

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

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

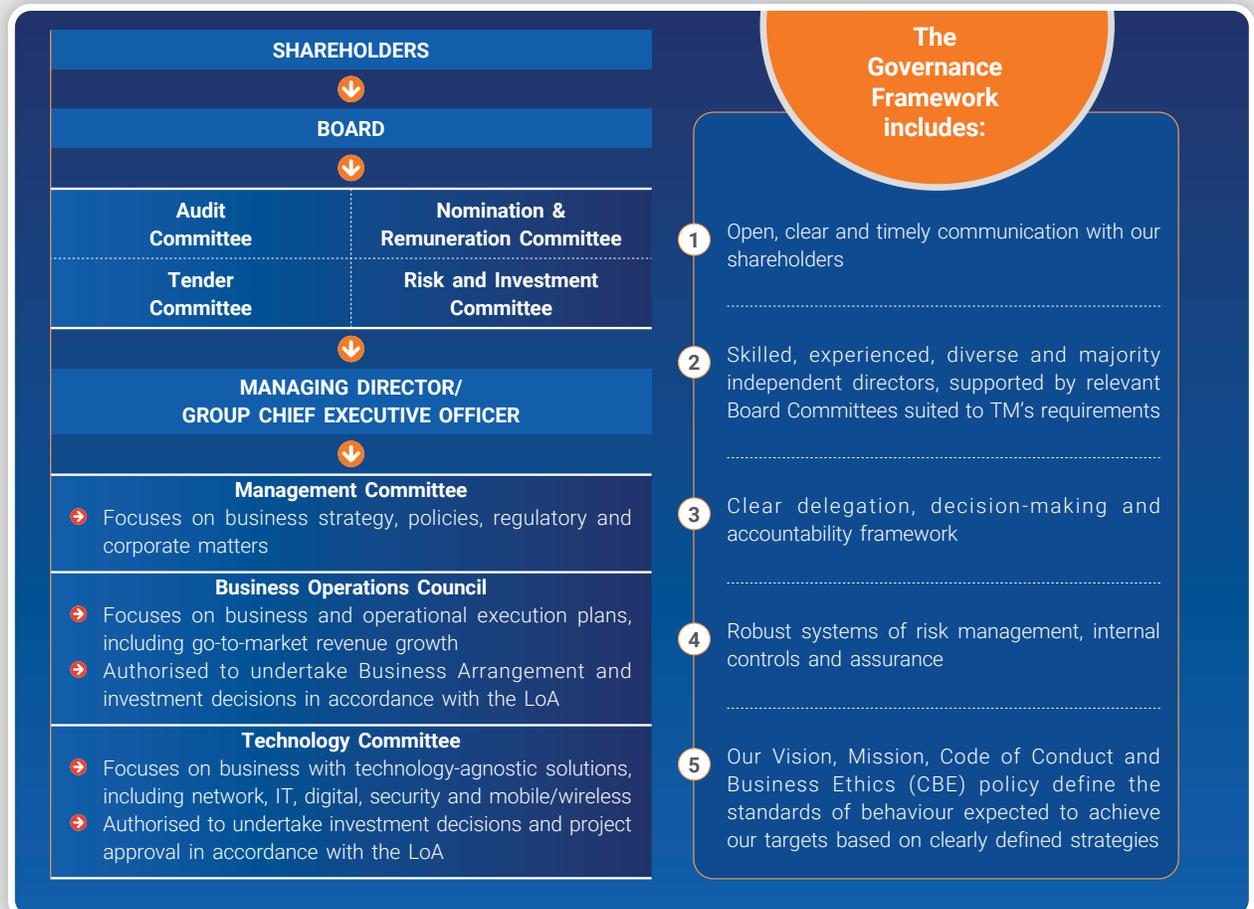
At the same time, our Board continues to align TM's role as a public listed company (PLC) and government-linked company (GLC) whilst playing a key role in driving national initiatives towards a Digital Malaysia, ensuring sustainable development through connectivity and technology, while providing support to the nation through various Corporate Responsibility initiatives.

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

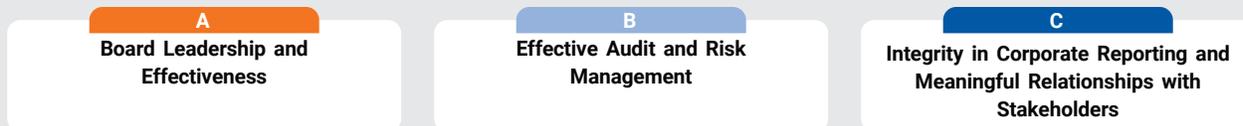
TM's Governance Framework is supported by the Board Charter, Limits of Authority (LoA) Matrix, Business Policy and Governance (BPG) and the Directors' & Management's Conflict of Interest (COI) Policy.

An annual review of the Board Charter is conducted, whilst the LoA and BPG are reviewed and updated in line with the Group's internal reorganisation and transformation initiatives, ensuring TM Group's continued effectiveness, adaptability and compliances for a structured process to identify and address evolving risks, opportunities and best practices.

Our CG Framework



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



As at 31 December 2024, TM adopted 46 practices:

MCCG Practices	# of Practices	# of Practices Applied in		Practice/Step-up not adopted during 2024
		2023	2024	
Recommended	43	42	42	Practice 5.9 on 30% women directors. Women directors' composition reduced to 27%.
Step-ups	5	4	4	Step-up 8.3 on detailed remuneration of Senior Management on a named basis.
Total	48	46	46	

This CG Overview Statement is to be read together with the CG Report 2024, 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 www.tm.com.my.

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BOARD LEADERSHIP AND EFFECTIVENESS

DISCHARGING THE BOARD RESPONSIBILITIES

In discharging its roles and responsibilities, the Board is mindful of the need to protect the interests of all stakeholders, stemming from the Board's principal responsibility of promoting the Company's long-term success and delivering 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 to meet the objectives and goals of the Company. Board activities are structured to provide the Directors with effective management oversight to support the MD/GCEO and Management team.

During the year, the Board held two (2) sessions of Board Retreats designed to provide Management the guidance and support in its moving forward plans.



TM's ESG framework is in line with the dynamic market and regulatory trends in the sustainability space and TM's business goals. During the year, the Board observed the progress of the Sustainability Roadmap for 2024-2026.

Board Charter

The Board Charter embodying clear description of the responsibilities of the Board, its Directors and the Board Committees is one (1) of the primary references for the Board on our governance practices and Board policies and guidelines. Matters requiring approvals from Board and/or Committees are provided in the Board Charter.

The Board reviews the Board Charter from time to time to ensure it remains relevant to the Company's objectives and strategies in alignment with current rules and regulations. During the year, the Board Charter was reviewed involving the Board's and its committees' minimum attendance at meetings and the enhancement to the Board's and BRIC's responsibility in regards to climate risk.

Demarcation of Responsibilities between the Board, Board Committees and Management

The Board Charter demarcates the roles and responsibilities of the Board, Board Committees and Management and identifies the specific roles and responsibilities of the Chairman, Senior Independent Director (SID), Non-Executive Director (NED) and Executive Director (ED). Clear and precise demarcation of functions provide ease of observation and avoids imbalance of authority or control by the Board, eliminating the prospect of one (1) individual or group dominating the decision-making process.

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BOARD LEADERSHIP AND EFFECTIVENESS

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

Different individuals hold the positions of Chairman and MD/GCEO at all times with each having their respective clear and distinct roles. The composition of the board and committees' memberships were reviewed following the Board changes in 2024. Throughout the year, TM Board Chairman continues to be devolved from any other Board Committees.

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



- During the year, Dato' Zainal Abidin Putih provided strong leadership in guiding the Board and Management.
- He encourages thorough discussions between directors, ensuring informed decisions.
- Dato' Zainal was 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) 2024, the Board continued 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.
- Dato' Zainal was commended on his good grasp on issues, his application and wisdom in leadership enabling honest and constructive discussion amongst the Board whilst providing guidance and leadership in the Board.

Senior Independent Director (SID)

ROLES

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



- Hisham Zainal Mokhtar continued the former SID, Tunku Afwida Tunku Dato' A.Malek's legacy in upholding integrity and governance. He is also a sounding board for the Chairman and acts as an intermediary for other Directors when required.
- Though no specific session with NEDs was held during the year, SID was appointed to chair the Board meetings in situations of Conflict of Interest (COI) involving the Chairman and other Interested Directors.
- Based on the BEE 2024 and SPA, Hisham was highly rated by the Board further solidifying his leadership as an SID.

Executive Director

ROLES

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

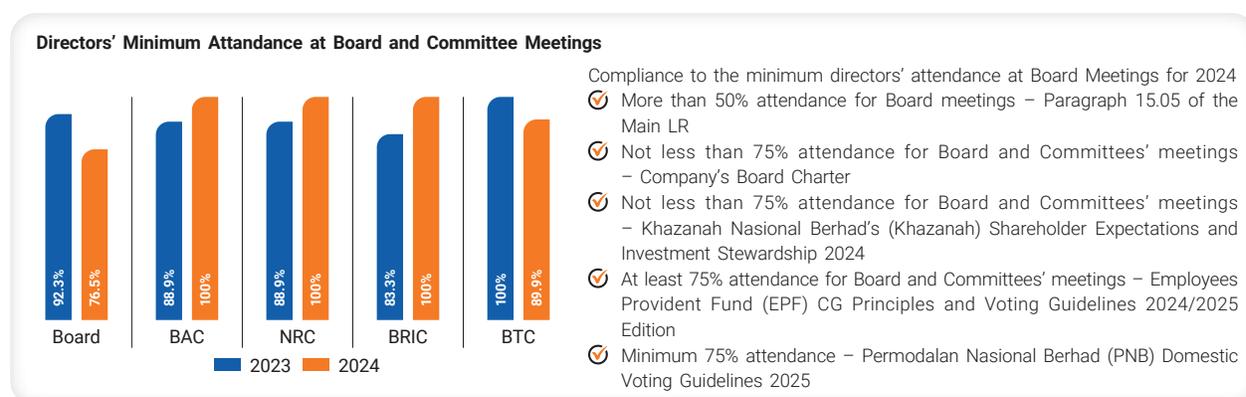


- Amar Huzaimi Md Deris, with his leadership, hands-on knowledge, perspective and experience of the Management's capabilities enables focus on strategic aspects and businesses of the Group.
- He has a strong hold on the local and global telecommunication industry and is able to effectively interact with stakeholders.
- He has demonstrated his leadership competencies, skills and in-depth knowledge of the industry, adaptability and open mindedness towards changes.
- Based on BEE 2024, he was rated more than 4.0 for his operational leadership and strategy and Board engagement. He was also highly rated by his peers for his SPA.

Fostering Commitment of the Board

Directors' attendance at Board and Committees' Meetings have been consistent throughout the year, indicating the Directors' commitment to their tasks and responsibilities. All Directors have complied with the minimum attendance requirements at Board meetings as per Paragraph 15.05 of the Main LR. Per the Board Charter, alternate director's attendance at committee meetings is considered to ensure smooth board operations whilst maintaining effective oversight and decision-making. Furthermore, there is only one (1) alternate director representing the interest of the Special Shareholder.

TM Directors' compliance for attendance at meetings is indicated below:



In addition to the Board meetings, three (3) circular resolutions were issued and passed to approve urgent proposals.

Directors' commitment, attendance and time spent at Board and Committees' Meetings in 2024

No.	Director & Representation	Designation	Time Spent	No. of Attendance/No. of Meeting				
				Board Meeting	Committee			
					NRC	BAC	BRIC	BTC
				105.0 hr	41.0 hr	47.4 hr	22.3 hr	30.9 hr
A. Represent TM's Special and Major Shareholders								
1.	Dato' Zainal Abidin Putih	NINEC	17/17					
2.	Amar Huzaimi Md Deris	NIED	17/17					
3.	Datuk Dr. Sharazat Haji Ahmad	NINED	13/17					2/7
	Iszad Jeffri Ismail – Alternate Director to Datuk Dr. Shahrazat	NINE Alt Dir	6/17*					5/7**
4.	Dato' Mohamed Nasri Sallehuddin	NINED	17/17	10/10			7/7	
5.	Muhammad Afhzal Abdul Rahman	NINED	17/17					8/9
B. Represent Minority Shareholders								
6.	Hisham Zainal Mokhtar	SID	17/17	6/6	14/14		6/6	
7.	Datuk Siti Zauyah Md Desa	INED	14/17	10/10				9/9
8.	Rossana Annizah Ahmad Rashid	INED	17/17	4/4	14/14			5/5
9.	Ahmad Taufek Omar (Redesignated from NINED to INED on 13 September 2024)	INED	17/17	8/8				7/7
10.	Tan Sri Datuk Yong Poh Kon (Appointed on 30 May 2024)	INED	9/9	6/6			3/3	
11.	Datuk Bazlan Osman (Appointed on 30 May 2024)	INED	9/9		7/7		3/3	
C. Former Directors								
12.	Tunku Afwida Tunku Dato' A.Malek (Retired upon conclusion of the 39 th AGM on 30 May 2024)	INED	7/7	4/4	7/7		4/4	
13.	Balasingham A. Namasiwayam (Retired upon conclusion of the 39 th AGM on 30 May 2024)	INED	7/7				4/4	4/4
14.	Suhendran Sockanathan (Resigned on 25 July 2024)	INED	11/11		9/10		3/4	

Note:

* Attended two (2) Board Retreats and four (4) Board Meetings

** Attended five (5) BTC meetings in place of his principal director

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Directors' ability to plan their participation in Board and Committee meetings was assisted with an annual meeting schedule with established key Board agenda. This enables the Directors to maximise their attendances at Board and Committees' meetings and manage their other commitments accordingly.

Key Focus Areas/Matters Reviewed and Deliberated by the Board in 2024

Strategic Business Direction, including strategic projects and future growth

- Business Strategy of Business Clusters, Enablers and Human Capital Management
- Budget and AOP for the Group for FY2025
- Equity participation in Digital Nasional Berhad
- 5G Dual Network Update and Transition
- New growth areas: data centres, subsea cables etc.
- Strategic projects and inorganic proposals

Financial and Performance Management

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

Regulatory

- Public Inquiry papers

Human Capital Management

- Board and Leadership Succession Plans
- Pivotal Positions' Scorecard and Performance Review
- Review of Performance Management Framework

ESG & Sustainability

- TM Sustainability Roadmap 2024 -2026 Progress Update
- Board Training Programme (BTP) on Cyber Security Act 2024
- BTP: Boom or Bust – The Evolving Role of Corporate Leaders in Unlocking Sustainability Value for Business Reliance and Growth
- TM's Task Force on Climate-Related Financial Disclosures (TCFD) 2023
- Sustainability Key Performance Indicators (KPI) for Pivotal Positions

Governance

- Review of Board Charter and ToR of Board Committees
- BEE Exercise and Actionable Improvement Programme for the year
- CG Disclosures in FY2024 IAR
- COI matters
- Related Party Transactions (RPT) with related parties
- IAR

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

Integrity

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 CBE, Anti-Corruption Guide and Whistle Blowing Policy encompass policies governing ethics, governance, whistle blowing, COI, etc., set sound principles and standard of good practices that applies to Directors, employees and suppliers. These instil awareness and creates anti-corruption culture, integrity, transparency and accountability values throughout our operations.

 For more information about Good Governance under the Ethical Business – Responsible Conduct, please refer to pages 151 to 163.

Board Commitment to ESG

The Board has further strengthened group-wide sustainability management by adopting an updated Sustainability Framework and Integration Plan and the 2024-2026 Sustainability Roadmap.

Realising the need to continuously enhance the Board's knowledge and understanding on sustainability, in October 2024, Board and Senior Management attended sustainability training conducted by UN Global Compact Network Malaysia & Brunei (UNGCMYB) Academy on the evolving role of senior leaders in unlocking sustainable value for business reliance and growth in the technology sector. In addition, five (5) Directors attended the Mandatory Accreditation Program (MAP) Part II on sustainability in 2024.

 For more information on TM's ESG targets and initiatives, please refer to the Driving Sustainable and Meaningful Impact on pages 90 to 168.

BOARD COMPOSITION

Board composition during the year under review represents a mix of skills, knowledge and expertise relevant to TM's business. The Board's composition has undergone several changes during the year as stipulated below:

No.	Director	Circumstances of Change	Date of Change
1.	Tunku Afwida Tunku Dato' A.Malek	Retired upon the conclusion of the 39 th AGM	30 May 2024
2.	Balasingham A. Namasiwayam		
3.	Tan Sri Datuk Yong Poh Kon	Appointed as INED after the conclusion of the 39 th AGM	
4.	Datuk Bazlan Osman		
5.	Suhendran Sockanathan	Resigned as INED	25 July 2024
6.	Ahmad Taufek Omar	Redesignated from NINED to INED	13 September 2024

As at 31 December 2024, the Board composition on independent Directors increased to 55% compared to 50% in 2023 complying with Practice 5.2 of the MCCG. On 13 September 2024, the Board approved the redesignation of Ahmad Taufek Omar as an independent director following the end of his three (3) years cooling off period on 1 September 2024 due to his previous employment with TM that ended on 31 August 2021.

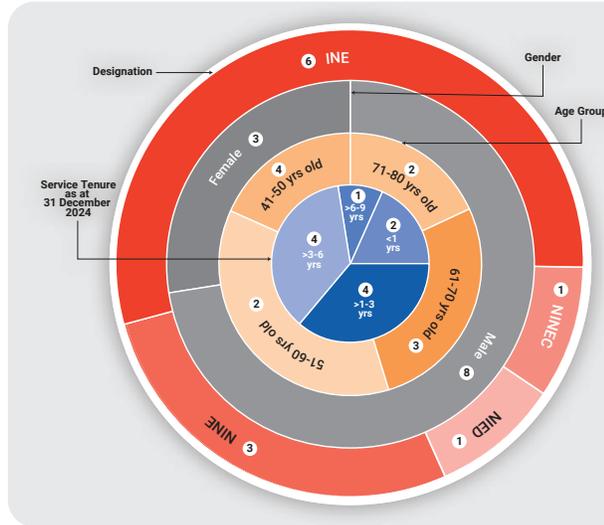
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Board Composition

- ✔ Paragraph 15.02(1)(a) of the Main LR requires more than 1/3 of the Board are independent: 54%.
- ✔ Paragraph 15.02(1)(b) of the Main LR for at least 1 women director: 3 women directors.
- ✔ Paragraph 2.1.5.8 of the Board Charter requires disclosure that 1/3 of the Board is independent: 55% INEDs.
- ✔ Practice 5.2 of MCCG on majority independent director for large companies: 55% INEDs.
- ✘ Practice 5.9 of MCCG on at least 30% women directors.

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

Board Skills and Expertise

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

Realising the need to keep up with the evolving industry, our Directors continue to attend related training. Collectively, a total of 660 training hours spent as at the financial year end on industry-related courses, an increase of 506 hours spent in 2024.

Directors have, via the BEE 2024, evaluate on their technical proficiencies based on education and work experience as well as behavioural attributes. A director's technical competencies rating is lower than what they perceived as important for the Company to have.

Directors shall continue to enhance their competencies in this aspect.

Board Succession Planning and Appointment

Board Independence

The Directors' independence, including NEDs is assessed annually by the Board with NRC's advice prior to their reappointment. Skills, experiences, contributions, backgrounds and family relationships are the determinants in assessing the Directors' independence and objectivity needed in the Board. Criteria illustrated under Paragraph 1.01 of the Main LR are also assessed to ascertain the INED's independence; independent of management,

Disclosure on Interest

During the year, Directors have, to the best of their abilities, disclosed their interests or any possible COI on any matter put forth before the Board and its Committees for consideration. Any interests and their extent and possible conflict that may arise from the said interest that the Director may have is recorded in a register, shared with the Group Internal Audit (GIA) for review and the Interested Directors would abstain from participating in the deliberation and decision-making of the proposal.

Matters at Management Committee, chaired by MD/GCEO also underwent similar process in regard to COI.

Compliance to MCCG

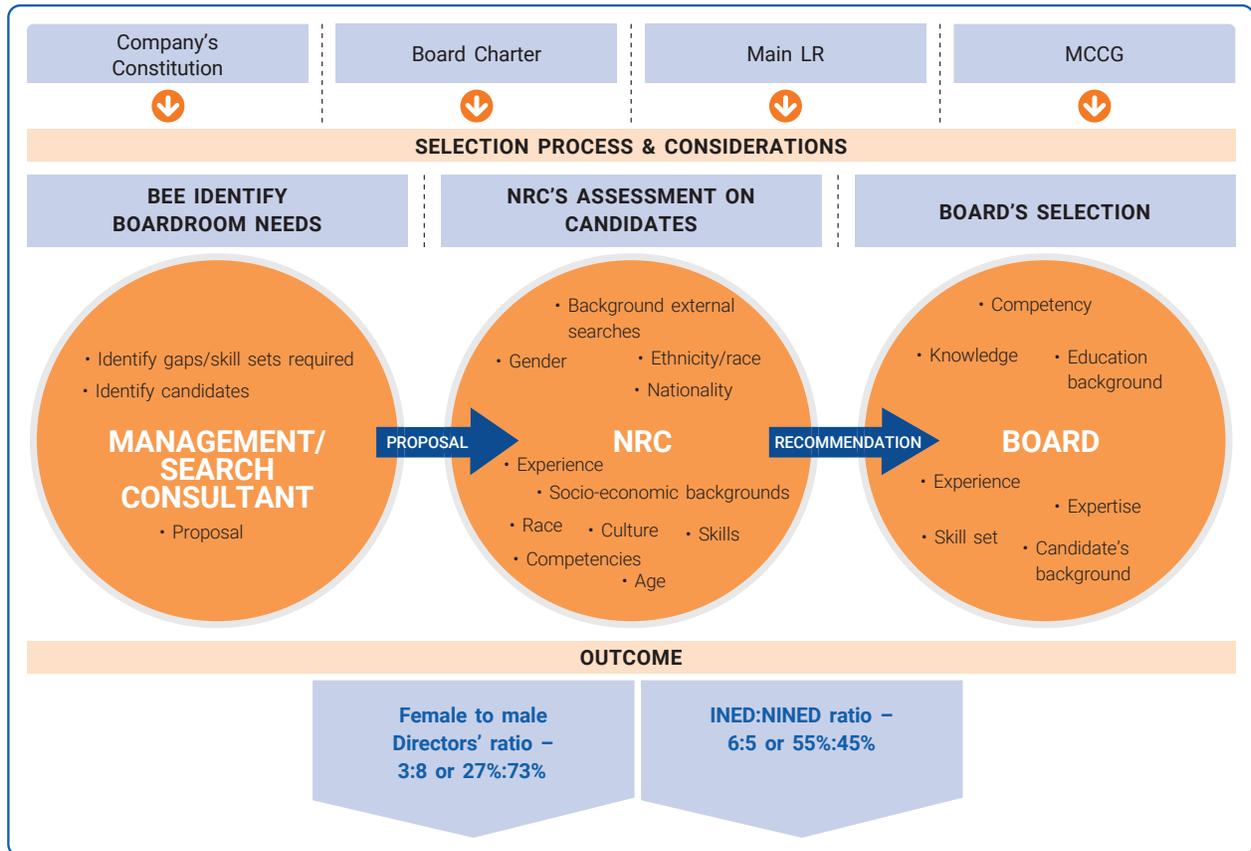
The Board has adopted Practice 5.4 of the MCCG on the limitation of nine (9) years cumulative tenure for INED without further extension. As at the date of this IAR, none of our INEDs' tenure exceeds the cumulative term limit of nine (9) years.

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.

Via BEE 2024, all Directors including Alternate Director undertook fit and proper assessment. Whilst all six (6) INEDs conducted and affirmed their independence.

Board Diversity

To ensure TM has a diverse Board with a range of relevant skills and experience, it is crucial that the selection process for Directors takes into consideration diversity elements which include gender, ethnicity/race, nationality, religious beliefs, cultural or socio-economic backgrounds and age, to enable various perspectives and healthy discussion in the boardroom. Boardroom diversity also includes experiences, skills and competencies to create a constructive Board.



Snapshot of the Board Appointment Process during the year

The Board Search for women director(s) is ongoing and is contemplated to be finalised before the end of 2025. A vigorous process is adopted where an independent search consultant has been appointed to identify candidates that fit the skills required.

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Directors' Retirement and Re-election

Two (2) newly appointed INEDs during the year will be retiring pursuant to Clause 106(2) of the Company's Constitution. They are:

1. Datuk Bazlan Osman has served the Board with distinction, providing sound advice, guide and views, as well as valuable input to the Company. He chairs the BAC and is an invaluable member of BRIC. Datuk Bazlan has finance, audit, accounting and telecommunication background that enriched the Board's perspective. Having been a former ED/GCFO, Deputy GCEO as well as Acting GCEO, serving TM collectively for 13 years, Datuk Bazlan has invaluable insights and understanding of the Company and its businesses. He has gathered a wealth of information and wider perspective from various industries after leaving TM and being on board of several listed companies of diverse industries. Based on the BEE 2024 and SPA results, NRC and the Board opined that he is an invaluable member of the Board and recommended his re-election.
2. Tan Sri Datuk Yong Poh Kon is a respected member on the Board. He is a committee member on both NRC and BRIC. Tan Sri Yong's experience with public and private sector organisations add to the vibrancy of the Board mix and diversity. His knowledge, familiarity and wealth of experience working with various government agencies and ministries as well as business chambers are invaluable in Board discussions. Based on the BEE 2024 and SPA results, NRC and the Board opined that Tan Sri Yong is an indispensable member of the Board, enhancing the Board dynamics and diversity. He is thorough, thoughtful and mindful in executing his duties and responsibilities lending the voice of reason to the Board and Management. The NRC and the Board recommended Tan Sri Yong to be re-elected as Director of the Company.

Both Datuk Bazlan and Tan Sri Yong have expressed willingness to be re-elected.

Pursuant to Clause 112 of TM Constitution, all directors shall retire from office once at least every three (3) years. Based on the requirement of Clause 113, the remaining one third (1/3) or nearest to one third (1/3) of the Directors shall retire by rotation. The following Directors are to retire pursuant to Clause 112 and have expressed willingness to be re-elected:

1. Dato' Mohamed Nasri Sallehuddin, NINED, represents the interests of our Major Shareholder, Khazanah. He also chairs BRIC and is a member of NRC. He is an active participant in discussions and is thorough in putting forth his thoughts and

views. He has demonstrated independence of judgement and provided valuable inputs for the Board's deliberation. Based on the BEE 2024 and SPA results, he was rated highly by his peers. The Board viewed Dato' Mohamed Nasri as a valuable member of the Board and has shown dedication and commitment to his duties and responsibilities. The NRC and the Board recommended Dato' Mohamed Nasri to be re-elected as Director of the Company.

2. Muhammad Afhzal Abdul Rahman, a NINED, represents the interest of our Major Shareholder, EPF. He is an active member of BTC and is a director of TM Digital Innovation Sdn Bhd or commercially known as Credence. As Chief Digital Technology Officer of EPF, he provides the Board with the technical competencies in digital transformation, innovation and technology. He has demonstrated good understanding of the telecommunication industry, knowledgeable in technological issues and shown keen interests in TM's business which enabled his active participation in Board discussions. He is inquisitive in seeking clarification, objective and confident in raising any issues or views and able to provide independence of judgment. The NRC and the Board recommended Afhzal to be re-elected as Director of the Company. Based on the BEE 2024 and SPA results, NRC and the Board opined that he had performed well and with dedication in discharging his duties and responsibilities. The NRC and the Board recommended his re-election as Director of the Company.

NRC has considered the declaration on the fit and proper assessment made by each of the above Directors seeking re-election at the coming AGM and surmised that they have the required characteristics to be on TM Board based on the Company's fit and proper policy.

Rossana Annizah Ahmad Rashid will retire by rotation according to Clause 112 of the Company's Constitution. She has expressed her intention not to seek re-election at the 40th AGM and hence, will retain office until the conclusion of the 40th AGM.

BOARD EFFECTIVENESS AND TRAINING

Board Effectiveness Evaluation (BEE)

The Board's performance evaluation in 2024 was conducted internally, by the Group Company Secretarial Division (Cosec) based on the enhanced template 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 for future cycle.

All 12 directors including the Alternate Director participated in the BEE 2024. 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

Results

- To improve Board Processes and Infrastructure and Board Composition and Diversity. The review of the board composition and diversity is ongoing and will be completed in 2025.
- To continuously improve the prevailing corporate culture and governance practises to ensure no loopholes in processes and guidelines as well as breach of internal controls. Clearer demarcation between Board oversight and Management execution, with learnings to be shared throughout the organisation may be able to prevent recurrence of issues.
- Both the Board and Management would benefit from open dialogues to collaboratively explore strategic propositions.
- To improve the integration of climate considerations into TM's operations with sustainability to guide Board and Management's decisions.

The BEE 2024 also assesses the effectiveness of the Board Committees, particularly its composition and its members' skills, and functionalities and oversight responsibilities. The Committees were rated between 96% to 62%. The findings will be shared with the respective Committees accordingly to deliberate on the areas of improvement. The Board recognised the need for better succession planning of the members of the Committees as well as support from Management to drive the effectiveness of the Committees.

SPA is conducted to assess each Director's professional competency, attributes and personality. Directors' Peer Evaluation overall results were rated 3.5 and above. A face-to-face session will be conducted between Chairman and each Director on the SPA results and improvement actions moving forward.

NRC and Board deliberated on BEE 2024 findings and agreed on the following areas of strength and development:

Areas of Strength

- Leadership of Board Chairman
- Board Camaraderie, Commitment & Proactivity
- Effective Board Structure

Areas of Development

- Strategy
- Succession Planning
- Information flow – Quality and Timeliness of Board Papers

Board Management Effectiveness Programme (BMEP)

In addition, Cospec 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 scorecard.

The BMEP 2024 Survey Results was tabled to NRC and the Board. Thereafter, the results were shared with relevant C-levels for comprehension of their areas of strength and areas of improvement.

Board Training Programme (BTP)

All Directors are given equal opportunity to equip themselves with variety of information, updates, changes and challenges, to keep abreast with current developments in the techco industry. Directors are also encouraged to attend various training programmes to equip themselves with the knowledge to effectively discharge their duties. They may attend both trainings that are offered in the market and those conducted internally for Board and Committees. During the year, three (3) knowledge-sharing sessions were conducted on the new Cyber Security Act 2024, Sustainability Capability Training and Telco Trends and Value Creation.

Details of other trainings attended by the Directors are further elaborated in the CG Report.

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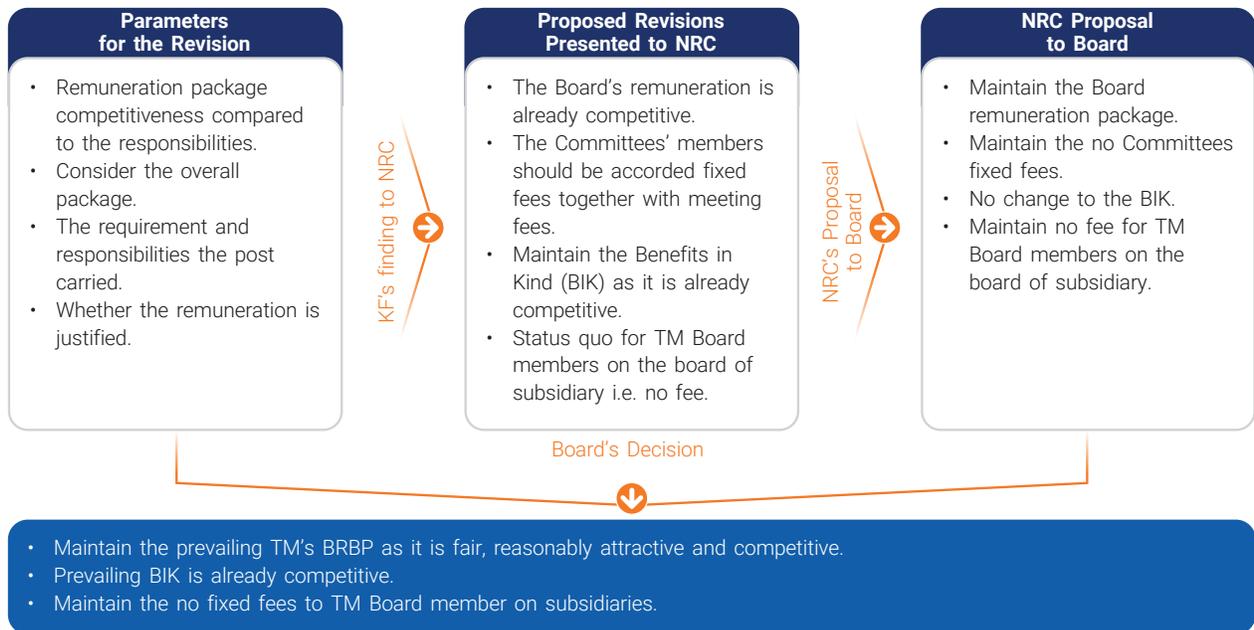
PRINCIPLE C

BOARD LEADERSHIP AND EFFECTIVENESS

DIRECTORS' AND SENIOR MANAGEMENT'S REMUNERATION

TM Board Remuneration

The Board's Remuneration and Benefits Policy (BRBP) has been aligned with industry practices to be competitive and equitable to retain talent whilst balancing the interest of our shareholders. The NRC is responsible to conduct an annual review of the Board remuneration policy with the view to ensure that the current remuneration for the Board and Committees remain competitive and appropriate to attract, retain and motivate individuals with strong credentials and high calibre to serve on the Board of the Company. In this respect, an external consultant, Korn Ferry (KF), was appointed in January 2025 to facilitate the benchmarking analysis and review of TM's BRBP to provide the NRC with an objective and independent perspective.



Based on the aforesaid decision, no revision to the prevailing Directors' remuneration in the BRBP is proposed for the time being. The fee quantum approved by shareholders in 2018 is still competitive, appropriate and in line with the prevalent market rate.

Also the NEC and NEDs are not entitled to participate in any employee share scheme or variable performance-linked incentive schemes.

TM Subsidiary Board Remuneration Framework (SRF)

TM Directors on TM's subsidiary are compensated according to TM Subsidiary Tiering Framework (STF). TM subsidiaries are categorised into three (3) tiers according to the subsidiary's business importance, shareholding structure and profit contribution. The prevailing SRF, revised on 1 November 2023, subsists with no fees accorded to TM's NEC and NEDs on the board of subsidiaries, just meeting allowance.

The following is the fee structure for TM Subsidiaries:

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	-	-

Fee Structure

The benefits payable applicable to NEC and NEDs based on the BRBP are meeting fees, emoluments and claimable benefits.

The following are the current TM Directors' fee structure until the next AGM of the Company:

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

Meeting attendance allowances are payable to NEDs only. It is payable to each Board and Committee member based on the meeting attended. Also meeting allowances are payable to the Alternate Director who attends meetings in the absence of his/her principal Director.

In accordance to Section 230(1) of the CA 2016, the Company will seek approval for the Directors' fees and any benefits payments to NEDs at the coming 40th AGM.

You may refer to Ordinary Resolutions 5 and 6 in the Notice of this 40th AGM.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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BOARD LEADERSHIP AND EFFECTIVENESS

The total remuneration received by each TM Director from TM Group of Companies, for the financial year ended 31 December 2024, 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)	2,443,911.00 ^a	938,532.16 ^b	–	60,000.00 ^c	–	242,088.47	3,684,531.63
Total Amount	2,443,911.00	938,532.16	–	60,000.00	–	242,088.47	3,684,531.63
Non-Independent and Non-Executive Directors (NINED)							
Dato' Zainal Abidin Putih	–	–	360,000.00	95,000.00	–	121,975.69	576,975.69
Datuk Dr. Shahrazat Haji Ahmad	–	–	250,000.00	47,000.00	–	62,055.55	359,055.55
Dato' Mohamed Nasri Sallehuddin	–	–	– ^d	– ^d	– ^d	53,448.40	53,448.40
Muhammad Afizal Abdul Rahman	–	–	240,000.00 ^e	77,000.00	12,000.00	52,826.00	381,826.00
Independent and Non-Executive Directors (INED)							
Hisham Zainal Mokhtar	–	–	255,750.00	132,250.00	–	77,778.25	465,778.25
Datuk Siti Zauyah Md Desa	–	–	240,000.00	90,500.00	24,000.00	56,647.20	411,147.20
Rossana Annizah Ahmad Rashid	–	–	240,000.00	115,000.00	18,000.00	77,431.85	450,431.85
Ahmad Taufek Omar	–	–	240,000.00	88,000.00	–	83,655.48	411,655.48
Tan Sri Datuk Yong Poh Kon (Appointed on 30 May 2024)	–	–	140,000.00	40,000.00	–	60,943.50	240,943.50
Datuk Bazlan Osman (Appointed on 30 May 2024)	–	–	140,000.00	63,250.00	–	71,911.93	275,161.93
Alternate Director (Non-Independent and Non-Executive Director)							
Iszad Jeffri Ismail (Alternate to Datuk Dr. Shahrazat Haji Ahmad)	–	–	–	19,000.00	–	15,988.40	34,988.40
Former INEDs							
Tunku Afwida Tunku Dato' A.Malek (Retired upon the conclusion of the 39 th AGM on 30 May 2024)	–	–	111,250.00	68,000.00	8,000.00	69,576.75	256,826.75
Balasingham A. Namasiwayam (Retired upon the conclusion of the 39 th AGM on 30 May 2024)	–	–	100,000.00	54,250.00	4,000.00	67,866.75	226,116.75
Suhendran Sockanathan (Resigned on 25 July 2024)	–	–	135,483.87	70,500.00	–	196,908.15	402,892.02
Total Amount	–	–	2,452,483.87	959,750.00	66,000.00	1,069,013.90	4,547,247.77

Notes:

a Inclusive of Company's contribution to the provident fund.

b Bonus payment for 2023 paid in 2024 throughout his tenure as EVP TM Global and MD/GCEO.

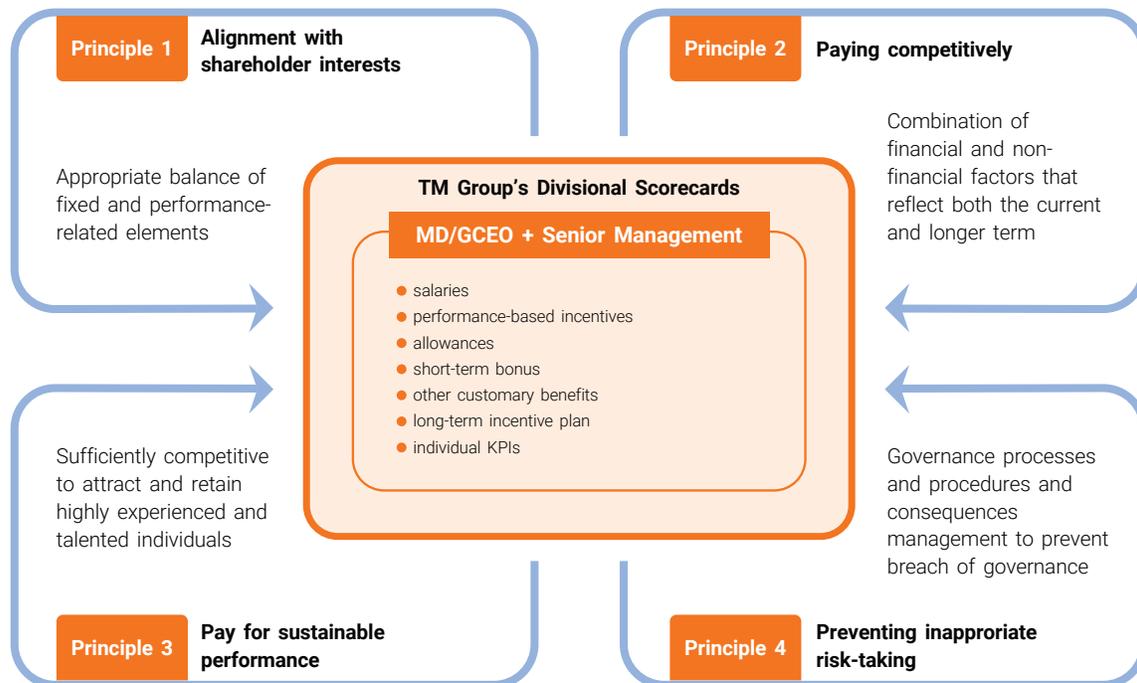
c Car allowances in lieu of the provision of a company car.

d In line with Khazanah's policy, no fee or allowance was paid in FY2024.

e 50% of director's fees paid directly to EPF.

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:



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 to 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

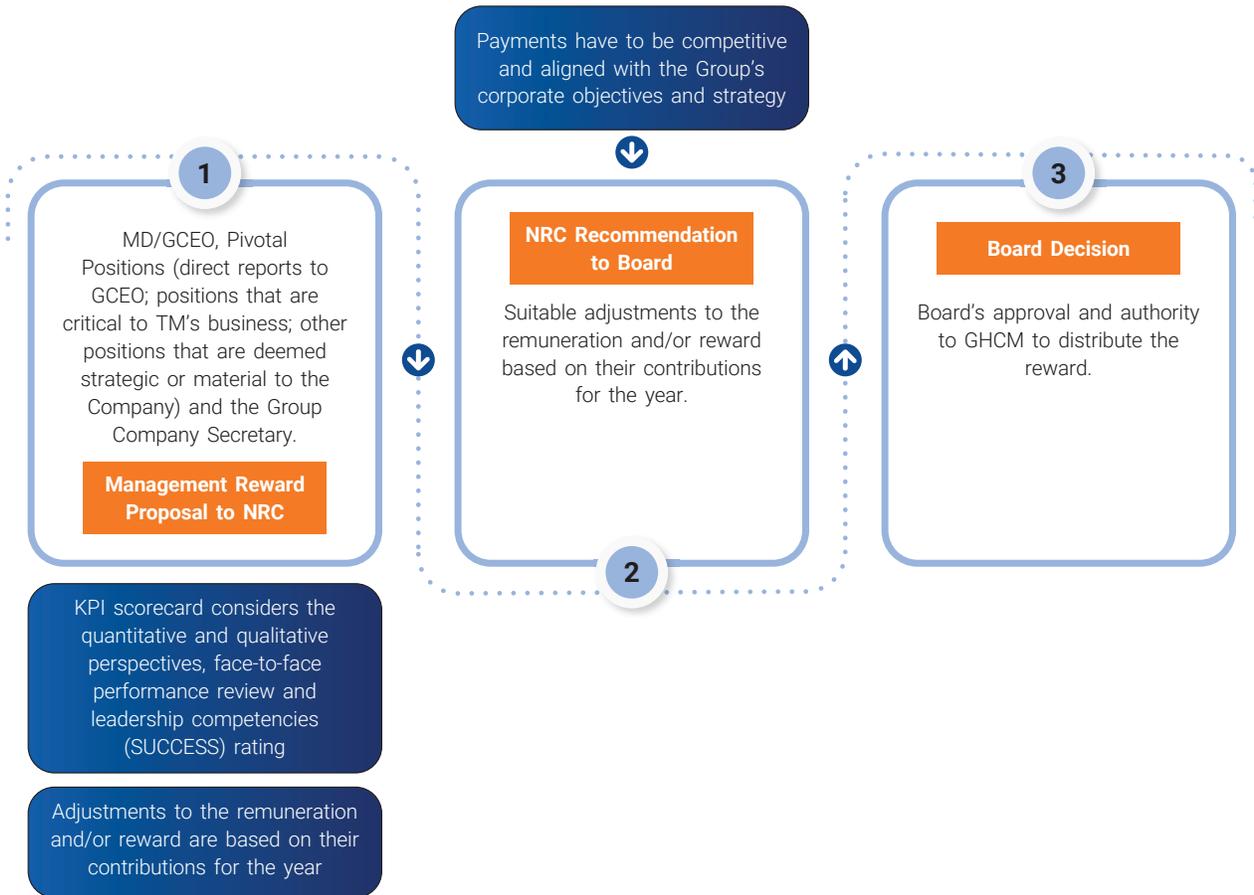
PRINCIPLE A

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BOARD LEADERSHIP AND EFFECTIVENESS

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



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

For the financial year 2024, the remuneration packages of the top five (5) senior management (excluding the MD/GCEO) as approved by the NRC and the Board (including fixed and performance-related elements) in the year 2024 are disclosed hereunder, pursuant to Practice 8.2 of the MCGG:

Range of Remuneration (RM/per annum)	TM's Top Five (5) Senior Management
2,250,000 – 2,300,000	Razidan Ghazalli, Group Chief Financial Officer <i>(Up to end of his employment contract on 31 October 2024)</i>
2,000,000 – 2,050,000	Anand Vijayan, Chief Business & Consumer Officer
1,600,000 – 1,650,000	Shazurawati Abdul Karim, Executive Vice President (EVP) TM One
1,050,000 – 1,100,000	Khairul Liza Ibrahim, EVP TM Global <i>(Covered the role from January to October 2024 and promoted in November 2024)</i>
550,000 – 600,000	Nor Fadhilah Mohd Ali, Chief Corporate Officer <i>(Appointed on 17 June 2024)</i>

NOMINATION AND REMUNERATION COMMITTEE



Chairman:

Hisham Zainal Mokhtar

Senior Independent Director

Appointed as NRC Chairman and Member: 30 May 2024

Meeting Attendance

6/6

Members:

Dato' Mohamed Nasri Sallehuddin

Non-Independent Non-Executive Director

Meeting Attendance

10/10

Datuk Siti Zauyah Md Desa

Independent Non-Executive Director

Meeting Attendance

10/10

Ahmad Taufek Omar

Independent Non-Executive Director

Resigned from NINED to INED on 13 September 2024

Meeting Attendance

8/8

Tan Sri Datuk Yong Poh Kon

Independent Non-Executive Director

Appointed as Member on 30 May 2024

Meeting Attendance

6/6

Former Members who served during the year under review:

Tunku Afwida Tunku Dato' A.Malek

Senior Independent Director

Meeting Attendance

4/4

Retired as Director at the 39th AGM thus ceased as NRC Chairperson and Member on 30 May 2024

Rossana Annizah Ahmad Rashid

Independent Non-Executive Director

Meeting Attendance

4/4

Resigned as Member on 30 May 2024

KEY OBJECTIVE

The NRC continues to carry a dual role ever since its inception. The nomination and remuneration functions were combined for the purpose of expediency and practicality, whereby the same members were entrusted with both functions. In addition, the NRC oversees CG matters.

MEMBERSHIP

The membership of NRC was strengthened in 2024 with the appointment of new Chairman and new members. NRC continues to be chaired by the SID. NRC increased its membership from four (4) in 2023 to five (5) members in 2024, whilst maintaining majority independent directors.

Hisham, continued Tunku Afwida's legacy as an effective Chairman for the NRC. He is thorough, firm and efficient, a discipline maintained from his BAC chairmanship. Whilst, Tan Sri Datuk Yong has added diversity and injected new perspectives with his meticulousness and experience to the committee.

RESPONSIBILITIES

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A

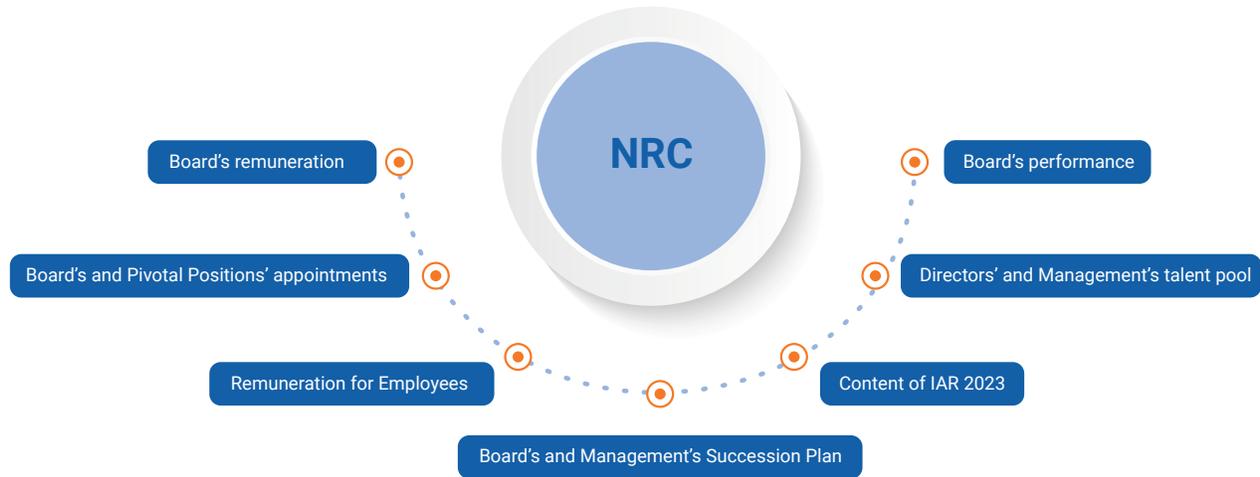
PRINCIPLE B

PRINCIPLE C

BOARD LEADERSHIP AND EFFECTIVENESS

MAIN ACTIVITIES OF NRC IN 2024

In 2024 NRC considered and, where applicable, made the following key recommendations to the Board on the following matters:



Activities

Nomination Function

- On the Board:
 - Reviewed the Board's composition, its committees' membership and succession plan.
 - Assessed and recommended the appointments of INEDs and re-designation of a NINED.
 - Considered the re-appointments and re-elections of TM Directors for the 39th AGM with reference to the Directors' fit and proper policy.
 - Reviewed the Directors pool for succession planning.
- On the Board of Subsidiaries:
 - Considered appointment of directors on TM's Tier 1 subsidiaries and new joint venture company (JVCo).
- On Pivotal Positions:
 - Deliberated on the succession planning of Pivotal Positions.
 - Considered appointment of two (2) Pivotal Positions and their remunerations.
 - Reviewed the contract expiry, renewal and remuneration packages of Pivotal Positions.
 - Reviewed the talent pool and succession plan and assessed potential candidates for Pivotal Positions.

Remuneration Function

- On the Board:
 - Reviewed the TM BRBP findings by an external consultant and recommended no change to the prevailing Directors' Fees and Benefits payable.
- On Pivotal Positions:
 - Reviewed salary increment practice for Pivotal Positions on contract.
 - Discussed the MD/GCEO's compensation.
 - Reviewed the performance evaluation of MD/GCEO, Pivotal Positions and the Group Company Secretary against pre-set KPIs.
 - Assessed the FY2024 Scorecard for Pivotal Positions.
 - Reviewed and enhanced the guiding principles for the FY2024 Scorecard for Pivotal Positions.

Activities

Remuneration Function (continued)

3. On the Company and Group:
 - Assessed the FY2024 TM Group Scorecard and KPIs and recommended to TM Board for approval.
 - Reviewed the framework of the Voluntary Separation Scheme.
4. On the Employees:
 - Reviewed the FY2023 Bonus Pool and 2024 Salary Increment and adjustments for TM employees and recommended for the Board's approval.
 - Deliberated the blueprint for manpower cost optimisation.
 - Reviewed the continuation of Long-Term Incentive Plan (LTIP) in TM Group.

BEE

1. Reviewed the results of the BEE exercise for FY2023 and thereafter deliberated the results with the Board to agree on the improvement actions required.
2. Reviewed the BEE for FY2024.

Governance

1. Deliberated on Board-related matters for the inclusion in the 2023 IAR ensuring compliance to relevant guidelines and best practices.
2. Reviewed the CG Overview Statement and CG Report for the 2023 IAR.
3. Updated the status of Directors' continuing education programme in compliance with the BTP.
4. Monitored the BTP as an agenda at the Board and Committees' meetings.
5. Discussed on the observation and monitoring of the Directors' adherence to governance requirements pursuant to the Main LR and internal guidelines.
6. Considered the rules of engagement between TM Directors and Management.
7. Reviewed the Board succession plan and process guidelines.

NRC Effectiveness Review and Performance

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

Based on the BEE 2024 results, the Board agreed that all Committees and respective Chair are effective in discharging their roles and responsibilities. NRC also acknowledged the need for an effective succession plan for the Board. NRC shall continuously review its composition as part of its duty. In addition, NRC will continue to assess and strengthen the Board's skill set and succession planning.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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BOARD LEADERSHIP AND EFFECTIVENESS

BOARD TENDER COMMITTEE



Chairperson:

Rossana Annizah Ahmad Rashid
Independent Non-Executive Director

Appointed as Chairperson and Member: 30 May 2024

Meeting Attendance

5/5

Members:

Datuk Siti Zauyah Md Desa
Independent Non-Executive Director

Meeting Attendance

9/9

Muhammad Afhzal Abdul Rahman
Non-Independent Non-Executive Director

Meeting Attendance

8/9

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

Meeting Attendance

2/7

Iszad Jeffri Ismail

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

Meeting Attendance

5/7

Ahmad Taufek Omar

Independent Non-Executive Director
Appointed as Member on 1 March 2024 and was redesignated from NINED to INED on 13 September 2024

Meeting Attendance

7/7

Former Member who served during the year under review:

Balasingham A.Namasivayam
Independent Non-Executive Director

Meeting Attendance

4/4

Retired as Director at the 39th AGM thus ceased as BTC Chairman and Member on 30 May 2024

KEY OBJECTIVE

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

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

MEMBERSHIP

The membership of BTC has been strengthened in 2024 with the appointment of new Chairperson and new members as well as increasing the number of membership from four (4) to five (5) with an Alternate Member. All BTC members are NEDs, majority of whom are INEDs. All BTC members have relevant experience in procurement matters.

RESPONSIBILITIES

BTC's responsibilities are:

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

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

OVERVIEW

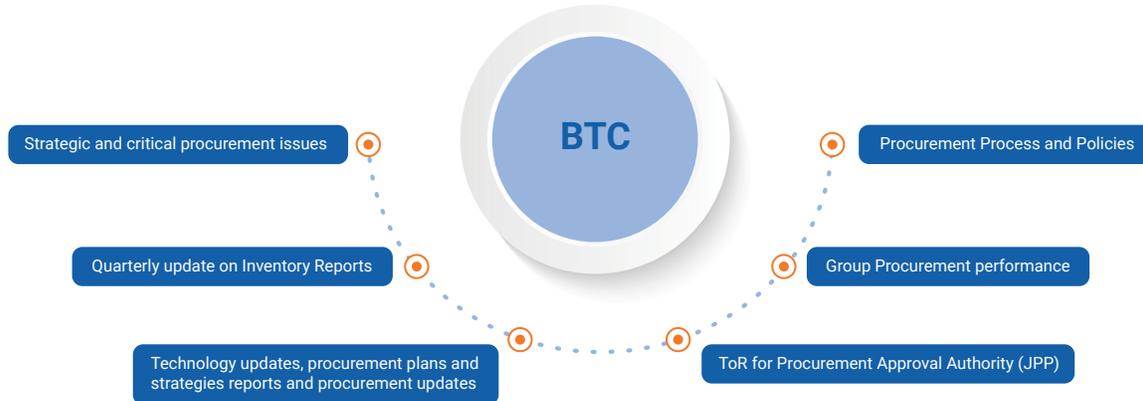
BTC is supported by two (2) Management procurement committees chaired by the MD/GCEO and GCFO respectively, based on the LoA accorded to the respective sub-procurement committees.

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

The number of BTC meetings, Members' attendance as well as total time spent for BTC meetings throughout 2024 is tabulated on page 173.

MAIN ACTIVITIES OF BTC IN 2024

Among the key activities of the BTC during FY2024 are as follows:



Activities

Procurement Proposals

1. Deliberate on procurement proposals within the ambit and LoA of the BTC and Board.
2. Identify strategic and critical procurement issues to be addressed.
3. Deliberate and approve the procurement strategy for strategic proposals.

Procurement Process and Policies

1. Ensure procurement process complied with applicable procurement ethics, policies and procedures.
2. Review and monitor the achievement of Bumiputera Vendor Development Programme (BVDP).

Internal Control

1. Deliberate and monitor the inventory reports quarterly.
2. Deliberate on the Terms of Reference (ToR) for Management Procurement Approval Committee.
3. Deliberate and monitor the progress of issuance letter of award (LOA) followed by and contract establishment.

Governance

1. Deliberate on BEE/Board Performance Assessment (BPA) FY2023 results on BTC and improvement actions.

Procurement Performance

1. Deliberate on the annual procurement plan and strategies.
2. Monitor Group Procurement (GP) performances for FY2024.
3. Review the CPO KPI targets and performances.
4. Review and monitor the reports on the sole/single sourcing approvals by procurement approval committees.
5. Deliberate on the GP Organisation structure.

Knowledge Know-How

1. Technology Update on Supply Chain Cyber Security.

 For more information about Sustainable Supply Chain, please refer to the Ethical Business – Sustainable Supply Chain on pages 143 to 150.

BTC Effectiveness Review and Performance

BTC's effectiveness evaluation involved the Board's assessment on the effectiveness of BTC 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 2024 results, the Board agreed that all committees and respective chair are effective in discharging their roles and responsibilities. BTC also agreed that more engagement with Senior Management to be conducted to facilitate BTC's understanding on TM's procurement process and procedure as well as the intricacies of complex proposals.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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BOARD LEADERSHIP AND EFFECTIVENESS

BOARD AUDIT COMMITTEE



Chairman:

Datuk Bazlan Osman

Independent Non-Executive Director

Appointed as Chairman and Member: 30 May 2024

Meeting Attendance

7/7

Members:

Hisham Zainal Mokhtar

Senior Independent Director

Redesignated from BAC Chairman to Member on 30 May 2024

Meeting Attendance

14/14

Rossana Annizah Ahmad Rashid

Independent Non-Executive Director

Meeting Attendance

14/14

Former Members who served during the year under review:

Tunku Afwida Tunku Dato' A.Malek

Senior Independent Director

Meeting Attendance

7/7

Retired as Director at the 39th AGM thus ceased as BAC Member on 30 May 2024

Suhendran Sockanathan

Independent Non-Executive Director

Meeting Attendance

9/10

Resigned as Director on 25 July 2024 thus ceased as BAC Member

KEY OBJECTIVE

- Oversees independent review of financial information and reports, its effectiveness, efficiency and internal controls, identifying the audit findings' root causes and recommend corrective measures.
- Oversees ethics, integrity and governance matters, and instills good governance practices throughout the Group.
- Oversees COI situation that arose, persist or may arise within the Group including any transaction, procedure or course of conduct that raises questions of Management integrity and the measures taken to resolve, eliminate or mitigate such conflicts.

MEMBERSHIP

During 2024, the members of BAC seen the change in chairmanship and reduction of members from four (4) to three (3) in 2024. All BAC members are financially proficient.

BAC continues to comply with the main provisions in the Main LR.

BAC compliance with Paragraph 15.09 of the Main LR:

- ✓ Membership composed of not fewer than three (3) members.
- ✓ Comprise NED.
- ✓ 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.

PRINCIPLE A

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PRINCIPLE C

EFFECTIVE AUDIT AND RISK MANAGEMENT

RESPONSIBILITIES

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

HOW BAC OPERATES

Members' attendance at all BAC Meetings during 2024 fulfilled the requisite quorum as stipulated in its ToR. The number of BAC meetings, Members' attendance as well as total time spent for BAC meetings throughout 2024 is tabulated on page 173.

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

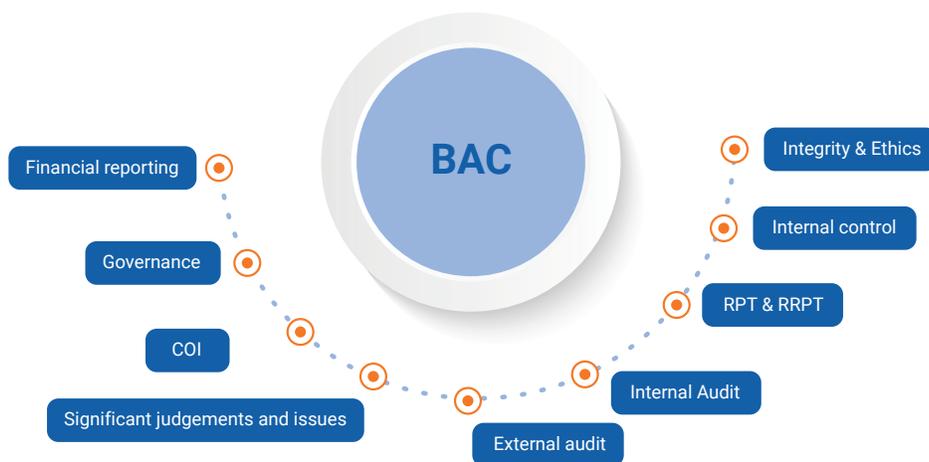
The Company Secretaries and CIA act as joint secretariat for BAC meetings. Reports on the proceeding of the BAC meetings are presented to the Board while minutes are circulated to all members for comments prior to tabling at the subsequent BAC meeting for confirmation. Significant matters reserved for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

BAC spent considerable time in 2024 discussing TM's investment in a related party as well as the investment in a joint venture company.

Out of the 14 BAC meetings in 2024, five (5) meetings were held to consider and deliberate on TM's position in respect of the abovementioned investments.

MAIN ACTIVITIES OF BAC IN 2024

Among the key activities of the BAC during FY2024 were as follows:



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EFFECTIVE AUDIT AND RISK MANAGEMENT

Activities

Financial Reporting

1. Reviewed the Company's and Group's quarterly financial performance and statements for recommendations to TM 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 TM Board:
 - Draft announcements of the quarterly financial results to Bursa Securities.
 - Audited financial statements of TM Group.
3. Discussed the quarterly internal audit reviews to ensure compliance with MFRS 134.
4. Assessed and recommended the dividend pay-outs according to the Company's dividend policy ensuring compliance with the provisions of the CA 2016.

Internal Control

1. 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.
2. 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 Business Clusters and subsidiaries.
3. Deliberated and monitored the progress and status of the audit issues in TM Group raised by the internal and external auditors on a quarterly basis.
4. Deliberated on BPC's reports on compliance to statutory, regulatory, financial standards and best practices.
5. Monitored specific issues or concerns affecting the Company's efficiency and performance until BAC is satisfied sufficient controls were in place.

External Audit

1. Deliberated on the external audit report and DSORMIC with the Auditors and improvement actions taken by management.
2. Reviewed the Management Letter of Representation (MLR), and Management's response to audit findings. Audit issues raised by the external auditors were deliberated and monitored by GIA and Group Finance, and the CIA and GCFO made quarterly updates to the BAC on its activities, status and progress.
3. Reviewed the external auditors' evaluation conducted by GIA.
4. Recommended the re-appointment of external auditors for the Board's consideration. The shareholders at the 39th AGM approved the reappointment of Ernst & Young PLT (EY) for the FYE 31 December 2024.
5. Reviewed and deliberated the 2024 external auditor's audit plan for TM Group.
6. Reviewed and monitored the non-audit services provided by the external auditors on a quarterly basis, to ensure no impairment to its independence or objectivity. GCFO was authorised by BAC to approve the proposed non-audit engagement valued below 50% of the cumulative value of statutory audit fee for the current year and to present to BAC for tracking and noting.

Activities

External Audit (continued)

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

	Company (RM'000)	Group (RM'000)
2024 Audit Fees		
• Statutory Audit	419.0	3,173.2
• Other Audit-Related Services	8.3	813.1
Total Audit & Audit-Related Services	427.3	3,986.3
2024 Non-Audit Fees		
• Other Services Approved in previous financial year	–	–
• Consultancy Services approved in current financial year	–	860.9
Total Non-Audit Fees	–	860.9
Percentage of Non-Audit Fees over Statutory Audit & Other Audit-Related Services & Fees	Nil	21.6%

The abovementioned non-audit fees paid/payable for the FY2024 to EY and its affiliates for the following non-audit works were within the limit provided in the BAC ToR:

- Special review on identity and cyber security programme management;
- Tax advisory and compliance services; and
- Change in TM Group's presentation of Government Grant.

Internal Audit

1. Reviewed the External Quality Assessment Review conducted by the Institute of Internal Auditors.
2. Reviewed the quarterly Interim Financial Review (IFR) by GIA.
3. Updated on Cyber Security Audit by an independent consultant.
4. Reviewed GIA's and CIA's performances in 2023, their quarterly performance and progress.
5. Reviewed and approved KPI 2024 targets, and deliberated on the performances, competency and resources of the internal audit functions to ensure that, collectively, GIA has the required expertise and professionalism to discharge its duties.
6. Reviewed and approved the internal audit plan and its budget to ensure adequate scope and comprehensive coverage of the Group's activities.
7. 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.
8. Updated on the legal action taken against TM Group in determining the reasonableness of contingent liabilities.
9. 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 Recurrent Related Party Transactions (RRPTs)

1. Deliberated and recommended for TM Board's approval the RPTs and RRPTs, ensuring they were in the best interest of TM, fair and reasonable, on normal commercial terms and not detrimental to the interest of the minority shareholders.
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.
3. Reviewed the draft Circular to Shareholders and Independent Advice Letter to Bursa Securities in relation to a RPT.
4. Periodically reviewed the RRPTs that were mandated at the 39th AGM and transactions against the mandated amount and ensuring these transactions were within the mandated amount.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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PRINCIPLE B

PRINCIPLE C

EFFECTIVE AUDIT AND RISK MANAGEMENT

Activities

Conflicts or Potential COI

1. Deliberated on COI disclosures by Directors and Management for proposals presented at each meeting.
2. Considered and assessed COI position of TM Board members and Management for each investment and transaction proposal.

Integrity & Ethics

1. Reviewed and approved GIG's 2024 KPI's target and monitor its performances.
2. Ensured that GIG has the required expertise and professionalism to discharge its duties.
3. Deliberated on GIG's Quarterly Performance and Progress Report.
4. Reviewed the update on investigation matters, findings, root cause and actions taken including proposed enhancement on internal controls and processes.
5. Deliberated on the prevention matters undertaken by GIG for group-wide implementation.
6. Deliberated and monitored the status of OACP.

Governance

1. Reviewed and recommended the IAR and CG Report for approval by TM Board.
2. Deliberated on BEE/BPA FY2023 results on BAC and improvement actions.

Significant judgements and issues

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

COI or Potential COI Assessment Process

The evaluation of COI or potential COI for a particular transaction, involved confirmation through internal COI policy, verification against the registered connections under Sections 219 and 221 of the CA 2016, presentation of the finding at the relevant meeting for corroboration by the members involved and thereafter registering of the COI or potential COI for record purposes and the annual audit verification. Affirmation of COI or possible COI were recorded in the minutes of the relevant meeting and the member involved would abstain from deliberation and voting on the matter.

Proposals with possibility of COI or potential COI situations presented at meetings of Board, Board Committees and Management Committee, would later be recorded in the COI Register kept by Cosec. This register is accessible and reviewable 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, there were 15 potential COIs recorded due to possible connections stemming from connections to the Board and Management members and/or their family members may have with the other transacting parties. Upon assessment, the connections were deemed to have been outside the ambit of COI

or potential COI that would not warrant further disclosure other than notation in the register of the potential COI. It was agreed that it is sufficient that the Board or Management member of the potential connected person to make a relevant disclosure.

Training

During the year, BAC members, as part of BTP, attended various conferences, seminars and training programmes held in Malaysia and abroad to enhance their knowledge 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. The training attended by the members are elucidated under Practice 2.1 of the CG Report, accessible at 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 2024 results, the Board agreed that BAC and its Chairman have been effective in discharging their roles and responsibilities. BAC agreed that its composition and succession plan need to be addressed in 2025. BAC also agreed for the GIG's reports to be enhanced to enable better deliberation and decision-making on issues raised.

BOARD RISK AND INVESTMENT COMMITTEE



Chairman:

Dato' Mohamed Nasri Sallehuddin

Non-Independent Non-Executive Director

Appointed as BRIC Chairman: 1 October 2023

Meeting Attendance

7/7

Members:

Hisham Zainal Mokhtar

Senior Independent Director

Appointed as Member on 1 March 2024

Meeting Attendance

6/6

Tan Sri Datuk Yong Poh Kon

Independent Non-Executive Director

Appointed as Member on 30 May 2024

Meeting Attendance

3/3

Datuk Bazlan Osman

Independent Non-Executive Director

Appointed as Member on 25 July 2024

Meeting Attendance

3/3

Former Members who served during the year under review:

Tunku Afwida Tunku Dato' A.Malek

Senior Independent Director

Meeting Attendance

4/4

Ceased as BRIC Member on 30 May 2024

Balasingham A. Namasiwayam

Independent Non-Executive Director

Meeting Attendance

4/4

Ceased as BRIC Member on 30 May 2024

Suhendran Sockanathan

Independent Non-Executive Director

Meeting Attendance

4/4

Ceased as Member on 25 July 2024

On 1 January 2024, Board Risk Committee was restructured and renamed as Board Risk and Investment Committee (BRIC) to undertake a review on risk, investment and sustainability matters for TM Group.

KEY OBJECTIVE

BRIC assists the Board in:

- Ensuring the existence of a sound and robust enterprise risk management (ERM) framework to achieve TM's strategic objectives;
- Focusing on risk issues by identifying, assessing and monitoring key business risks to safeguard shareholders' investment and the Group's assets including but not limited to financial, operational, regulatory compliance, reputation, sustainability matters including climate change and cyber security risks including data privacy;
- Reviewing and providing guidance on strategic investment proposals, focusing on assessment of the key associated risks and the mitigation strategies; and
- Ensuring the Group's strategies, priorities, targets and practices relating to sustainability are aligned with the Group's commitment towards sustainability.

MEMBERSHIP

During the year, BRIC's composition was strengthened with the appointment of three (3) INEDs with vast experience in finance and investment matters including internal controls and risk management. BRIC membership reduced from five (5) to four (4) in 2024, with a majority of whom are INEDs.

RESPONSIBILITIES

During the financial year, BRIC reviewed its ToR to incorporate climate change as part of matters under its purview. BRIC's enhanced ToR may be viewed on TM's website at www.tm.com.my. The summarised key responsibilities of BRIC are as follows:

1. Risk Management

- Ensure the establishment of sound ERM framework and its effectiveness with oversight on top corporate risk.
- Recommend the corporate risk appetite and monitor key business risks to ensure their management within established tolerance and appetite.
- Review, evaluate and assess the adequacy of risk management policies and framework including emerging key risks.
- Advise the Board on risk-related areas such as cyber security.

2. Investment

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

3. Sustainability

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A

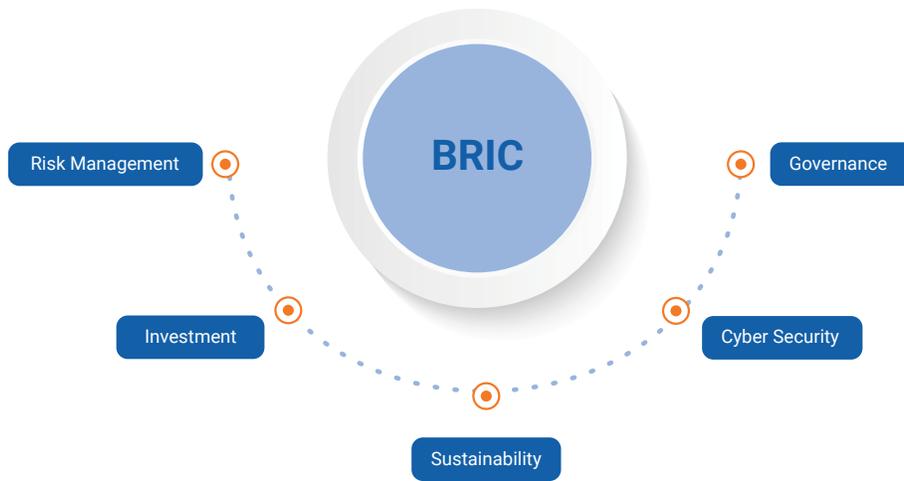
PRINCIPLE B

PRINCIPLE C

EFFECTIVE AUDIT AND RISK MANAGEMENT

MAIN ACTIVITIES OF BRIC IN 2024

During 2024, BRIC considered and, where applicable, made the following key recommendations to the Board on the following subject matters:



Activities

Risk Management

1. Reviewed TM's Risk Maturity Assessment 2023 result to set a baseline for ERM priorities in 2024.
2. Reviewed the Corporate Risk Appetite and Measures.
3. 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.
4. Reviewed the risks, mitigation controls and implementation risks of key and critical projects including TM's Business Support System (BSS).
5. Continued the focus on strategic and emerging risks including cyber security, climate change and sustainability.

Investment

1. Reviewed key risks and mitigation plans for strategic investments.
2. Reviewed nine (9) and recommended eight (8) investment proposals including business collaboration and potential partnership for the approval of TM Board.
3. Reviewed and assessed the risk elements of high-risk projects and endorsed the moving forward recommendation.

Activities

Sustainability

1. Reviewed TM Sustainability quarterly progress updates.
2. Reviewed and recommended the Sustainability Report and Materiality matters as part of IAR 2023.
3. Reviewed and recommended the Task Force Climate-related Financial Disclosures (TCFD) Report 2023.
4. Reviewed and recommended Sustainability KPIs for Pivotal Positions.

Cyber Security

1. Continued its quarterly monitoring on cyber security updates including its strategic programme and programme highlights.
2. Deliberated on the Threat Intelligence Landscape and supply chain security risks.
3. Updated on Cyber Security Act 2024 – New Regulatory Landscape and impact to TM.

Governance

1. Reviewed and recommended the BRIC Report, DSORMIC, ERM and Business Continuity Management, for inclusion in the IAR 2023.
2. Reviewed and recommended the CG Report relating to Principle B of the MCCG.
3. Reviewed and recommended KPI for the then CRO position.
4. Deliberated on succession plan for CRO and appointment of new Chief Corporate Officer (CCO).
5. Reviewed and recommended 2024 KPI for the CCO.
6. Deliberated on BEE/BPA FY2023 results on BRIC and improvement actions.

BRIC Effectiveness Review and Performance

A two-pronged evaluation on BRIC's effectiveness was conducted involving the Board's assessment on the effectiveness of BRIC 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 2024 results, the Board agreed that BRIC has been effective in discharging its roles and responsibilities. BRIC also agreed that its oversight on risk matters has evolved from finance and compliance risks to other major areas of concern e.g. strategy, regulatory etc.

BRIC also concurred that the Company's overall sustainability governance framework in reporting risks, sustainability targets and initiatives, including the support accorded by Management to the Committee has been effective.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A

PRINCIPLE B

PRINCIPLE C

INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

COMMUNICATION, INTERACTION AND RELATIONSHIP WITH STAKEHOLDERS

An Internal Communication Policy and Best Practices facilitates the management and dissemination of accurate and timely information to stakeholders. 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. This is to ensure timely and effective communication on the Group's performance and position are conveyed clearly to all the stakeholders.

TM utilised various platforms to ensure nationwide reachability for news and activities concerning the Company that are of interests. Specific information to shareholders, investors and other stakeholders may also be accessed through engagement with the media, TM's website and teleconferences arranged by the Investor Relations Unit. The Company's performances and critical information of shareholders' interests were announced through Bursa Securities' website and through media conferences held to ensure wide reachability to various stakeholders. Relevant and important information involving the Group were accessible through MS Teams, Zoom, Webex, on top of the TM website.

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

- i) Analyst briefing via teleconferencing with a presentation from the MD/GCEO and GCFO
- ii) Investor spotlight sessions
- iii) Conferences/Group meetings
- iv) Feedback from queries

 For more information on Communication with Stakeholders, please refer to the Understanding Stakeholder Needs on pages 39 to 43.

CONDUCT OF GENERAL MEETING

TM continued to convene general meetings virtually post-COVID-19 pandemic according to the guidelines from the SC's Guidance on the Conduct of General Meetings for Listed Issuer. At the virtual meeting, all Directors including MD/GCEO, GCFO and Group Company Secretary were present in person at the Broadcast. Shareholders, corporate representatives and proxies participated in the 39th AGM remotely via live streaming and online voting using the Remote Participation and Electronic Voting (RPEV) Facilities.

The shareholders participated actively in questions, were provided with ample opportunity and were given answers to all the queries; relevant responses were provided live and posted on the Company's website after the AGM. For an interactive and meaningful engagement, Deloitte Business Advisory Sdn Bhd (Deloitte) was appointed as an independent moderator tasked to ensure that pertinent and relevant questions posed by the shareholders during the AGM were responded to accordingly.

A total of 1,227 shareholders and proxies participated remotely via the RPEV facilities. The proceedings of the 39th AGM include the MD/GCEO's presentation of the Company's 2024 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, Deloitte, before the poll results were announced by Deloitte.

TM shall continue to ensure effective convening of future AGMs inter alia prioritising stakeholder engagement, ensure legal compliance and leverage technology for accessibility and efficiency, while maintaining transparency and clear communication. The 40th AGM of the Company will be held on hybrid mode, physically and virtually in line with the revised Main LR.

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 8 April 2025.