personal performance objectives to support our annual business strategy to enhance shareholder's value. Recognising performance through annual bonus controls our cost base flexibly and its reaction to events and market circumstances.

Senior Management remuneration and/or reward assessment process is as follows:



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

 For FY2025, remuneration package (including fixed and performance-related elements) of the top five (5) Senior Management (excluding MD/GCEO) is disclosed in the CG Report, pursuant to Practice 8.2 of the MCGG and is accessible on TM's website at www.tm.com.my.

NOMINATION AND REMUNERATION COMMITTEE

Chairman

Hisham Zainal Mokhtar
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

8/10

Ahmad Taufek Omar
Independent Non-Executive Director

Meeting Attendance

10/10

Former Member who served during the year under review:

Tan Sri Datuk Yong Poh Kon
Independent Non-Executive Director
Resigned on 3 June 2025

Meeting Attendance

7/7

KEY OBJECTIVE

Since its establishment, the NRC has undertaken a dual role, combining both nomination and remuneration functions within a single committee for the purpose of expediency and practicality, with the same members entrusted with responsibilities relating to both functions. In addition, the NRC provides oversight of CG matters within the Group, supporting the Board in promoting sound governance practices and effective Board composition.

MEMBERSHIP


The NRC continues to be chaired by the SID. During the year, the Committee's composition was streamlined from five (5) to four (4) members, whilst maintaining a majority of INEDs.

RESPONSIBILITIES

The nomination function of the NRC plays a key role in assisting the Board in reviewing and determining the appropriate size, composition and balance of the Board to ensure the required mix of responsibilities, skills, experience and diversity. In this regard, NRC ensures that the Board composition remains aligned with the needs of the Company and establishes, maintains and reviews the criteria applied in the recruitment, selection and annual assessment of Directors. NRC also guides Management to ensure that the Group continues to have the appropriate leadership bench and manpower capabilities to support the Group's strategic direction and future growth.

In respect of remuneration, NRC supports the Board in maintaining and reviewing the policy framework governing all elements of remuneration for the ED and Pivotal Positions, with the aim of attracting, retaining and motivating high-calibre leadership. NRC also oversees the remuneration entitlements of the NEDs.

NRC also supports the Board in promoting efficiency, effectiveness and transparency in Board governance matters, through initiatives such as the BEE, the Board Performance Improvement Programme and oversight of Board operations.

 The number of NRC meetings, Members' attendance as well as total time spent for NRC meetings throughout 2025 is tabulated on page 257.

 NRC's ToR is enumerated in the Board Charter and available on TM's website at www.tm.com.my.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

A Board Leadership and Effectiveness

MAIN ACTIVITIES IN 2025

During 2025, NRC deliberated and, where applicable, made key recommendations to the Board on the following matters:

- | | |
|---|--|
| ○ — Succession Plan for Board and Management | ○ — Board Performance Evaluation |
| ○ — Appointments to the Board and Pivotal Positions | ○ — Disclosure on Board Governance in IAR 2024 |
| ○ — Board Remuneration | ○ — Group's Reorganisation |
| ○ — Employees Remuneration | |

Key Activities

Nomination Function

1. Board:

- Reviewed the composition of the Board and membership of Board Committees to ensure an appropriate balance of skills, experience and independence.
- Proposed the extension of service of NINEDs to the Special Shareholder.
- Reviewed the Board succession plan and Directors' pool to ensure continuity of leadership and effective Board composition.
- Assessed and recommended suitable candidates as INEDs, based on searches conducted by an external consultant.
- Considered and recommended the re-appointments and re-elections of Directors for the 40th AGM, with reference to the Directors' Fit and Proper Policy and the findings of the BEE.

2. Board of Subsidiaries:

- Considered and recommended the appointment of a director on Tier 1 subsidiary and the associated remuneration.

3. Pivotal Positions:

- Deliberated on succession planning of Pivotal Positions and the development of the leadership talent pool.
- Considered the appointments of Pivotal Positions, renewal of employment contracts and their remunerations.
- Reviewed the list of Pivotal Positions in view of the Group's reorganisation.

Remuneration Function

1. Board:

- Reviewed the findings of TM BRBP, conducted by an external consultant and recommended that the prevailing Directors' fees and benefits payable remain unchanged.

2. Pivotal Positions:

- Evaluated and recommended the performance of MD/GCEO, Pivotal Positions and the Group Company Secretary against pre-set KPIs, including bonus entitlements.
- Considered and proposed the compensation package for MD/GCEO.
- Deliberated and recommended the scorecards and reviewed scorecards for Pivotal Positions for FY2025.

Activities

Remuneration Function (continued)

3. Company and Group:

- Reviewed and recommended the FY2025 TM Group Scorecard and KPIs.
- Deliberated on the Group's manpower optimisation plan.
- Reviewed the framework governing employees' performance ratings.

4. Employees:

- Reviewed and recommended the FY2024 bonus pool and FY2025 salary increment.
- Considered and recommended the mandate for the collective agreement from 2025 to 2027.

Human Capital Management

1. Presented the findings of the Organisation Health Index survey.
2. Deliberated on the insights from the Hogan Assessment conducted for Senior Management.
3. Deliberated on the Group's reorganisation.
4. Updated the medical cost optimisation programme and progress of manpower optimisation plan.

Governance and Board Matters

1. Reviewed the results of the BEE for FY2024 and the corresponding improvement plans and recommended the report for tabling to the Board.
2. Reviewed the CG Overview Statement for inclusion in the IAR and CG Report.
3. Updated the status of Directors' continuing education programme in compliance with the BTP.
4. Monitored Directors' adherence to governance requirements pursuant to the Main LR and other relevant guidelines.

NRC Effectiveness Review and Performance

Based on the findings of the BEE 2025, the Board was satisfied that NRC has effectively discharged its responsibilities, enabling TM to maintain an appropriate balance of skills, experience, independence and diversity within the Board, while ensuring that Senior Management are rightly identified, appointed and remunerated. NRC was also commended for its consistent and well-considered recommendations, which were aligned with the Company's established policies and governance framework, reflecting strong adherence to governance standards and supporting the Company's competitiveness and compliance with CG requirements.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

A

Board Leadership and Effectiveness

BOARD TENDER COMMITTEE

Chairman

Ahmad Taufek Omar

Independent Non-Executive Director

Resigned as Chairman on 27 May 2025

Meeting Attendance

8/8

Members

Datuk Siti Zaayah Md Desa

Independent Non-Executive Director

Meeting Attendance

7/8

Datuk Dr. Shahrazat Haji Ahmad

Non-Independent Non-Executive Director

Meeting Attendance

5/8

Syaiful Hafiz Moamat Mastam

Non-Independent Non-Executive Alternate Director

Appointed as Alternate Member to Datuk Dr. Shahrazat Haji Ahmad on 6 August 2025

Meeting Attendance

2/3

Datuk Bazlan Osman

Independent Non-Executive Director

Appointed as Member on 27 May 2025

Meeting Attendance

5/5

Shahnaz Al-Sadat Abdul Mohsein

Independent Non-Executive Director

Appointed as Member on 3 June 2025

Meeting Attendance

5/5

Former Members who served during the year under review:

Rossana Annizah Ahmad Rashid

Independent Non-Executive Director

Retired as Director at the 40th AGM thus ceased as BTC Chairperson and Member on 27 May 2025

Meeting Attendance

3/3

Muhammad Afhzal Abdul Rahman

Non-Independent Non-Executive Director

Meeting Attendance

3/3

Iszad Jeffri Ismail

Non-Independent Non-Executive Alternate Director

Ceased as Alternate Member to Datuk Dr. Shahrazat on 6 August 2025

Meeting Attendance

2/4

KEY OBJECTIVE

BTC provides Board-level oversight on procurement proposals across TM Group in accordance with the approved LoA and the Board's delegation of powers. In discharging its mandate, BTC facilitates the Board in:

- Providing independent oversight on high-value and strategic procurement proposals in line with the LoA.
- Ensuring a transparent, fair and efficient decision-making process, guided by principles of integrity, sound risk management and sustainability considerations.
- Reviewing and ensuring that procurement exercises comply with the Company's procurement policies, procedures and delegated authority limits.
- Safeguarding that procurement outcomes deliver optimal value and are aligned with the best interests of the Company and Group.

Through its structured oversight, the BTC reinforces governance discipline, enhances transparency in procurement practices and supports sustainable value creation.

MEMBERSHIP

With the changes in Board composition in 2025, the composition of BTC was reviewed and strengthened with the appointment of a new Chairman and additional members to enhance its overall effectiveness. BTC continues to comprise five (5) members and one (1) alternate member. All members are NEDs, with a majority being INEDs, thereby ensuring independent judgement, objective evaluation and robust oversight in procurement matters. Collectively, the members possess relevant expertise and experience in procurement, commercial evaluation, governance and risk management, enabling the Committee to discharge its responsibilities effectively.


RESPONSIBILITIES

BTC is responsible for:

- Ensuring that procurement processes comply with the applicable procurement policies, procedures and ethical standards of the Group.
- Verifying the validity and adequacy of the technical and financial capabilities of the tenderers.
- Evaluating and approving or recommending procurement proposals based on a comprehensive assessment of relevant commercial, technical, risk, governance and sustainability considerations.
- Monitoring the achievement and progress of the Bumiputera Vendor Development Programme (BVDP) in line with the Group's commitments.

BTC is supported by two (2) Management-level procurement committees, chaired by the MD/GCEO and GCFO respectively, in accordance with the LoA accorded to the respective sub-procurement committees.

The MD/GCEO, GCFO and Chief Procurement Officer (CPO) are in attendance, together with relevant business owners who are invited to present Management's justifications and recommendations for the respective procurement proposals.

 The number of BTC meetings, Members' attendance as well as total time spent for BTC meetings throughout 2025 is tabulated on page 257.

 BTC's powers, duties and responsibilities are provided in the Board Charter, available on our website at www.tm.com.my.

MAIN ACTIVITIES IN 2025

Among the key activities undertaken by BTC during FY2025 are as follows:

- Procurement proposals oversight and approval
- Procurement strategy
- Procurement governance, processes and policies
- Procurement performance, plans and updates
- BTC performance and governance

Key Activities

Procurement Proposals Oversight and Approval

1. Deliberated on procurement proposals within the ambit of and the approved LoA of BTC and Board.
2. Considered 14 procurement proposals within the BTC's LoA and recommended nine (9) procurement proposals falling under the Board's purview for the Board's approval.
3. Deliberated on strategic and critical procurement matters to ensure alignment with the Group's business priorities and risk parameters.

Procurement Strategy

1. Deliberated on and approved four (4) procurement strategy for strategic proposals to ensure alignment with the Group's long-term objectives and value creation priorities.

Procurement Governance, Processes and Policies

1. Ensured procurement activities were conducted in compliance with applicable procurement ethics, policies and procedures.
2. Reviewed procurement-related policies supporting the Bumiputera Empowerment Agenda as well as the policies addressing anti-competitive practices, including bid-rigging safeguards.

Procurement Performance, Plans and Updates

1. Reviewed the Group's procurement performance for FY2024.
2. Deliberated on procurement plans and strategies for FY2025 and monitored the performance of Group Procurement (GP) throughout the financial year.
3. Reviewed the CPO's KPI and performance outcomes for 2024.
4. Reviewed and monitored quarterly reports on the sole/single sourcing approvals by respective procurement approval committees, as well as inventory management reports.
5. Monitored the progress of contract establishment, status of critical contracts and overall procurement updates on a half-yearly basis.
6. Deliberated on the GP Organisation structure to ensure operational effectiveness and delivery capability.

BTC Performance and Governance

1. Reviewed and deliberated on the BEE 2024 results relating to the BTC and identified improvement actions to enhance its effectiveness.



For more information about Sustainable Value Chain, please refer to pages 168 to 178.

BTC Effectiveness Review and Performance

The effectiveness evaluation of the BTC formed part of the annual BEE. The assessment covered the effectiveness of the BTC and its Chairman in providing sound recommendations to the Board, as well as Members' self-assessment on the Committee's skills, composition, functionality and oversight responsibilities.

Based on the BEE 2025 results, the BTC was assessed to be effective in discharging its roles and responsibilities. The BTC Chairman was commended for effective meeting management and for fostering inclusive participation, ensuring that diverse views and constructive challenges were encouraged during deliberations. Discussions at BTC meetings were considered robust and comprehensive. The LoA were periodically reviewed to ensure they remained appropriate and aligned with business requirements, while maintaining governance discipline and control expectations.

The BEE also highlighted the importance of conducting annual review of tender and procurement policies to ensure continued relevance and alignment with evolving business and regulatory requirements. In addition, emphasis was placed on ensuring that procurement proposals are supported by sound investments justifications or business cases, taking into consideration of the Company's risk appetite.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

A

Board Leadership and Effectiveness

BOARD AUDIT COMMITTEE

Chairman

Datuk Bazlan Osman

Independent Non-Executive Director

Meeting Attendance

9/9

Members

Hisham Zainal Mokhtar

Senior Independent Director

Meeting Attendance

9/9

Muhammad Afhzal Abdul Rahman

Non-Independent Non-Executive Director

Appointed as Member on 27 May 2025

Meeting Attendance

5/5

Dr. Tunku Alina Raja Muhd Alias

Independent Non-Executive Director

Appointed as Member on 3 June 2025

Meeting Attendance

5/5

Shahnaz Al-Sadat Abdul Mohsein

Independent Non-Executive Director

Appointed as Member on 3 June 2025

Meeting Attendance

5/5

Former Member who served during the year under review:

Rossana Annizah Ahmad Rashid

Independent Non-Executive Director

Retired as Director at the 40th AGM thus ceased as BAC Member on 27 May 2025

Meeting Attendance

4/4

KEY OBJECTIVE

The key objectives of the BAC are:

- Oversees the independent review of financial information and reports to ensure their integrity, reliability and compliance with applicable accounting standards and regulatory requirements.
- Reviews audit findings and their root causes and recommends corrective actions to strengthen internal controls.
- Oversees ethics, integrity and governance matters and promotes sound governance practices throughout the Group.
- Reviews and monitors RPT and recurrent related party transactions (RRPT) to ensure compliance with regulatory requirements.
- Oversees COI situations that have arisen, persist or may potentially arise within the Group, including the measures taken to resolve, eliminate or mitigate such conflicts.

MEMBERSHIP

With the changes in Board composition in 2025, the membership of BAC was reviewed and strengthened. The Committee currently comprise of five (5) members, of whom four (4) are INEDs, thereby maintaining a majority of Independent Directors.

All members are financially literate and possess the necessary experience and expertise to effectively discharge their responsibilities.

BAC continues to comply with Paragraph 15.09 of the Main LR:

- ✓ Membership compose of not fewer than three (3) members.
- ✓ Comprise non-executive directors.
- ✓ One (1) BAC member must either be: (a) member of Malaysian Institute of Accountants (MIA); or (b) has three (3) years working experience and qualified as prescribed in the Main LR; or (c) fulfil Bursa Securities' requirements.
- ✓ No alternate director as BAC member.
- ✓ Chairman is an INED.

B Effective Audit and Risk Management

RESPONSIBILITIES


BAC assists the Board in overseeing financial reporting, internal controls, audit processes and integrity and governance practices across the Group. The Committee plays an important role in safeguarding the integrity of the Group's financial reporting, ensuring the effectiveness of internal control systems and maintaining the independence and performance of both internal and external auditors.

The MD/GCEO, GCFO and Chief Internal Auditor (CIA) attended all BAC meetings. The external auditors also attended BAC meetings where the quarterly financial results were deliberated. Whilst, the Chief Integrity and Governance Officer (CIGO) attended BAC meetings on matters relating to ethics and integrity.

BAC also held two (2) private sessions with the external and internal auditors, without the presence of Management, during the year.








The Company Secretaries and CIA serve as joint secretariat for BAC meetings. Reports on BAC proceedings are presented to the Board, while meeting minutes are circulated to members for comments prior to confirmation at subsequent meetings. Matters requiring Board's approval are escalated to the Board.

 The number of BAC meetings, Members' attendance as well as total time spent for BAC meetings throughout 2025 is tabulated on page 257.

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

MAIN ACTIVITIES IN 2025

During the year, the BAC deliberated and, where applicable, recommended the following matters to the Board:

-  Financial reporting
-  COI situations
-  Internal audit matters
-  Internal control issues
-  RPT and RRPT
-  Integrity, ethics and governance matters
-  External audit matters

Activities

Financial Reporting

1. Reviewed the Company's and Group's quarterly financial performance and financial statements for recommendation to the Board:
 - Based on the recommendations from the Best Practices Committee (BPC), a BAC sub-committee headed by the GCFO.
 - Ensuring compliance with the Malaysian Financial Reporting Standards (MFRS) 134, Main LR and other legal and regulatory requirements.
2. Reviewed and recommended to the Board:
 - Draft announcements of the quarterly financial results to Bursa Securities.
 - Audited financial statements of TM Group.
3. Assessed and recommended two (2) dividend payments in accordance with the Company's dividend policy and provisions of the CA 2016.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

B Effective Audit and Risk Management

Activities

Internal Control

1. Reviewed the adequacy and effectiveness of the Group's internal controls.
2. Deliberated on the Directors' Statement on Risk Management and Internal Control (DSORMIC), for inclusion in the IAR, after the review by the external auditors before recommending to the Board for approval.
3. Reviewed internal control reports based on Self-Assessments conducted by Management of the Company and Group.
4. Deliberated and monitored audit findings raised by internal and external auditors.
5. Reviewed compliance reports from BPC.

External Audit

1. Maintained oversight of the external audit process to ensure the independence and effectiveness of the external auditors.
2. Deliberated on the external audit report, audit plan and DSORMIC with the Auditors.
3. Reviewed the Management Letter of Representation (MLR), audit findings and Management's responses to audit observations.
4. Monitored non-audit services provided by the external auditors to ensure that their independence and objectivity was not impaired. 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.
5. Recommended the reappointment of Ernst & Young PLT (EY) as external auditors for the financial year ended (FYE) 31 December 2025. The shareholders at the 40th AGM approved the reappointment of EY for FYE 31 December 2025.

Non-audit service fees paid/payable 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)
2025 Audit Fees		
• Statutory Audit	433.7	3,290.9
• Other Audit-Related Services	-	903.8
Total Audit & Audit-Related Services	433.7	4,194.7
2025 Non-Audit Fees		
• Other Services Approved in Current Financial Year	-	2.8
Total Non-Audit Fees	-	2.8
Percentage of Non-Audit Fees over Statutory Audit & Other Audit related Services & Fees	Nil	0.1%

The abovementioned non-audit fees paid/payable for FY2025 to EY and its affiliates for the following non-audit works were within the limit provided in the BAC ToR:

- Workshop on SST scope expansion compliance.

Activities

Internal Audit

1. Oversees the effectiveness and independence of the GIA function.
2. Reviewed the performances of GIA and CIA for FYE 31 December 2024.
3. Reviewed and approved KPI 2025 targets and deliberated on their quarterly performances, competency and resources of the internal audit functions to ensure that, collectively, GIA has the required expertise and professionalism to discharge its duties.
4. Reviewed and approved the internal audit plan and budget to ensure adequate scope and comprehensive coverage of the Group's activities.
5. Reviewed and deliberated on the internal audit reports, audit recommendations and Management's action plan to ensure all key risks and critical issues were properly addressed.
6. Ensured the internal audit personnel are free from any relationships or COI of which could impair their objectivity and independence and are given assistance and co-operation by TM's officers.

RPTs and RRPTs

1. Deliberated and recommended the RPTs and RRPTs for Board's approval, 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.
2. Reviewed the estimated RRPT mandates for the ensuing year and recommended the Circular to Shareholders on the Renewal of Shareholders Mandate for TM Board's approval for further recommendation to the shareholders for approval at AGM.

Conflicts or Potential COI

1. Reviewed and assessed COI situations and disclosures by Directors and Management in relation to proposals presented at the meetings. Individuals with declared conflicts recused from the meeting and abstained from deliberation and decision-making on the relevant matters.
2. Considered the legal opinion on COI involving an INED.

Integrity, Ethics and Governance

1. Reviewed and approved GIG's KPI for 2025 and monitored its quarterly performances, competency and resources in ensuring GIG has the required expertise and professionalism to discharge its duties.
2. Reviewed the update on investigation matters and deliberated on the findings, root causes and actions taken including proposed enhancement on internal controls and processes.
3. Deliberated on the findings of the review of TM's adequate procedures conducted by an external consultant to assess compliance with Section 17A of the Malaysian Anti-Corruption Act 2009.
4. Overseeing the preventive initiatives and monitored the implementation of the OACP undertaken by GIG for Group-wide implementation.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

B Effective Audit and Risk Management

Activities

Governance

1. Deliberated on and recommended the revisions to the First Tier LoA.
2. Reviewed and recommended the IAR 2024 and CG Report for approval by the Board.
3. Deliberated on the BEE results relating to the BAC and monitored the implementation of improvement actions.

Significant judgements and issues

Deliberated on the key audit matters identified by the external auditors and based on the assessments, BAC was satisfied that the accounting treatments applied, the significant judgements made and key assumptions used in preparing the financial statements were appropriate and in compliance with applicable financial reporting standards.

COI OR POTENTIAL COI ASSESSMENT PROCESS

The evaluation of COI or potential COI involves verification against the Company's COI Policy and the register of interests maintained pursuant to Sections 219 and 221 of the CA 2016. Where a potential COI is identified, the matter is presented at the relevant meeting for deliberation and confirmation. Confirmed cases are recorded in the meeting minutes and COI Register and the conflicted director abstained from deliberation and voting on the matter.

Potential COI situations are also recorded in the COI Register maintained by the Company Secretaries and subject to periodic review by GIA.

BAC believed the procedures to scrutinise COI or potential COI is rigorous to ensure compliance with regulatory requirements and internal policies in ensuring transparency and accountability in decision-making process.

During the year, six (6) COI and eight (8) potential COI cases were recorded. Following verification, the potential COI cases were determined not to fall within the ambit of COI requiring further disclosure other than notation in the COI Register.

TRAINING

During the year, BAC members attended conferences, seminars and training programmes to enhance their knowledge and competencies to efficiently discharge their duties as Directors.



Details of the training programmes attended by the members are disclosed under Practice 2.1 of the CG Report, accessible on the website www.tm.com.my.

BAC EFFECTIVENESS REVIEW AND PERFORMANCE

The evaluation on BAC's effectiveness involved the Board's assessment on the effectiveness of BAC and its Chairman in providing the Committee's recommendation to the Board, as well as Members' assessment on its skills and composition and its functionalities and oversight responsibilities.

Based on the BEE 2025 results, the Board was satisfied that the BAC and its Chairman had effectively discharged their roles and responsibilities. The Committee's effectiveness is further strengthened by the diverse expertise of its members across financial management, legal, sustainability, digital/technology and telecommunication.

BOARD RISK AND INVESTMENT COMMITTEE

Chairman

Dato' Mohamed Nasri Sallehuddin
Non-Independent Non-Executive Director

Meeting Attendance

8/8

Members

Hisham Zainal Mokhtar
Senior Independent Director

Meeting Attendance

8/8

Tan Sri Datuk Yong Poh Kon
Independent Non-Executive Director

Meeting Attendance

8/8

Dr. Tunku Alina Raja Muhd Alias
Independent Non-Executive Director
Appointed as Member of BRIC on 3 June 2025

Meeting Attendance

5/5

Former Member who served during the year under review:

Datuk Bazlan Osman
Independent Non-Executive Director
Resigned as Member on 27 May 2025

Meeting Attendance

3/3

KEY OBJECTIVE

BRIC supports the Board through focused oversight of enterprise risk management (ERM), strategic investments and sustainability governance, while safeguarding shareholder value and the Group's assets.

BRIC mandate includes:

- Ensuring the establishment and maintenance of a sound and robust ERM framework to support the achievement of TM's strategic objectives.
- Identifying, assessing and monitoring key business risks, including financial, operational, regulatory compliance, reputational and sustainability risks, encompassing climate change and cyber security risks including data privacy.
- Reviewing strategic investment and divestment proposals, together with their associated risks and mitigation strategies, prior to Board's approval.
- Overseeing the alignment of the Group's sustainability strategies, priorities, targets and practices with its long-term sustainability commitments.

Through its integrated oversight, BRIC enhances the Board's ability to balance growth opportunities with prudent risk management and responsible business practices.

MEMBERSHIP

During the financial year, BRIC's composition was strengthened with the appointment of Dr. Tunku Alina Raja Muhd Alias who brings extensive experience in sustainability matters, in place of Datuk Bazlan Osman. This refreshment further enhanced the Committee's capability in overseeing sustainability and emerging risk considerations.

BRIC continues to benefit from a healthy mix of competencies and expertise, encompassing finance, strategic investments, internal controls, risk management, sustainability and broad business acumen. A majority of BRIC members are INEDs, ensuring objective judgement, independent oversight and adherence to sound governance practice.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

B Effective Audit and Risk Management

RESPONSIBILITIES

The key responsibilities of BRIC include:

Risk Management


- Ensuring the effectiveness of ERM framework including oversight of top corporate risks.
- Recommending the corporate risk appetite and monitoring key and emerging risks to ensure their management within established tolerance and appetite.
- Reviewing and assessing the adequacy of risk management policies and frameworks.
- Advising the Board on risk-related areas affecting the Group.


Investment

- Reviewing and evaluating strategic investment and divestment proposals within its LoA prior to recommending the same for the Board's approval.
- Assessing business collaboration and partnership proposals before submission to the Board.

Sustainability




- Reviewing sustainability frameworks, strategies, policies and initiatives.
- Monitoring sustainability matters and their impact on the Group's operations and long-term value creation
- Reviewing sustainability-related KPI and the implementation.
- Reviewing the Sustainability Statement prior to Board's approval.



 The number of BRIC meetings, Members' attendance as well as total time spent for BRIC meetings throughout 2025 is tabulated on page 257.

 BRIC's ToR is enumerated in the Board Charter and available on TM's website at www.tm.com.my.

MAIN ACTIVITIES IN 2025

During 2025, BRIC considered and, where applicable, made the following key recommendations to the Board on the following subject matters:

-  Risk Management
-  Investment
-  Sustainability

-  Cyber Security
-  Governance

Key Activities

Risk Management

1. Continued quarterly monitoring of the ERM framework and corporate risk report on quarterly basis to ensure that the risks are monitored and mitigated.
2. Reviewed the corporate risk appetite and corresponding measures.
3. Assessed risks, mitigation controls and implementation risks of key and critical projects.
4. Maintained focus on strategic and emerging risks including cyber security, climate change, sustainability and regulatory.
5. Participated in a sharing session conducted by an external advisor on emerging global risks, including financial, economic, geopolitical, technological and regulatory developments and their impact on sustainability and the telecommunication industry.

Investment

1. Reviewed ten (10) investment proposals, including business collaborations and potential partnerships and recommended six (6) for the Board's approval.
2. Reviewed key risks and mitigation plans for the proposed strategic investments.
3. Assessed risk elements of high-risk projects and endorsed recommendations on the way forward.

Sustainability

1. Reviewed quarterly sustainability progress updates.
2. Reviewed and recommended the Sustainability Report and materiality matters for inclusion in the IAR 2024.
3. Reviewed and recommended the sustainability-related KPI of Pivotal Positions.

Cyber Security

1. Continued quarterly oversight of cyber security updates, including strategic programmes and evolving threat intelligence landscape.
2. Updated on cyber security incidents, key incidents and cyber threat simulation exercises.

Regulatory

1. Reviewed quarterly regulatory updates and deliberated on their impact on the Group.
2. Updated on regulatory matters and their impact on the Group.

Governance

1. Reviewed and recommended the BRIC Report, DSORMIC, ERM and Business Continuity Management statements for inclusion in the IAR 2024.
2. Reviewed and recommended the CG report relating to the application of Principle B of MCCG for FYE 31 December 2024.
3. Reviewed and recommended KPI elements for the CCO position.
4. Deliberated on the BEE FY2024 results relating to BRIC's performances and effectiveness and the improvement plans moving forward.

BRIC EFFECTIVENESS REVIEW AND PERFORMANCE

A two-pronged evaluation of BRIC's effectiveness was conducted as part of the BEE 2025, comprising the Board's assessment on the effectiveness of BRIC and its Chairman in providing the Committee's recommendation to the Board and Members' self-assessment of the Committee's skills, composition, functionality and oversight responsibilities.

Based on the BEE 2025 results, the Board concluded that BRIC had effectively discharged its mandate with comprehensive oversight across the Group's risk landscape. BRIC demonstrated sound decision-making within the approved risk universe parameters and risk appetite. Members adopted a balanced and methodical approach in overseeing risk governance, strategic investments and sustainability matters.

CORPORATE GOVERNANCE OVERVIEW STATEMENT




Integrity in Corporate Reporting and Meaningful Relationships with Stakeholders

STAKEHOLDER COMMUNICATION AND ENGAGEMENT

Effective communication underpins TM's governance approach by facilitating transparent, accurate and timely dissemination of information to stakeholders. Guided by the Internal Communication Policy and established best practices, the Group manages corporate disclosures in compliance with regulatory requirements, with a strong emphasis on clarity, consistency and accountability. This framework ensures that the Group's performance, strategic priorities and material developments are communicated in a structured and responsible manner.

A broad range of channels is utilised to reach stakeholders nationwide. Corporate updates and announcements are released through Bursa Securities and complemented by media briefings and updates on the Company's website. The Investor Relations (IR) Unit facilitates proactive engagement with shareholders and investment community through teleconferences, virtual briefings and spotlight sessions. Digital platforms such as MS Teams, Zoom and Webex further enhance accessibility and enable wider participation.

During the financial year, TM actively engaged with its diverse stakeholder groups, including shareholders, institutional investors, analysts, fund managers, regulators and members of the public. Structured engagements included analyst briefings led by the MD/GCEO and GCFO, investor spotlight sessions, as well as participation in conferences and group meetings. Feedback and queries received from stakeholders were addressed in a timely and transparent manner, reinforcing two-way communication and stakeholder trust.

 Further details are available in the Responsible Communication section on pages 179 to 183.

CONDUCT OF GENERAL MEETING

The 40th AGM marked the Company's first hybrid AGM, conducted in compliance with Paragraph 8.27A of the Main LR. The hybrid format enhanced shareholders' participation by providing the option to attend either physically at the meeting venue or virtually via live streaming and online voting using the Remote Participation and Electronic Voting facilities. This enables shareholders, corporate representatives and proxies to participate and exercise their voting rights seamlessly, regardless of location.

All Directors, including the MD/GCEO, GCFO and Group Company Secretary, were present at the meeting venue demonstrating the Board's commitment to transparency and accountability. Shareholders, whether attending physically or virtually, were encouraged to engage actively through submission of questions during the meeting. All questions raised were addressed live and subsequently published on the Company's website after the AGM to ensure transparency and equal access to information.

To facilitate structured and orderly engagement, Deloitte Business Advisory Sdn Bhd (Deloitte) was appointed as an independent moderator to manage the question-and-answer session and support fair participation. A total of 887 shareholders and proxies registered for the 40th AGM, with 654 attending physically at the meeting venue and 233 participating virtually.

The AGM also featured a presentation by the MD/GCEO outlining the Group's 2024 performance highlights and strategic plans to deliver sustainable business value over the long term. Responses were also provided to questions raised by the Minority Shareholders Watch Group and an institutional investor i.e. PNB.

The voting results were independently verified by Deloitte prior to being announced to shareholders. Moving forward, TM remains committed to fostering meaningful shareholders engagement, ensuring regulatory compliance and leveraging technology to enhance accessibility and effectiveness in future general meetings.

 Minutes of the 40th AGM is available on the Company's website at www.tm.com.my.

COMPLIANCE STATEMENT

This CG Statement observes the Intended Outcome as prescribed in MCCG. The Board remains dedicated and committed to strengthening 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 2 April 2026.