

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors and Management are firmly committed to good corporate governance that is essential to the sustainability of the Company's business and performance. TM continues to practice and uphold the highest standards of corporate governance which is fundamental in delivering consistent financial performance, creating long-term economic and sustainable value to all stakeholders.

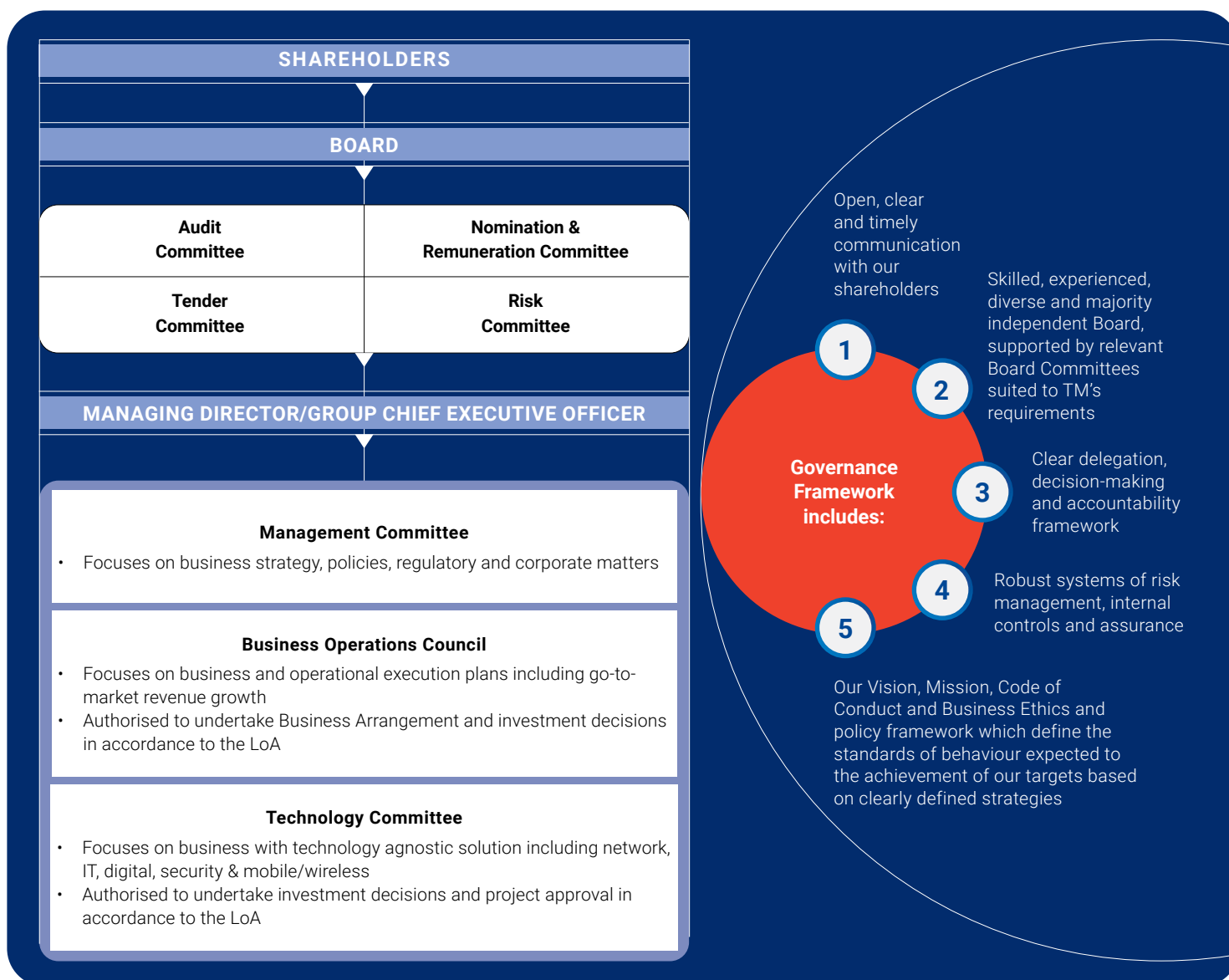
2022 was a landmark year for TM, a testament to the ongoing three (3)-year transformation initiatives with commendable growth across our business segments. The stronger financial position enables TM to deliver better value and benefits for our stakeholders – customers, shareholders, employees, partner ecosystem and community.

At the same time, our Board continuously aligns TM's dual role as a PLC and GLC. TM plays a key role in driving national initiatives towards Digital Malaysia, ensuring sustainable development through connectivity and technology and providing support to the nation via various community development initiatives. These responsibilities are aligned with our current transformation into a human-centred TechCo.

The Governance Framework of TM is guided by the principles and best practices of corporate governance as prescribed by the Main Market Listing Requirements (Main LR) of Bursa Malaysia Securities Berhad (Bursa Securities), Malaysian Code on Corporate Governance (MCCG) 2021, Corporate Governance Guide, international best practices and standards on corporate governance.

As part of the Group's Governance Framework, specific responsibilities are delegated to 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 ESG matters.

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



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



To date and for the financial year 2022, TM has adopted all recommended practices in the MCCG save for Practice 8.3 – Step Up on the full disclosure of detail remuneration of each member of senior management on a named basis.

This Corporate Governance Overview Statement is to be read together with the Corporate Governance Report (CG Report) 2022, which further elaborates on how the practices of the MCCG are applied and any departure thereto. The CG Report is available on the Company's website at tm.com.my.

PRINCIPLE **A** BOARD LEADERSHIP AND 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.

Board activities are structured to provide the Directors effective management oversight to support the MD/GCEO and Management team. As part of the ongoing transformation plan, two (2) Board Strategy Retreats were held in 2022 to re-assess the Group's business direction and strategy. At the Mid-Year Strategy Retreat, the Board has identified required growth plans and aligned strategies to evolve from a Converged Telco to a human-centred TechCo. In December 2022, the Board approved TM Group's mid-term strategic direction and Annual Operating Plans (AOP) for 2023-2025. The Board also deliberated on key strategic proposals, regulatory changes and its mitigation plans.

The Board noted good traction achieved for the 2022 ESG Roadmap with major initiatives duly completed and met the respective targets. TM also won Silver Award for The Best Sustainability Reporting at the National Annual Corporate Report Awards (NACRA) 2022.

Having Directors with diverse experiences, skills and expertise had contributed to the Board's diversity, ensuring a balanced and effective Board, ensuring healthy, engaging and robust discussion at Board meetings. With a sound Governance Framework and clarity of the Board's roles and responsibilities, our Board has been able to make effective decision-making.

The main focus for 2023 is to further strengthen the Group's core business and pursue new growth opportunities. The Board is cognisant that monitoring of the Group's performance and business planning remain a priority in view of challenges and a competitive landscape.

Board Charter

The Board Charter provides a clear description of the responsibilities of the Board, its Directors and the Board Committees as 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, several revisions were made to the Board Charter, which include enhancements to the Terms of Reference (ToR) of the Board Nomination and Remuneration Committee (NRC) arising from the refined list of Pivotal Positions in TM Group and updates to the Directors' Remuneration and Benefits policy.

Demarcation of Responsibilities between the Board, Board Committees and Management

The Board Charter clearly 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 a balance of authority and control within the Board, eliminating the possibility of one individual or group dominating the decision-making process with the Board.

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS

The positions of Chairman and MD/GCEO at all times are held by different individuals with clear and distinct roles as documented in the Board Charter. The composition of the Board committees was also reviewed in February 2022 upon considering the results of the 2021 Board Effectiveness Evaluation (BEE) and in line with the enhanced guiding principles on Directors' participation in Board committees. TM Chairman is not Chairman or member of any Board Committees and commencing 2022, BAC Chairman ceased to be a member of other Board committees.

Chairman

- Provides leadership to the Board and ensures its effectiveness
- Leads the Board in providing oversight of the 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

- Tan Sri Mohammed Azlan Hashim continues to provide strong leadership to the Board and encourages participation of all directors for robust discussions and drives an open and consultative environment
- He balances all views and leads the Board to arrive at 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 challenging 2023 and beyond and guide Management in realising the new growth areas
- Based on the BEE 2022 rating, the Board and Management have continued to rate him with higher score averaging at 4.5, testament of his strong leadership

Senior Independent Director

- Leads confidential discussions with other Non-Executive Directors (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 specific session with NEDs was not held during the year, SID was appointed as Chairperson in Board meetings, in situation of conflicts of interest involving Chairman and other Interested Directors

Executive Director

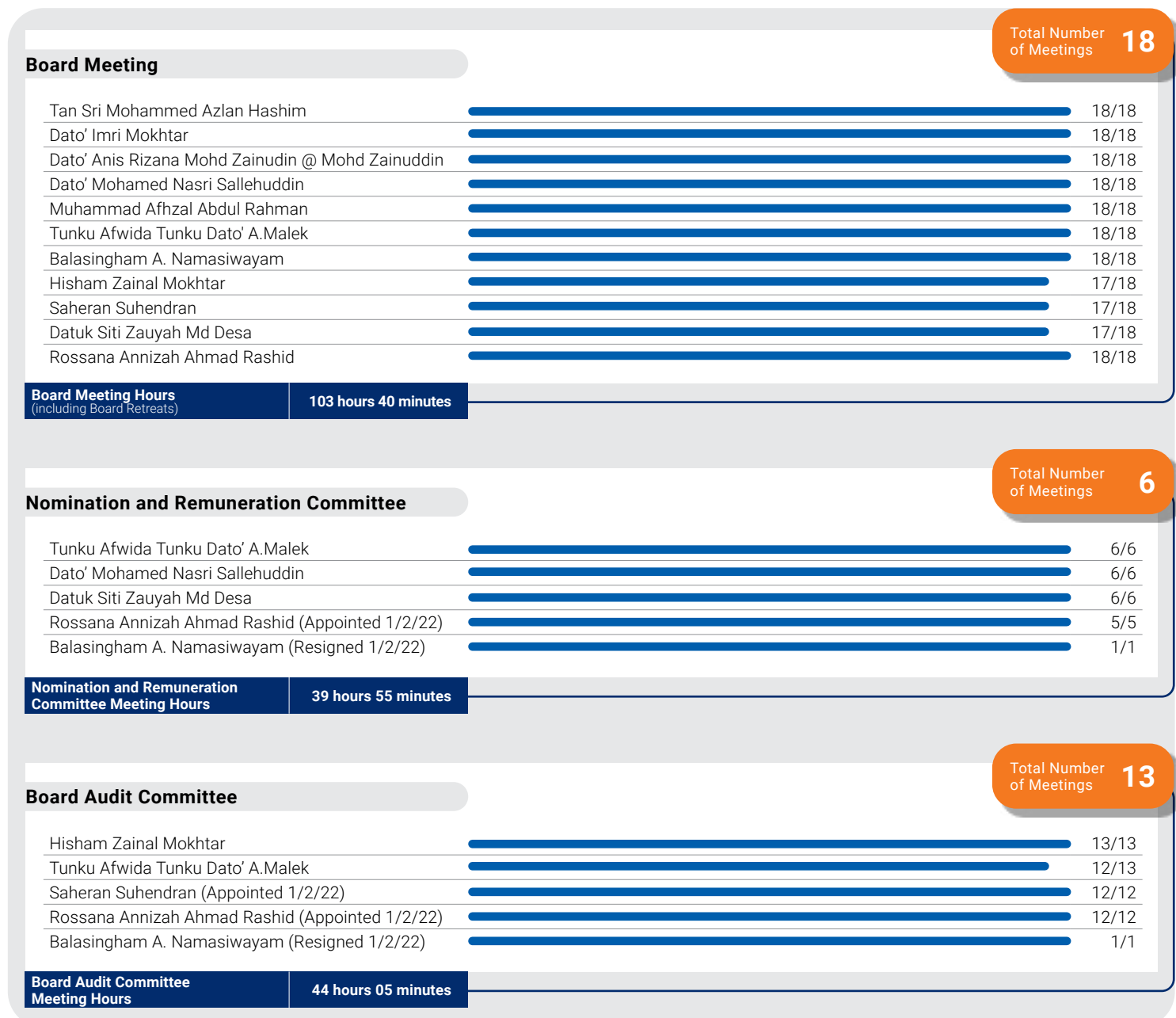
- Implements the broad policies approved by the Board and to report and discuss at Board meetings all material matters currently or potentially affecting the Group and its performance, including all strategic projects and regulatory developments
- Ensures the smooth running of the day-to-day operations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

- Dato' Imri Mokhtar continues to lead the Management team and focuses on the business and day-to-day management of the Company
- Provides the required leadership especially in formulating TM's 2021-2023 Transformation Plan ensuring alignment with the Board's priorities and expectations. Successfully drove the Company's turnaround in the past two (2) years
- Lead the Management team in identifying new growth areas in ensuring TM's sustainability as a company
- Played key role as an effective spokesperson and public face of TM, with successful engagement with investors and media

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS
Fostering Commitment of the Board

The Board's commitment is evidenced by the attendance and time spent at Board and Committee Meetings. In this respect, all the Directors attended more than 90% of Board meetings held, above the minimum threshold stipulated under Paragraph 15.05 of the Main LR. Attendance at Board Committees is above 80%, reflecting the commitment provided by the Directors. Circular resolutions are also issued to approve urgent proposals. To enable Directors to plan their participation in Board and Committee meetings, the annual meeting schedule and establishment of key board agenda were presented to the Board and shared with all Directors at the beginning of the year.

Summary of Board and Board Committees' memberships, number of meetings, attendance and time spent during 2022:



PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS

Total Number of Meetings **10**

Board Tender Committee

Datuk Siti Zauyah Md Desa	10/10
Dato' Anis Rizana Mohd Zainudin @ Mohd Zainuddin	10/10
Balasingham A. Namasiwayam	10/10
Muhammad Afhzal Abdul Rahman (Appointed 1/2/22)	9/9
Dato' Mohamed Nasri Sallehuddin (Resigned 1/2/22)	1/1

Board Tender Committee Meeting Hours 36 hours 00 minutes

Total Number of Meetings **11**

Board Risk Committee

Balasingham A. Namasiwayam	11/11
Dato' Anis Rizana Mohd Zainudin @ Mohd Zainuddin	11/11
Dato' Mohamed Nasri Sallehuddin (Appointed 1/2/22)	10/11
Tunku Afwida Tunku Dato' A.Malek	9/11
Saheran Suhendran	11/11

Board Risk Committee Meeting Hours 25 hours 30 minutes

Key focus areas/matters reviewed and deliberated by the Board in 2022

Strategic Business Direction including strategic projects and future growth

- Business strategy of various sectors within the Group
- Budget and AOP for the Group for FY2022
- Strategic Projects: M&A and inorganic proposals
- Establishment of new digital business subsidiary
- Mobile strategy
- Divestment proposals
- DNB Equity Participation and Access Agreement
- Creating a future ready brand
- TM Group reorganisation
- New growth areas in ensuring TM Group Sustainability
- Mandatory Standard on Access Pricing (MSAP)

Financial and Performance Management

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

Human Capital Management

- Review of Composition of Board Committees and TM Directors' Directorships in Subsidiaries
- Board and Leadership Succession Plans
- Pivotal Positions Definition and related matters
- Voluntary Separation Scheme and Manpower Optimisation Plans
- Review of Performance Management Framework

Governance

- Review of Board Charter and ToR of Board Committees
- BEE Exercise and Actionable Improvement Programme for the year
- Review of Board Remuneration
- Corporate Governance Disclosures in FY2021 Integrated Annual Report (IAR)
- Annual General Meeting updates and post mortem

Risk Management

- Monitor Enterprise Risk Management (ERM) framework and policies
- Review of strategic investment proposals in relation to assessment related key risks and mitigation plans

ESG

- Group Sustainability Framework
- Monitor ESG Execution Plans
- ESG Rating and Engagements

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS
Internalising Governance and Integrity

The Board firmly believes that strong ethics and integrity are the building blocks of a sustainable business. It facilitates the Board to protect the interests of our stakeholders and partners from fraud and corruption, which in turn translate into higher economic growth. The Board adopts a top-down strategy to incorporate TM's values of good governance and accountability from the leadership level and cascades across the Group.

The Group has in place a robust CBE, Anti-Corruption Guide and Whistle Blowing Policy that set out sound principles and standards of good practice, to be observed by our Directors, employees and suppliers. These documents cultivate awareness and instil anti-corruption culture, while creating a value of integrity, transparency and accountability throughout our operations.

Details of the above can be referred in the Integrity section of this IAR.

Board Commitment to ESG

The Board has strengthened Groupwide sustainability management with the establishment of the 2022-2024 Sustainability Blueprint. The blueprint has been aligned with TM's Strategic Shift 2022-2024, to bring TM's sustainability to the next stage, at par with other major players and create a competitive advantage with a transition to sustainable business practice.

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

BOARD COMPOSITION

There is no change to the Board's composition during the financial year 2022 and up to 15 March 2023. The Board comprises ten (10) NEDs and one (1) Managing Director who is also the GCEO of the Company. From 11 Directors, six (6) are Independent Non-Executive Directors (INEDs). Other than the nominee of the Special Shareholders, none of the Directors appointed any alternate directors. The Board composition represents a mix of skills, knowledge and expertise relevant to TM's business.

The Board composition complies with Paragraph 15.02(1) of the Main LR, with more than one-third of the directors are independent i.e. 54%. During the year, Clause 104(a) of the Company's Constitution was amended to provide flexibility for the Board to appoint a new independent director within three (3) months per Paragraph 15.02(3) of the Main LR, should its number fall below majority, allowing sufficient time to thoroughly assess suitable independent candidates.

Details of the Directors, including their qualifications, experience and details on duration of their service (up to date of this report), can be referred to in the Directors' Profile section of this IAR.

Representing the Interest of TM's Special and Major Shareholders

- ▶ Tan Sri Mohammed Azlan Hashim
- ▶ Dato' Anis Rizana Mohd Zainudin @ Mohd Zainuddin
- ▶ Dato' Mohamed Nasri Sallehuddin
- ▶ Muhammad Afhzal Abdul Rahman
- ▶ Iszad Jeffri Ismail
(Alternate to Dato' Anis Rizana Mohd Zainudin @ Mohd Zainuddin)

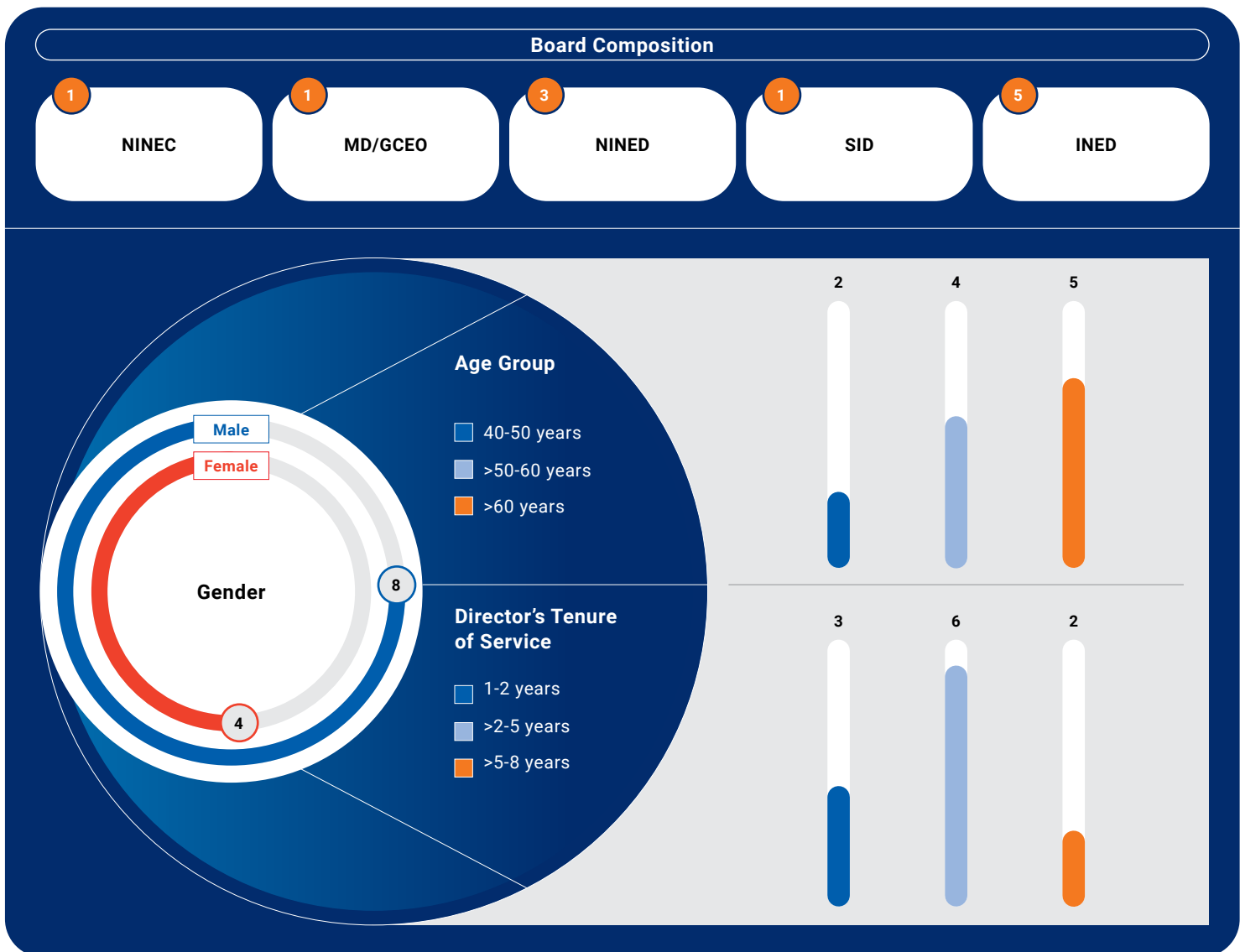
Participation on behalf of Management and Representative of Special Shareholder

- ▶ Dato' Imri Mokhtar

Representing Minority Shareholders and the Public

- ▶ Tunku Afwida Tunku Dato' A.Malek
- ▶ Balasingham A. Namasiwayam
- ▶ Hisham Zainal Mokhtar
- ▶ Saheran Suhendran
- ▶ Datuk Siti Zauyah Md Desa
- ▶ Rossana Annizah Ahmad Rashid

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS



Board Skills and Expertise

NRC supported the Board in undertaking the responsibility to review and ensuring that the respective elected Directors have the right mix of skills, competencies, experience and other qualities required for them to perform in a highly competitive telecommunication environment.

The Board's major areas of skills and experience based on the Director's BEE 2022 Self-Assessment are as follows:



In view of the fast paced technological changes in the telecommunication industry, the Board kept abreast with the relevant changes by attending more industry related training and courses during the year. Our Directors spent a total of 297 hours for industry related courses compared to 96 hours in 2021.

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS

Domain Expertise

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

- Business/Management
- Finance
- Economics

Financial and Performance Management

Industry involvement through previous held positions

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

Board Succession Planning and Appointment

Board Independence

The Board with the advice from NRC assesses the independence of Directors, including the NEDs on an annual basis and prior to their reappointment via the BEE. The Directors' skills, experience, contributions as well as their backgrounds and family relationships were considered to determine whether the Directors can continue to bring the independency and objective judgement to the Board. Other criteria as defined under Paragraph 1.01 of the Main LR was also applied in assessing the INEDs independence, which include being 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

Directors are well aware of the need to disclose their interest or any possible conflicts of interest on any matter put forth for the Board's consideration. Any interested Director shall not participate and abstain from deliberation to allow unbiased and free discussion and decision-making.

Compliance to MCGG

The Board has adopted Practice 5.4 of the MCGG 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 exceed the cumulative term limit of nine (9) years.

Board Diversity

The Board is steadfast in maintaining diversity and inclusion in its composition and decision-making process. In this regard, the Board views that diversity is not limited only to gender, but encompasses ethnicity/race, nationality, religious beliefs, cultural or socio-economic backgrounds and age. Aligning a diverse range of skills and experience is an important aspect of good governance and a pre-requisite for a constructive and challenging Board. The Board also assesses boardroom diversity in terms of experiences, skills and competencies to enable the Company to maximise business and governance performance. The existing number of female directors on the Board is four (4) comprising 36% of the total number of directors.

The Board believes the existing appointment process of new members is adequate, with relevant assessment on skills set, experience, competency and knowledge of the individual candidate with gender diversity forming a vital consideration in the selection of potential candidates. The Board will identify suitable candidates as Directors on continuous basis to fulfil any vacancy as and when required.

Formal and transparent procedure for the appointment of new directors is embedded in the Company's Constitution. The Board recognises that an effective board should include the right group of people, with an appropriate mix of skills, knowledge, experience, independent elements, age, cultural background and gender that fit

the Company's objectives and strategic goals. All nominees to the Board are first assessed by the NRC, taking into account the mix of skills, competencies, experience and other qualities required in line with the fit and proper policy before they are recommended to the Board.

NRC is delegated with the role of screening and conducting an initial selection, which include external searches, whenever required, before making a recommendation to the Board. NRC evaluates the nominees' ability to discharge their duties and responsibilities before recommending their appointment as Directors to the Board for approval.

A typical TM Board appointment process is depicted below:

Stage 1	Identify gaps/skill sets required from BEE results
Stage 2	Identify candidates
Stage 3	Evaluation of identified candidates
Stage 4	Deliberation by NRC
Stage 5	Recommendation to TM Board
Stage 6	TM Board's approval

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS

The Board has conducted an assessment on the Directors' performance and contribution based on the Self and Peer Assessment results via the BEE, which include fit and proper assessments, as well as the independence of the Independent Directors who are seeking re-election at this 38th AGM.

The assessment includes the Directors' understanding of the fundamental issues affecting TM and its stakeholders, participation and contribution to the Board deliberations, their character, integrity, competency and commitment. The level of independence demonstrated by the Independent Director and his/her ability to act in good faith and the best interests of the Company in decision-making were also considered. The Board is satisfied that they complied and satisfied the independence criteria as required by the Main LR which is also provided in the Board Charter.

TM'S CONSTITUTION

Clause 106(2)

Any Director appointed shall hold office only until the next AGM and shall then be eligible for re-election.

No new director was appointed during the year.

Clause 112

All Directors shall retire from office once at least every three (3) years, but shall be eligible for re-election. At every AGM of the Company, one-third of the Directors of the Company for the time being or if not a multiple of three (3), nearest to one-third, shall retire by rotation.

At the forthcoming 38th AGM, four (4) Directors are to retire in accordance with Clause 112 of the Constitution:

Dato' Shazril Imri Mokhtar	Dato' Anis Rizana Mohd Zainudin @ Mohd Zainuddin
Hisham Zainal Mokhtar	Datuk Siti Zauyah Md Desa

Dato' Shazril Imri Mokhtar, our MD/GCEO, has strong understanding of TM's business and culture and recognises the fundamental issues affecting TM. He has been instrumental in formulating and launching TM's three (3)-year Strategic Transformation Programme and as a result, TM has achieved significant revenue growth in 2021 and 2022. He has demonstrated strong technical and industry knowledge, leadership acumen, ability to lead the Management team and is focused on key deliverables. Dato' Imri has clear purpose of balancing the roles of PLC and GLC as well as nation building to support the nation's Digital Malaysia aspiration. Based on the 2022 BEE's peer assessment, he was rated favourably in the areas being assessed and the NRC and Board recommended his re-election.

Dato' Anis Rizana Mohd Zainudin @ Mohd Zainuddin, NINED, has strong principles on governance and integrity. She actively participates in Board's deliberations and is confident in raising any issue or concern before arriving to a decision. She has demonstrated independence of judgment and provided valuable inputs in the Board discussions. Based on the BEE peer assessment, she was rated favourably and NRC and the Board recommended her re-election.

Hisham Zainal Mokhtar, INED and BAC Chairman, is objective and inquisitive in his assessment of any subject matter put forth for discussion and provides valuable inputs for the Board's deliberation. Based on the BEE's peer assessment, Hisham was rated favourably in most of the areas being evaluated. The NRC and Board were of the opinion that Hisham is essential to the Board mix and recommended his re-election.

Datuk Siti Zauyah Md Desa, INED and BTC Chairman, has extensive experience in finance, budgetary, banking and investments having served in various senior positions in the Government sector. In view of her experience, she was appointed as Chairman of a subsidiary lending her input and experiences to management. She works constructively with peers and management. Based on the BEE's peer assessment, NRC and Board were of the opinion that she adds value and diversity to the Board and recommended her for re-election.

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS

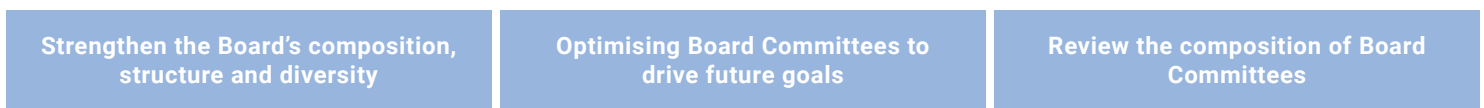
BOARD EFFECTIVENESS AND TRAINING

Board Effectiveness Evaluation (BEE) and Board Management Effectiveness Programme (BMEP)

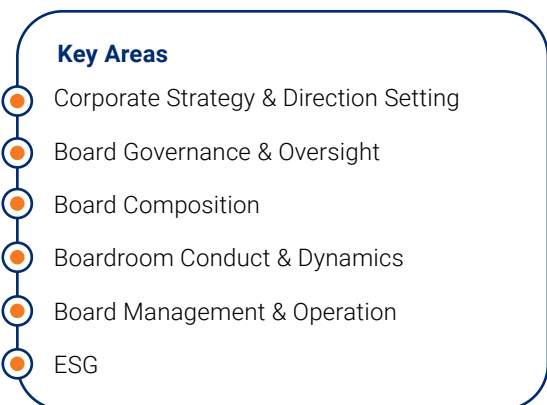
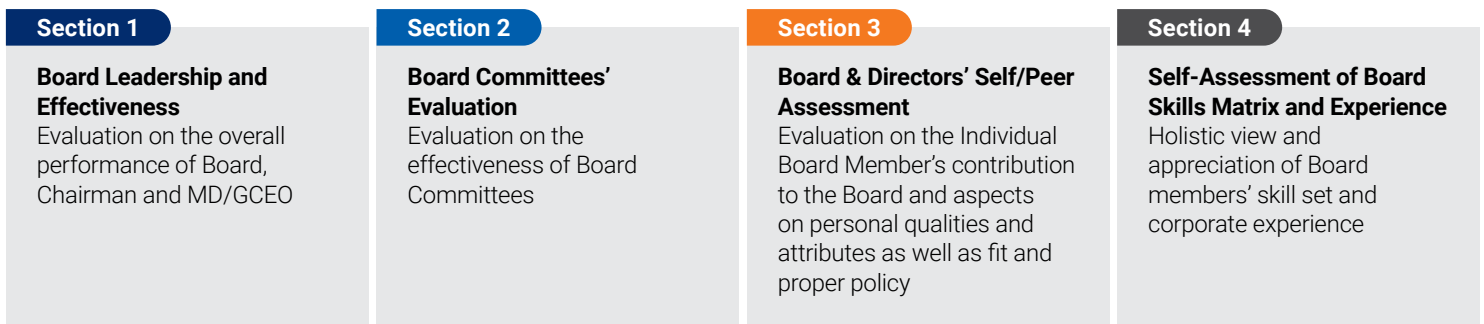
The 2022 BEE is conducted internally by the Group Company Secretarial Division (GCSD) to ascertain the overall level of effectiveness of the Board and identify areas of improvement for the Board. The BEE form was enhanced following feedbacks from Directors and additional questionnaires on ESG initiatives, as well as taking into consideration the Corporate Governance Guide.

In addition, the BMEP Survey, an assessment tool to measure the strength of selected Pivotal Positions' (C-levels) working relationship and engagement with the Board, adopted during the 2021 assessment, was also implemented during the financial year. For 2022, the BMEP Survey was also conducted on the Group Company Secretary. The results of the BMEP survey is incorporated in the Pivotal Positions and Group Company Secretary's Key Performance Indicators (KPI) Scorecard.

Further to the BEE 2021 findings and recommendation, action plans recommended were implemented and duly completed in 2022, namely:



All 11 directors and eight (8) Senior Management members participated in the 2022 BEE. GCSD has acted professionally and maintained an objective evaluation methodology in the 2022 BEE assessment. Candid assessment by the Directors are well kept to maintain the confidentiality of the feedback givers. The findings are then presented to the NRC and Board for discussion. The Board believes that the process was well managed without any due interference from Directors and Management.



The 2022 BEE revealed that the Board has provided strategic guidance and effective monitoring. The Board critically evaluates management's proposals and is astute in deliberating and challenging the recommendations. The Board ensures that the integrity of the Company is aligned to financial and regulatory requirements and internal processes. The Board is consistent on the need to continue to keep abreast of developments and initiatives in relation to ESG. The BEE also indicated that the Board's management and operation have been sufficiently addressed in 2022.

The BEE also assesses the effectiveness of the Board Committees, particularly their ToR, structure and processes, members' accountability and responsibility as well as relationship and interface between the Chairman and stakeholders. All Board Committees are rated 4.0 and above indicating that the Committee members have discharged their duties and responsibilities well with commitment and professionalism and areas of improvements were shared with the Committees.

Self and Peer Evaluation are conducted to assess each Director's professional competency, attributes and personality. Directors' Peer Evaluation overall results are rated 3.8 and above.

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS

Board Training Programme (BTP)

TM has in place a BTP since 2021. The BTP has been accounted as part of the Board Agenda at Board Meetings to provide equal opportunities for all Board members to keep themselves abreast with current developments in the marketplace. Directors were also provided with opportunities to attend TM programmes and other external programmes/seminars on the areas related to their functions/roles for continuous development and to facilitate them to discharge their duties effectively.

In addition, the aforesaid programme has also been tailored for Board committees as part of knowledge sharing programme to enhance members' skill sets based on the requirements of the respective Committees.

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

DIRECTORS AND SENIOR MANAGEMENT'S REMUNERATION

The Board ensures that the Group's remuneration policy remains competitive and equitable. The remuneration packages have been carefully aligned with industry practices taking into account the appropriate calibre of each 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) and Non-Executive Directors (NEDs)

NEC and NEDs' remuneration package is determined by the Board as a whole. Director's fee is based on a standard fixed fee while meeting allowances are paid based on attendances at Board and Committee meetings.

NEC	NED	SID*
Fee: RM360,000 per annum @ RM30,000 per month	Fee: RM240,000 per annum @ RM20,000 per month	Fee: RM27,000 per annum @ RM2,250 per month

Notes:

* On top of NED fees.

The above fee was approved by the shareholders at the 37th AGM and effective from the date of the 37th AGM until the next AGM of the Company. No revision is proposed to the existing Directors Fees. The NEC and NEDs are not entitled to participate in any employees share scheme or variable performance-linked incentive schemes.

TM has also in place a Subsidiary Tiering Framework (STF) which categorises TM subsidiaries into tiers based on its business importance, shareholding structure and profit contribution and also governs the remuneration for TM subsidiaries, whereby Directors' Fee for Tier 1 Subsidiaries has been maintained at 50% of TM Board Remuneration Framework. Subsidiaries' affordability is also considered.

The benefits payable applicable to NEC and NEDs based on the Directors' Remuneration and Benefits Policy are meeting fee, emoluments and claimable benefits. The prevailing quantum for the said benefits are stipulated below:

I Meeting fee structure for Board and Board Committees:

Meeting Allowance per Attendance (RM)					
	Board	BAC	NRC	BTC	BRC
Chairman	5,000	4,750	2,500	3,250	2,500
NED	3,000	2,500	2,000	2,500	2,000

II Meeting fee for TM subsidiaries:

Category of TM Subsidiaries	NEC	NED	Committee Fee	
	Meeting Fee (RM)	Meeting Fee (RM)	Chairman Meeting Fee (RM)	Chairman Meeting Fee (RM)
Tier 1	1,500	1,000	500	500
Other Subsidiaries	1,500	1,000	Nil	Nil

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS

- III Customary benefits such as claimable benefits on leave passage, business equipment, telecommunication bills, insurance and medical coverage.
- IV Meeting attendance allowances are payable to NEDs only and payable for each Board and/or Board Committee meeting held on per meeting basis. The said allowances are payable to Alternate Director who attend meetings in the absence of his substantive Director.

Shareholders' approval will be sought at the coming 38th AGM for the payment of Directors' fees and any benefits payable to NEDs according to Section 230(1) of the CA 2016.

Details of the total remuneration of each Director of the Company received from TM Group of Companies, categorised into appropriate components for the financial year ended 31 December 2022, are as follows:

NAME OF DIRECTORS	SALARY RM	VARIABLE PAY RM	ALLOWANCE	BENEFIT IN KIND RM	TOTAL AMOUNT RM
			TM RM		
NON-INDEPENDENT AND EXECUTIVE DIRECTOR					
Dato' Shazril Imri Mokhtar (ED/GCEO)	2,508,715.00 ^a	1,118,500.00 ^b	60,000.00 ^c	282,556.83	3,969,771.83
TOTAL AMOUNT	2,508,715.00	1,118,500.00	60,000.00	282,556.83	3,969,771.83

NAME OF DIRECTORS	FEE		ALLOWANCE		BENEFIT IN KIND RM	TOTAL AMOUNT RM
	TM	SUBSIDIARY	TM	SUBSIDIARY		
	RM	RM	RM	RM		
NON-INDEPENDENT AND NON-EXECUTIVE DIRECTORS						
Tan Sri Mohammed Azlan Hashim	360,000.00	-	81,000.00	-	95,859.89	536,859.89
Dato' Anis Rizana Mohd Zainudin @ Mohd Zainuddin	240,000.00	-	98,500.00	-	123,243.94	461,743.94
Dato' Mohamed Nasri Sallehuddin	- ^d	- ^d	-	-	53,680.15	53,680.15
Muhammad Afhzal Abdul Rahman	240,000.00 ^e	105,000.00 ^e	96,000.00	4,000.00	60,956.25	505,956.25

INDEPENDENT AND NON-EXECUTIVE DIRECTORS						
Tunku Afwida Tunku Dato' A. Malek	413,214.29 ^f	120,000.00	178,500.00 ^f	3,000.00	97,267.10	811,981.39
Balasingham A. Namasiwayam	255,000.00 ^f	315,693.55	124,500.00 ^f	14,000.00	92,492.03	801,685.58
Hisham Zainal Mokhtar	240,000.00	23,035.71	113,750.00	4,500.00	86,068.57	467,354.28
Suhendran Sockanathan	240,000.00	-	111,000.00	-	80,573.13	431,573.13
Datuk Siti Zauyah Md Desa	240,000.00	150,000.00	120,250.00	-	69,837.35	580,087.35
Rossana Annizah Ahmad Rashid	350,000.00 ^f	155,000.00	118,000.00 ^f	6,000.00	75,973.55	704,973.55

ALTERNATE DIRECTORS (NON-INDEPENDENT AND NON-EXECUTIVE DIRECTOR):						
Iszad Jeffri Ismail (Alternate to Dato' Anis Rizana Mohd Zainudin @ Mohd Zainuddin)	-	-	-	-	6,729.99	6,729.99
TOTAL AMOUNT	2,578,214.29	868,729.26	1,041,500.00	31,500.00	842,681.95	5,362,625.50

Notes:

- a Inclusive of Company's contribution to provident fund.
- b Bonus payment.
- c Car allowances in lieu of provision of company car.
- d In line with Khazanah Nasional Berhad's policy, no fee or allowance was paid in FY2022.
- e 50% of director's fees paid directly to EPF.
- f Inclusive of fees and allowances received from TM on behalf of a subsidiary.

MD/GCEO and Senior Management of Group

MD/GCEO and Senior Management are paid salaries, allowances, performance-based incentives including short-term bonus and long-term incentive plan and other customary benefits as appropriate. A significant portion of the compensation package has been made variable depending on the Company's performance during the financial year, which is based on the individual KPIs and aligned to TM's Group and Divisional Scorecards.

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS

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 pension, not linked to base salary.
- Other benefits: Provides certain benefits on a cost-effective basis to aid 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 bonus enables us to control our cost base flexibly and react to events and market circumstances.
- Long-term incentive plan (LTIP): The 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.

TM believes in performance culture as well as an appropriate balance of risk and reward. Therefore, remuneration at TM is based on the following principles:

Principle 1

ALIGNMENT WITH SHAREHOLDER INTERESTS

The remuneration package should comprise an appropriate balance of fixed and performance related elements paid over time that properly aligns with long-term Group strategy and shareholders' interests

Principle 2

PAYING COMPETITIVELY

The overall remuneration package offered to Top and Senior Management should be sufficiently competitive to attract and retain highly experienced and talented individuals, without paying more than is necessary

Principle 3

PAY FOR SUSTAINABLE PERFORMANCE

Acknowledging that success is not only measured by delivering financial returns, remuneration package should be determined on the basis of a combination of financial and non-financial factors that reflect both the current and longer term

Principle 4

PREVENTING INAPPROPRIATE RISK-TAKING

We believe that our risk management process provides the necessary control to prevent inappropriate risk-taking. The overall remuneration plan should incorporate appropriate governance processes and procedures as well as consequences for breach of governance

The NRC reviews the performances of the MD/GCEO as well as that of the Pivotal Positions and the Group Company Secretary on annual basis and recommends to the Board suitable adjustments to their remuneration and/or reward payments, reflecting their contributions for the year. The performance 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 in line with the Group's corporate objectives and strategy.

The Pivotal Positions include direct reports to GCEO and positions that are critical to TM's business, namely C-Suite Management members, Executive Vice Presidents of Lines of Business (LoBs). NRC may also

determine any other positions that are deemed strategic to the Company from time to time.

GCEO has recused himself during deliberations on his performance rewards and remuneration review at NRC and Board meetings.

TM has adopted Practice 8.2 of the MCCG and disclosed the remuneration components of the top five (5) senior management on named basis since 2018. For the financial year 2022, the disclosure of 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 year 2022 are reflected below:

RANGE OF REMUNERATION (RM)	NAME OF TOP 5 SENIOR MANAGEMENT OF GROUP
2,350,000 – 2,400,000	Ir Ts Azizi A Hadi, Chief Operating Officer
1,650,000 – 1,700,000	Razidan Ghazalli, Group Chief Financial Officer
1,600,000 – 1,650,000	Shanti Jusnita Johari, Chief Marketing Officer
1,400,000 – 1,450,000	Sarinah Abu Bakar, Chief Human Capital Officer
1,300,000 – 1,350,000	Tengku Muneer Tengku Muzani, Chief Strategy Officer

TM has in place a LTIP for all eligible employees and ED as approved by the shareholders at the Extraordinary General Meeting of the Company held on 28 April 2016. The main objectives of the LTIP are to encourage performance culture and as a retention tool. The LTIP comprises Restricted Share (RS) and Performance Share (PS) grants, whereby the main differences are on the eligibility of the employees in terms of their job grades in the Group, the performance metrics to be met, which will

be determined prior to the grant being made and the vesting periods of the Grant to the Eligible Employees.

There was no granting of new RS or PS pursuant to the LTIP during the financial year ended 31 December 2022 and no PS grants accorded to the MD/GCEO to date. Further details on the grants status to date are disclosed under Financial Statements on pages 82-87.

PRINCIPLE **A** BOARD LEADERSHIP AND EFFECTIVENESS

NOMINATION AND REMUNERATION COMMITTEE

Meeting Attendance **6/6**

TUNKU AFWIDA TUNKU DATO' A.MALEK

Senior Independent Director

Members:

Tunku Afwida Tunku Dato' A.Malek
[Meeting Attendance 6/6]
Senior Independent Director

Dato' Mohamed Nasri Sallehuddin
[Meeting Attendance 6/6]
Non-Independent
Non-Executive Director

Datuk Siti Zauyah Md Desa
[Meeting Attendance 6/6]
Independent Non-Executive Director

Rossana Annizah Ahmad Rashid
[Meeting Attendance 5/5]
[Appointed 1/2/22]
Independent Non-Executive Director

Former Member who served during the year under review:

Balasingham A. Namasiwayam
[Meeting Attendance 1/1]
[Resigned 1/2/22]
Independent Non-Executive Director

Key objectives

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

Membership

Following the review of composition of Board Committees as approved by the Board, Rossana Annizah Ahmad Rashid was appointed as a new member and Balasingham A. Namasiwayam resigned effective 1 February 2022. The existing number of four (4) members was maintained, all of whom are NEDS, with majority being independent directors.

Tunku Afwida Tunku Dato' A.Malek, being the SID continues her role as Chairperson, effectively providing the needed leadership to the NRC.

Responsibilities

In executing its nomination function, NRC's primary role is to assist the Board in reviewing and determining its appropriate size and balance and ensuring the Directors bring characteristics to the Board which provide the required mix of responsibilities, skills and experiences. NRC ensures the Board composition meet the needs of the Company and develops, maintains and reviews the criteria to be used in the recruitment process and annual assessment of directors in line with the fit and proper policy.

NRC's primary remuneration function is to support the Board in maintaining, assessing and developing policy framework on all elements of the remuneration for EDs 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 support the Board in ensuring efficiency and transparency of board governance matters primarily on BEE, Board Performance Improvement Programme and Board Operations, including other matters as may be directed by the Board.

NRC's powers, duties and responsibilities are stipulated in the Board Charter available in the Company's website at tm.com.my.

Main activities of NRC in 2022

Board Composition and Succession Planning

- Reviewed the overall size and composition of the Board and Board Committees as well as Directors' independence
- Reviewed the membership of TM Directors on subsidiaries' boards
- Reviewed the succession plan for the Board and Board Committees

Directors Pool and Reappointment of Directors

- Update 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 37th 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 candidates for Pivotal Positions

PRINCIPLE



BOARD LEADERSHIP AND EFFECTIVENESS

Remuneration

- Reviewed the performance evaluation of MD/GCEO, Pivotal Positions as well as the Group Company Secretary against pre-set KPIs
- Reviewed the FY2021 Bonus Pool and Salary Increment for TM employees
- Assessed the FY2022 TM Group Scorecard and KPIs
- Assessed the FY2022 Scorecard for Pivotal Positions
- Considered the remuneration for newly appointed Pivotal Positions
- Assessed the eligibility for vesting of RS and PS shares pursuant to the LTIP
- Reviewed and enhanced the guiding principles for the FY2022 Scorecard for Pivotal Positions
- Reviewed the Voluntary Separation Scheme
- Reviewed the Performance Management Framework for MD/GCEO and Pivotal Positions
- Reviewed the Bonus Framework for TM Group

BEE

- Considered the implementation and scope of the BEE assessment for 2022
- Reviewed the results of the BEE exercise and deliberated the results with Chairman and Board for follow up actions
- Reviewed and enhanced the questionnaires of the BEE for FY2022
- Assessed the 2022 BEE Results

Governance

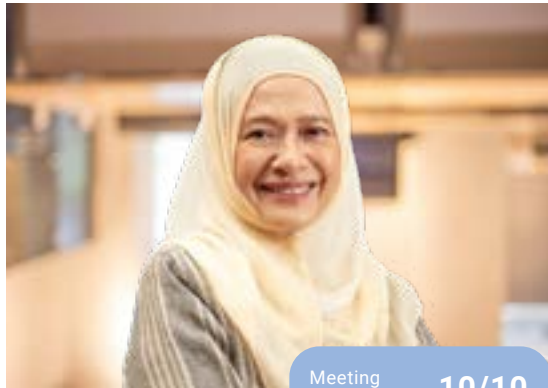
- Deliberated on the conduct of the 37th AGM ensuring compliance to relevant guidelines and best practices
- Updated on the status of Directors' continuing education programme in compliance with BTP
- Monitored the BTP as an agenda at the Board and Committees' meetings
- Observance and monitoring of governance requirements by the Directors pursuant to the Main LR and internal guidelines
- Periodic review of the Board Charter
- Amendments to NRC's ToR
- Reviewed the CG Overview Statement and CG Report for the IAR

NRC Effectiveness Review and Performance

Based on the 2022 BEE findings, Board acknowledged that NRC is relevant to TM Group's strategic direction and value add, with the members performing their duties and providing useful recommendations to the Board. NRC's composition provides the appropriate balance in terms of skills, knowledge and experience to uphold the interests of all stakeholders and to meet the needs of the Group.

PRINCIPLE **A** BOARD LEADERSHIP AND EFFECTIVENESS

BOARD TENDER COMMITTEE

Meeting Attendance **10/10**

DATUK SITI ZAUYAH MD DESA

Independent Non-Executive Director

Members:

Dato' Anis Rizana Mohd Zainudin @ Mohd Zainuddin[Meeting Attendance 10/10]
Non-Independent
Non-Executive Director**Balasingham A. Namasiwayam**[Meeting Attendance 10/10]
Independent Non-Executive Director**Muhammad Afhzal Abdul Rahman**[Meeting Attendance 9/9]
[Appointed 1/2/22]
Non-Independent
Non-Executive Director**Iszad Jeffri Ismail**

(Alternate Member to Dato' Anis Rizana Mohd Zainudin @ Mohd Zainuddin)

Former member who served during the year under review:**Dato' Mohamed Nasri Sallehuddin**[Meeting Attendance 1/1]
[Resigned 1/2/22]
Non-Independent
Non-Executive Director

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 more transparent, efficient and faster decision-making process, whilst ensuring all procurement policies and procedures are fully adhered to.

Membership

The composition of BTC was last reviewed in February 2022. Dato' Mohamed Nasri Sallehuddin resigned and Muhammad Afhzal Abdul Rahman was appointed as new BTC member on 1 February 2022. Since then, there are no changes to the BTC compositions which composes of four (4) members.

Responsibilities

Key responsibilities are:

- Ensuring the procurement process is in accordance and complies with all applicable procurement ethics, policies and procedures
- Verify the validity of technical and financial capabilities of tenderers including their registration certificates with the relevant authorities
- Consider and approve or recommend offers which will benefit the Company and Group taking into consideration various factors, such as pricing, utilisation of goods/services, quantity, delivery/commissioning timeframes and other relevant factors
- Ensure the objectives of the Bumiputera Entrepreneurship Development Programme and Vendor Programme are achieved through strict monitoring of the performance and track records of the companies/vendors appointed under these programmes

The powers, duties and responsibilities of BTC are stipulated in the Board Charter available in the Company's website at tm.com.my.

BTC is supported by management procurement committees chaired by the MD/GCEO and GCFO, depending on the LoA accorded to them. The GCEO, CTIO and CPO are invited to attend throughout the BTC meeting and relevant process owners are invited to present Management's justifications for their respective procurement proposals to BTC.

Main Activities of BTC in 2022

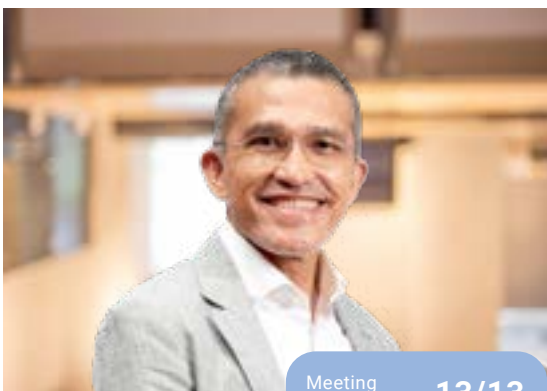
- Deliberated on procurement proposals in accordance with the LoA
- Reviewed the Procurement Policies and Bumiputera Vendor Development Framework
- Briefed on technology updates, procurement plans and strategies
- Considered Group Procurement's performance reports, procurement updates and status summaries
- Identified strategic and critical procurement issues to be addressed

BTC Effectiveness Review and Performance

BTC has identified and addressed the gaps on procurement issues on continuous basis. Based on the BEE 2022 results, BTC has effectively discharged its roles as per the ToR and is relevant to the Group's strategic direction. Improvement actions are identified to further enhance its effectiveness moving forward.

PRINCIPLE **B** EFFECTIVE AUDIT AND RISK MANAGEMENT

BOARD AUDIT COMMITTEE



Meeting Attendance **13/13**

HISHAM ZAINAL MOKHTAR

Independent Non-Executive Director

Members:

Tunku Afwida Tunku Dato' A.Malek
[Meeting Attendance 12/13]
Senior Independent Director

Saheran Suhendran
[Meeting Attendance 12/12]
[Appointed 1/2/22]
Independent Non-Executive Director

Rossana Annizah Ahmad Rashid
[Meeting Attendance 12/12]
[Appointed 1/2/22]
Independent Non-Executive Director

Former member who served during the year under review:
Balasingham A. Namasiwayam
[Meeting Attendance 1/1]
[Resigned 1/2/22]
Independent Non-Executive Director

Key objectives

Assists the Board in fulfilling its oversight functions and responsibilities through independent review of financial information and reporting. BAC provides independent review on the effectiveness and efficiency of the Group's internal control and recommends corrective actions and enhancement processes. BAC also oversee ethics, integrity and governance matters within the Group under the purview of Group Integrity and Governance (GIG).

Membership

Since the last report and as at 15 March 2023, there are no changes on the BAC members which comprises of four (4) members, majority of whom are INEDs.

Hisham Zainal Mokhtar, a Chartered Financial Analyst was appointed as Chairman of BAC since 2020. As BAC Chairman and in line with the revised guiding principles on Directors participation in Board Committees, he does not sit on other Board Committees to maintain his independent oversight.

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), whilst Rossana Annizah Ahmad Rashid is a member of CPA Australia, thus complying with the requirement of Paragraph 15.09(1) (c)(i) of the Main LR.

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

All BAC members, as shown by their profiles on pages 180 to 185, are financially literate. They have sound judgement, objectivity, independent attitude, management experience, professionalism, integrity and knowledge of the industry. With diverse skills and experience, they were able to discharge their duties responsibly.

Responsibilities

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

How the Committee operates

13 BAC meetings were held in 2022. The attendance at all BAC Meetings in 2022 fulfilled the requisite quorum as stipulated in its ToR. The BAC meetings were structured into two (2) deliberation clusters, ensuring efficient planning by Management and sufficient time spent for the members to deliberate and discuss the various matters.

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 members of management, whilst private sessions with Group Internal Audit (GIA) were conducted as and when necessary. 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.

Company Secretaries and CIA act as joint secretariat for BAC meetings. Reports on the proceedings of the BAC meetings are presented to the Board while minutes of meetings 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.

On 22 February 2022, a sub-committee under BAC, known as BAC+ was established to assist the Board to comprehensively assess the way forward for TM's Business Support System (BSS) whilst ensuring adequate governance processes are in place. In addition to the existing BAC members, Dato' Mohamed Nasri Sallehuddin, Muhammad Afhzal Abdul Rahman and Datuk Siti Zaayah Md Desa were appointed as additional BAC+ members. There were three (3) BAC+ meetings convened during the year. Upon conclusion of its objective and the Board has satisfied that the proposed mitigation plans, governance and holistic approach for the BSS had been fulfilled, BAC+ was dissolved on 24 August 2022.

PRINCIPLE **B** EFFECTIVE AUDIT AND RISK MANAGEMENT

Main Activities of BAC in 2022 (and up to the date of this report)

1. Financial Reporting

- a) Noted and deliberated on the recommendation of the Best Practices Committee (BPC) on the Company's quarterly financial performance and statements.
- b) 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.
- c) 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.
- d) Discussed the quarterly internal audit reviews to ensure compliance with MFRS 134.
- e) Reviewed and recommended for the Board's approval, the audited financial statements of TM Group for the financial year ended (FY) 31 December 2022. BAC concluded that the financial reports presented a true and fair view of the Company's financial performance for the year and complied with regulatory requirements.
- f) Assessed and recommended the dividend payouts in line with the Company's dividend policy ensuring compliance with the provisions of the CA 2016.

2. Internal Control

- a) Deliberated on the Directors' Statement on Risk Management and Internal Control (SORMIC), which was reviewed by the external auditors, in February 2022 and 2023 for inclusion in the IAR 2021 and 2022.
- b) 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.
- c) Deliberated and monitored the progress and status of the audit issues for TM Group raised by both internal and external auditors, respectively.
- d) 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.
- e) Monitored specific issues or concerns affecting the Company's efficiency and performance until BAC was satisfied sufficient controls were in place.

3. External Audit

- a) Reviewed the external auditor's report for the FY 31 December 2021 and FY 31 December 2022 and the respective 2021 and 2022 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 CIA and GCFO.

- c) Recommended the re-appointment of external auditors for the Board's consideration. The shareholders at the 37th AGM approved the reappointment of Ernst & Young PLT (EY) for the FYE 31 December 2022. Board also accepted BAC's recommendation for EY's reappointment for the FYE 31 December 2023 for shareholders' approval at the forthcoming 38th AGM.
- d) Reviewed the 2022 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 report such engagement to BAC at every quarter.

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

	Company (RM'000)	Group (RM'000)
2022 Audit Fees		
• Statutory Audit	1,367.9	2,800.0
• Other Audit Related Services	400.0	400.0
Total Audit and Audit Related Services	1,767.9	3,200.0
2022 Non-Audit Fees		
• Other services approved in previous financial years	198.0	198.0
• Consultancy services approved in current financial year	532.0	534.8
Total Non-Audit Fees	730.0	732.8
Percentage of Non-Audit Fees over Statutory Audit & Other Audit Related Services & Fees	41.3%	22.9%

The Group and Company engaged the external auditors and its affiliates for the following non-audit works:

- Special review of billing system migration; and
- Tax advisory and compliance services.

4. Internal Audit

- a) Reviewed the internal audit plan and its budget to ensure adequate scope and comprehensive coverage of the Group's activities.
- b) Reviewed the 2022 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.
- c) Assessment of performance evaluation of CIA in line with requirements of BAC ToR.
- d) Deliberated on the internal audit reports, audit recommendations and Management's action plan.

PRINCIPLE

B

EFFECTIVE AUDIT AND RISK MANAGEMENT

- e) 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.
- f) Ensured the internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence, whether the function is carried out in accordance with a recognised framework and other general information on GIA and its resources.
- g) Reviewed the assistance and co-operation given by TM's officers to the Internal Auditors.

5. RPTs, Recurrent Related Party Transactions (RRPTs) and Conflicts of Interest

- a) Reviewed RPTs and possible conflict of interest transactions, 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. Based on the approved RRPT mandate, BAC concurred reasonable controls were in place to monitor and track the RRPT amount transacted during the year.
- b) Reviewed the estimated RRPT Mandates for the ensuing year and Circular to Shareholders on the Renewal of Shareholders Mandate and Additional Mandates for RRPT and recommended the same for TM Board's approval.
- c) Periodically reviewed the RRPTs that were mandated at the 37th AGM and tracked the transactions against the mandated amount.

6. Integrity, Ethics and Governance

- a) Reviewed 2022 KPI targets performances, competency and resources of the GIG functions to ensure that, collectively, GIG has the required expertise and professionalism to discharge its duties.
- b) Deliberated on GIG's Quarterly Performance and Progress Report.
- c) Noted on the operational matters i.e. statistic of complaints received.
- d) Deliberated on the status of Investigation and Domestic Inquiry.
- e) Discussed on the prevention matters.
- f) Deliberated and monitored the status of the OACP.

7. 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.

8. Annual Reporting

Reviewed the IAR and recommended its adoption by the Board.

9. Significant judgements and issues

Deliberated on key audit matters during the year as identified by the external auditors and based on 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 and Performance

The review of the effectiveness of BAC, including its structure and process, performance, accountability and responsibilities as well as the member's term of office and performance was duly assessed as part of the annual BEE.

Based on the 2022 BEE, BAC is rated by both Board and Management as the most effective Committee in assisting the Board in discharging its duties. It continues to be highly ranked in all effective indicators. The committee members have consistently provided useful recommendations, with the committee chair properly discharging his responsibilities.

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.

PRINCIPLE **B** EFFECTIVE AUDIT AND RISK MANAGEMENT

BOARD RISK COMMITTEE



Meeting Attendance 11/11

BALASINGHAM A. NAMASIWAYAM

Independent Non-Executive Director

Members:

Tunku Afwida Tunku Dato' A. Malek[Meeting Attendance 9/11]
Senior Independent Director**Dato' Anis Rizana Mohd Zainudin @ Mohd Zainuddin**[Meeting Attendance 11/11]
Non-Independent
Non-Executive Director**Dato' Mohamed Nasri Sallehuddin**[Meeting Attendance 10/11]
[Appointed 1/2/22]
Non-Independent
Non-Executive Director**Saheran Suhendran**[Meeting Attendance 11/11]
Independent Non-Executive Director**Iszad Jeffri Ismail**

(Alternate Member to Dato' Anis Rizana Mohd Zainudin @ Mohd Zainuddin)

Key objectives

To assist the Board in:

- Providing oversight of the effectiveness of the Company's ERM framework and policies
- Ensuring adequate processes and systems for identifying and reporting risks and deficiencies including emerging risks
- Ensuring the execution and implementation of sustainability strategy, in order to continue generating economic value
- Managing other stakeholders' concerns on risks matters

BRC's role has also been expanded to include the review of strategic investment proposals focusing on the assessment and identification of related key risks and mitigation plans.

Membership

Since the last report and as at 15 March 2023, there are no changes on the BRC members which comprise of five (5) members, majority of whom are INEDs.

Responsibilities

Key responsibilities are:

- Advise the Board on risk-related issues and recommend strategies to mitigate critical risks
- Review, evaluate, assess the adequacy of risk management policies and framework and deliberate on risk assessment for strategic investment proposals, prior to the proposals being tabled for approval by the Board
- Enhance Corporate Governance practices of TM Group with focus on risks issues
- Ensuring Management maintains a sound and robust ERM framework and policies to safeguard shareholders' interest and the Group's assets
- Oversee compliance with the stated risk appetite and policies and procedures related to risk management governance and the risk controls framework
- Monitors the principal risks and emerging risks affecting the business and the progress of TM's sustainability initiatives against the targets set

The powers, duties and responsibilities of BRC are stipulated in the Board Charter available in the Company's website at tm.com.my.

BRC continues to engage and cross refer information and issues with GIA and the BAC to ensure better monitoring and mitigation of risks in TM Group.

BRC has assisted the Board to continuously review and improve the monitoring systems and processes. It continues to be proactive in highlighting corporate, strategic and emerging risk issues and was open in discussing its views, concerns and/or reservations and provided guidance to Management on the risk controls to mitigate and/or pre-empt the risks.

With BRC's guidance and advice, the Management is more aware and mindful of the existing and possible risks while being more proactive in managing and monitoring the Group's risks specifically risk relating to the Group's operations and business sustainability.

Main Activities of BRC in 2022

- Reviewed and approved TM's updated Corporate Risk Management Policy and Risk Appetite Statement
- Reviewed and approved the establishment of Corporate/Operational Risk Tolerance & Measures
- Reviewed the proposed amendments to the ToR of BRC and made recommendation to the Board on the proposed amendments
- 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
- Requested Management to enhance focus on strategic and emerging risks including cyber security, credit management, climate change and sustainability
- Continued reviewing of TM Sustainability Programmes Update and Cyber Security Update
- Reviewed key risks and mitigation plans for strategic investment and divestment
- Reviewed report on high risk projects and endorsed the moving forward recommendation

PRINCIPLE



INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

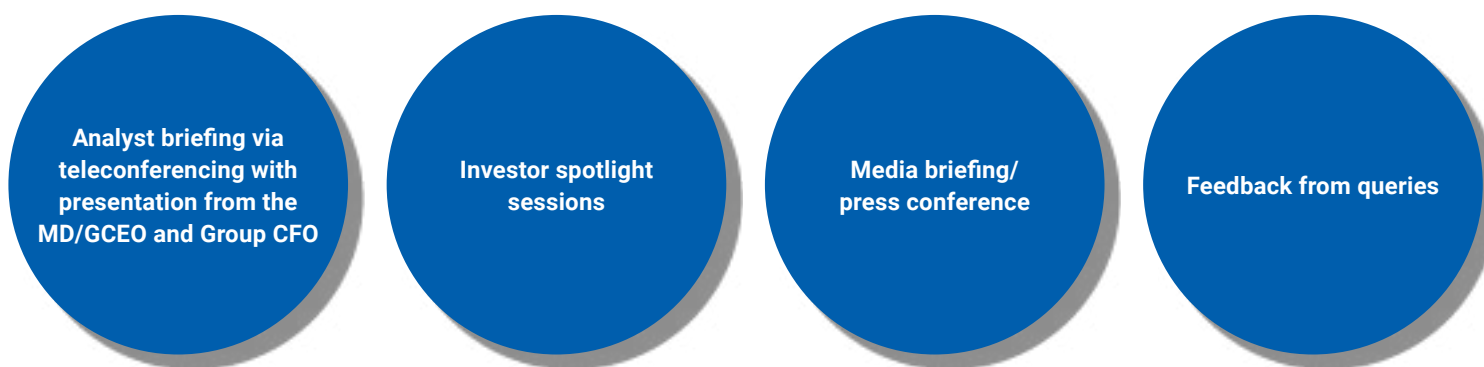
COMMUNICATION, INTERACTION AND RELATIONSHIP WITH STAKEHOLDERS

The Board recognises the importance of a high standard and effective communication with all stakeholders from various institutional investors and the investing public at large on the growth of the Group’s performance and position. 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 was established to facilitate the handling and disclosure of material information especially on releasing of the material with sensitive information to avoid misleading information for the 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 has utilised all various platforms by way of MS Teams, Zoom, Webex and teleconferences for the engagement with investors and shareholders. Notwithstanding, investors and shareholders are also being updated by their registered email service from TM’s Investor Relations.

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



Further disclosure on Stakeholder priorities in regards to Shareholders and Investment Communities is provided in page 27.

pertinent and relevant questions posed by the shareholders during the AGM were responded accordingly.

CONDUCT OF GENERAL MEETING

TM continues to convene general meeting virtually as part of the continuous effort in ensuring the highest safety of all shareholders and guidance introduced during the COVID-19 pandemic in line with the Securities Commission’s Guidance on the Conduct of General Meetings for Lister Issuer. At the virtual meeting, the Chairman, BAC Chairman, NRC Chairman, MD/GCEO, Group CFO and Group Company Secretary were present in person at the Broadcast Venue with other Directors attended the meeting remotely from the Company’s boardroom. Shareholders, corporate representatives and proxies participated the 37th AGM remotely via live streaming and online voting using Remote Participation and Electronic Voting (RPEV) Facilities.

A total of 1,089 shareholders and proxies participated remotely via the Boardroom Lumi AGM system. The proceedings of the 37th AGM includes the MD/GCEO’s presentation of the Company’s 2021 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 independent scrutineers, Sky Corporate Services Sdn Bhd, before the results were announced by the Chairman.

During the meeting, the shareholders participated actively on questions, provided with ample opportunity and given answers to all the queries with 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 oversee that

COMPLIANCE STATEMENT

This Corporate Governance Overview Statement together with the CG Report set out the means in which the Company observes the Intended Outcome as prescribed in MCCG. The Board remains dedicated and committed in 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 4 April 2023.